

KBC IFIMA S.A.
R.C.S. Luxembourg B 193 577
4 Rue du Fort Wallis
L – 2714 Luxembourg
Unaudited semi-annual accounts as at 30 June 2020

Table of contents

Management report of the Board of Directors	4
Annual accounts	
- Balance sheet	6
- Profit and loss account	8
- Notes to the annual accounts	9

1.1 Management report of the Board of Directors *dated 30/06/2020*

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2020 to 30 June 2020. In accordance with the law and our articles of association, we hereby submit the accounts for your information. The annual accounts are presented in Euros.

2. The Company recorded a profit of EUR 20 957

Total assets amounted to EUR 1 508 971 006 as at 30 June 2020, compared to EUR 1 351 216 673 as at 31 December 2019.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 1 484 805 045
- structured deposits to affiliated undertakings: EUR 1 315 602
- accrued interests: EUR 12 096 931

The cash at bank amounts to EUR 5 492 465

The matured items are not replaced by the new investments.

The Company aims at providing products (issuance of debt securities, warrants, etc.) to its customers and invest its proceeds. The evolution of the outstanding volume will largely depend on the interest climate. The Company foresees to continue these activities.

No new product is planned to be launched so far. It means that no evolution of the risk profile is expected for the time being.

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. The counterparty risk of KBC Ifima S.A. is limited to KBC Bank Bank as well as its liquidity, treasury and credit risks, except for local operational expenses. Local Operational Risk Management (LORM) functions are divided between KBC Bank NV and the Company, depending on the services performed by each entity. The Company aims to ensure continuity in terms of outsourced risks as laid down in the Service Level Agreements.

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

5. The Company did not purchase any of its own shares nor allocated any free shares.

6. The Company has no branch offices.

7. New products have been launched in 2017 (tRACER) and 2018 (tJUMPER) using KBC IFIMA S.A. as a vehicle of warrant issuance. The first items have been issues in December 2017 for tRACER and September 2018 for tJUMPER. There is no new product launched as at 30 June 2020.
8. The total income from loans and other investments is EUR 14 703 520. The total interest payable amount is EUR 14 430 190.
9. A dividend of EUR 555 819 has been distributed on 18 June 2020.
10. No subsequent event has occurred since 30 June 2020

The Company is expected continue its normal development. COVID-19 is a constantly evolving situation which is leading to a global recession. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the execution of our daily operations. At this stage, the impact on our business and results has not been significant, and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. The Board of Directors will continue to monitor this going forward and will take any action they deem necessary.

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

Luxembourg, 7 August 2020

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Frank CAESTECKER
Rik JANSSEN
Sabrina GOCKEL

KBC IFIMA SA
4, Rue du Fort Wallis
L-2714 Luxembourg

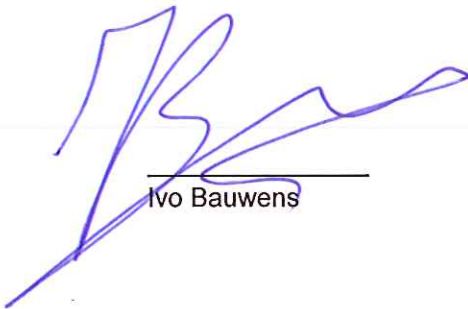
(the "Company")

R.C.S. Luxembourg N° B 193 577

Corporate governance statement

The Directors hereby confirm that the statements made by the persons responsible within the Company, to the best of their knowledge, and the annual accounts prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company. The Directors also confirm that the management report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

Luxembourg, 7 August 2020



Ivo Bauwens



Fatima Boudabza

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
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RCSL Nr.: B193577

Matricule : 2014 2226 732

eCDF entry date :

BALANCE SHEETFinancial year from ⁰¹ 01/01/2020 to ⁰² 30/06/2020 (in ⁰³ EUR)

KBC IFIMA S.A.

4, rue du Fort Wallis
 L-2714 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
B. Formation expenses	1107 _____	107 _____	103 _____
C. Fixed assets	1109 _____	109 1.131.621.315,00	110 892.762.772,00
I. Intangible assets	1111 _____	111 _____	112 _____
1. Costs of development	1113 _____	113 _____	114 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115 _____	115 _____	116 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1117 _____	117 _____	118 _____
b) created by the undertaking itself	1119 _____	119 _____	120 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1121 _____	121 _____	122 _____
4. Payments on account and intangible assets under development	1123 _____	123 _____	124 _____
