

KBC Group
Naamloze Vennootschap (company with limited liability)
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Report of the Board of Directors drawn up in accordance with Article 7:154 of the Code on Companies and Associations with respect to the proposed modification of the object of KBC Group NV ('the company')

Dear Madam, Dear Sir,

In accordance with Article 7:154 of the Code on Companies and Associations, the Board of Directors is submitting to you this report justifying the modification of the object of the company as proposed to the Extraordinary General Meeting of Shareholders of 6 May 2021.

1. Proposed modification of the object

The object of the company is currently described as follows in Article 2 of the Articles of Association:

"The company is a financial holding company, which has as its object, the direct or indirect ownership and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.

The company also has as object to provide support services for third parties, as mandatory or otherwise, in particular for companies in which the company has an interest – either directly or indirectly.

The object of the company is also to acquire in the broadest sense of the word (including by means of purchase, hire and lease), to maintain and to operate resources, and to make these resources available in the broadest sense of the word (including through letting, and granting rights of use) to the beneficiaries referred to in paragraph two.

In addition, the company may function as an intellectual property company responsible for, among other things, the development, acquisition, management, protection and maintenance of intellectual property rights, as well as for making these rights available and/or granting rights of use in respect of these rights to the beneficiaries referred to in paragraph two.

The company may also perform all commercial, financial and industrial transactions that may be useful or expedient for achieving the object of the company and that are directly or indirectly related to this object. The company may also by means of subscription, contribution, participation or in any other form whatsoever participate in all companies, businesses or institutions that have a similar, related or complementary activity.

In general, the company may, both in Belgium and abroad, perform all acts which may contribute to the achievement of its object.'

The Board of Directors proposes to amend the first to the fourth paragraph of Article 2 of the Articles of Association in such a way that the object will read as follows:

'The company has as its object the direct or indirect ownership and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.

The company also has as object to provide services to third parties, either for its own account or for the account of others, including to companies in which the company has an interest -either directly or indirectly- and to (potential) clients of those companies.

The object of the company is also to acquire in the broadest sense of the word (including by means of purchase, hire and lease), to maintain and to operate resources, and to make these resources available in the broadest sense of the word (including through letting and granting rights of use) to the beneficiaries referred to in the second paragraph.

In addition, the company may function as an intellectual property company responsible for, among other things, the development, acquisition, management, protection and maintenance of intellectual property rights, as well as for making these rights available, granting rights of use in respect of these rights and/or transferring these rights.

The company may also perform all commercial, financial and industrial transactions that may be useful or expedient for achieving the object of the company and that are directly or indirectly related to this object. The company may also by means of subscription, contribution, participation or in any other form whatsoever participate in all companies, businesses or institutions that have a similar, related or complementary activity.

In general, the company may, both in Belgium and abroad, perform all acts which may contribute to the achievement of its object.'

2. Justification of the proposed modification of the object

According to the law of 25 April 2014 on the statute of and the supervision on credit institutions and brokerage firms, the company no longer qualifies as a financial holding company, but as a mixed financial holding company. Since there is no legal obligation to mention this qualification in the Articles of Association, it is proposed to delete any reference hereto in *the first paragraph* of Article 2.

Furthermore, it is proposed to broaden the object of the company in *the second and the fourth paragraph* of Article 2 to take into account the digitisation and the development of innovative products and services, including open bancassurance solutions, and the possible future commercialisation of intellectual property rights.

The reference in *the third paragraph* to 'the second paragraph' instead of 'paragraph two' is a purely formal amendment.

The Board of Directors considers the proposed extension of the object to be in the interest of the company, as it can further support the KBC group's omnichannel bancassurance and innovative digital strategy.

3. Conclusion

The Board of Directors invites you to approve this modification of the object, in the interest of the company.

Done at Brussels on 18 March 2021,

[signatures]