

KBC IFIMA SA

**5, Place de la Gare
L-1616 Luxembourg**

R.C.S. Luxembourg B 193 577

**Unaudited semi-annual accounts
as at 30 June 2015**

Table of contents

Management report	3
Annual accounts	
- Balance sheet	5
- Profit and loss account	7
- Notes to the semi-annual accounts	8

Management report 30/06/2015

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2015 to 30 June 2015. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The financial statements are presented in Euro.

2. The Company recorded a profit of EUR 1 444.321.
Total assets amounted to EUR 8.395.492.510 as at 30 June 2015, compared with EUR 10.248.484.276 as at 31 December 2014.

The financial assets are mainly composed by:
 - loans to affiliated undertakings: EUR 8.164.214.227
 - a structured deposit to affiliated undertakings: EUR 4.803.264
The cash at bank amounts to EUR 5.253.407.

3. Risks and uncertainties facing the Company:

The Company is actively managing risk on its existing portfolio by ensuring that the entity maintains a market risk neutral position. These risks are overseen by an independent risk management function and a risk committee which are in turn overseen by the risk management function, committees and audit functions at KBC Bank NV level, in accordance with outsourcing agreements taken out by the Company.

4. Financial statements have been established under IFRS. At year end, 2014 and 2015 figures will be converted into LuxGaap.

5. Activities in research and development, as provided for by law, are not applicable to the Company.

6. The Company did not purchase any of its own shares.

7. The Company has no branch offices.

8. No subsequent event has occurred since 30 June 2015

9. The Company is included in the consolidated accounts drawn up by the KBC Group.

10. A dividend of Eur 1.700.000 has been paid on 2 January 2015.

KBC IFIMA S.A.
Unaudited semi-annual account
as at 30/06/2015

Luxembourg, 11/08/2015

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Frank CAESTECKER
Rik JANSSEN
Sabrina GOCKEL



Ivo BAUWENS



Fatima BOUDABZA

KBC IFIMA S.A.
Unaudited semi-annual account
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ASSETS

	30/06/2015	31/12/2014
	EUR	EUR
Fixed Assets		
Financial fixed assets	(1) 6 653 215 403	6 635 195 158
Long term bank deposit	(1) 4 803 264	4 803 264
Derivatives	(1) 169 648 899	92 632 296
	<u>6 827 667 566</u>	<u>6 732 630 718</u>
 Current Assets		
Derivatives	(1) 41 530 745	46 415 965
Loans falling due within one year	(1) 1 510 998 824	3 462 407 525
Interest receivable and prepaid expenses	9 971 116	2 423 433
Cash	5 253 407	4 606 635
Other assets	70 852	-
	<u>1 567 824 944</u>	<u>3 515 853 558</u>
 Total Assets	 <u><u>8 395 492 510</u></u>	 <u><u>10 248 484 276</u></u>

KBC IFIMA S.A.
Unaudited semi-annual account
as at 30/06/2015

LIABILITIES

		30/06/2015		31/12/2014
		EUR		EUR
Capital and reserves				
Capital	(2)	4 803 264		4 803 264
Retained earnings		4 202 740		4 185 281
Net profit for the year		1 444 321		1 768 717
		10 450 325		10 757 262
Provision for transfer of the company	(3)	216 780		360 000
Long term Liabilities				
Bonds issued	(4)	6 733 893 042		6 638 881 509
Derivatives	(1)	113 170 031		92 632 296
		6 847 063 073		6 731 513 805
Current Liabilities				
Bonds issued falling due within one year	(4)	1 511 006 185		3 459 372 263
Derivatives	(1)	26 105 800		46 415 965
Other current liabilities		650 347		64 981
		1 537 762 331		3 505 853 209
Total Liabilities		8 395 492 510		10 248 484 276

KBC IFIMA S.A.

Profit and Loss Account
From 01/01/2015 to 30/06/2015

		30/06/2015 EUR	30/06/2014 EUR
Interest income			
Income interest loans and receivables		136 596 173	227 768 309
Other income		383 175	105 799
Total interest income	↙ (5)	<u>136 979 348</u>	<u>227 874 108</u>
Interest expense	↙ (5)	-154 648 271	-224 547 371
Net Result from financial instruments at fair value		19 880 558	0
Operating expenses	↙ (6)	-146 985	-342 985
Profit before taxation		2 064 650	2 983 752
Income tax	↙ (7)	-620 329	-734 898
Net profit for the year		1 444 321	2 248 854

Notes to the semi-annual accounts
As of 30 June 2015

Accounting Principles

General

KBC IFIMA SA ("the company") is a wholly-owned subsidiary of KBC Bank NV, Brussels. The main activity of the company is to assist in financing the activities of KBC Bank NV, its subsidiaries and associated companies.

Since 01/01/2015, the address of the company is 5 place de la Gare, L-1616, Luxembourg and the company is registered under the number B193 577 at Registre de Commerce et des Sociétés, Luxembourg.

Before 01/01/2015, the company's name was KBC Internationale Financieringsmaatschappij NV and was located in Rotterdam, The Netherlands.

The unaudited semi-annual accounts are prepared in accordance with IFRS accounting principles. It is important to note that the annual accounts 2015 will be prepared in accordance with Luxembourg legal and regulatory requirements ("Luxembourg GAAP").

Currency translation

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rated ruling at the date of the transactions. Resulting translation differences are taken to the profit and loss account.

Financial fixed assets and bonds issued

Loans to Group companies and bonds issued under the various programmes are stated at amortized costs. The differences with the proceeds resulting from premiums or discounts are taken to the profit and loss accounts on the basis of effective interest over the remaining term of the loans/bonds concerned; the unamortized amounts are added to, or deducted from, the amounts of the loans/bonds issues.

Derivatives

The contractual terms on bonds issued other than fixed interest bonds, can entitle the bondholders to coupons and/or redemption based on reference items such as floating interest rates (for example: EURIBOR, LIBOR), the performance of indices or shares or other underlying factors. These terms constitute derivatives embedded in the bonds issued and are recorded and accounted for as such by the company.

The derivatives are stated in the balance sheet at market value. At balance sheet date, derivatives with positive market value are shown as assets. Derivatives with negative market value are shown in the liabilities.

The derivatives consist of interest rate, credit, equity, commodity, and foreign exchange contracts, depending of the terms of the bond issued, and determine the cash flows received and paid in respect of coupons and redemption for the related loans and bonds, respectively. The dates of the derivatives cash flows coincide exactly with the coupons and redemptions of the loans and bonds to which they relate.

KBC IFIMA S.A.

Notes to the semi-annual accounts
As of 30 June 2015

Profit and Loss account

Income and expenses are recognized in the financial year to which they relate.

Consolidation

The annual accounts of the Company are included in the Financial Statements of KBC Groep NV, Brussels, Belgium.

KBC IFIMA S.A.

Notes to the semi-annual accounts
As of 30 June 2015

Note 1 – Financial fixed assets

Loan to group companies

The maturity breakdown of the loans to group companies, being the remaining maturity of the loans based on their contractual redemption dates, as at June 30th is as follows:

	Total	< 1 year	1 < 5 years	> 5 years
As of 30/06/2015	8 164 214 227	1 510 998 824	6 011 940 698	641 274 705
As of 31/12/2014	10 097 602 683	3 462 407 525	6 093 743 454	541 451 704

Long term bank deposit

	2015	2014
	EUR	EUR
	4 803 264	4 803 264

The long term bank deposit is placed with KBC Bank NV at an annual interest rate of 4,45 % and will mature on February 28th, 2018.

Derivatives

The derivatives are embedded in the loans and bonds issued, and are stated at market value. The breakdown of derivatives assets and liabilities is as follows:

	Asset	Liabilities
Equity Swap	93 766 019	93 766 019
Credit Default Swap	<u>40 120 856</u>	<u>40 120 856</u>
Total	133 886 875	133 886 875
Interest Option	1 445 447	49 295
Interest Rate Swap	75 713 256	5 200 494
Periodic fee linked to derivatives	<u>134 065</u>	<u>139 167</u>
Total	77 292 768	5 388 956
TOTAL	211 179 643	139 275 831

Notes to the semi-annual accounts
As of 30 June 2015

The maturity profile of Equity Swaps and Credit Default Swaps, being the remaining maturity of the derivatives based on their contractual dates, is as follows:

	Total	< 1 year	1 < 5 years	> 5 years
As of 30/06/2015	133 886 875	26 090 994	80 430 934	27 364 947
As of 31/12/2014	139 048 261	46 415 965	28 346 873	64 285 423

Note 2 – Paid-in and called-up share capital

	EUR
Authorized Capital 50 000 ordinary shares of Eur 453,78	<u>22 689 000</u>
Paid-in and called-up share capital 10 585 ordinary shares of Eur 453,78	<u>4 803 264</u>

The paid-in and called-up share capital consists of 10 585 ordinary shares of Eur 453,78 each, which are fully held by KBC Bank NV, Belgium.

There have been no movements in paid-in and called-up share capital during the year.

Note 3 – Provisions for costs relating to the transfer of the company's corporate seat

	30/06/2015	31/12/2014	Amount used
Balance provision	216 780	360 000	143 220

Note 4 – Long term liabilities

The maturity breakdown of the bonds issued, being the remaining maturity of the bonds based on their contractual terms, as at June 30th is as follows:

	Total	< 1 year	1 < 5 years	>5 years
As of 30/06/2015	8 244 899 227	1 511 006 185	6 012 362 973	721 530 069
As of 31/12/2014	10 098 253 772	3 459 372 263	6 097 307 677	541 573 832

Notes to the semi-annual accounts
As of 30 June 2015

Note 5 – Interest Income and expense

Income from fixed interest investments results from a fixed interest deposit places with KBC Bank NV. The interest receivable income results from the loans granted by the company to KBC Bank NV, Brussels, Belgium. The interest expense relates to bonds issued.

Note 6 – Operating expenses

Since 01/01/2015, the company has 2 FTE. The operating fees are composed by:

- Staff expenses: EUR 90 622
- General administrative expenses: EUR 56 363

Note 7 – Income tax

Since the Company is registered in Luxembourg, the Company is subject to all taxes applicable to a fully taxable company in Luxembourg.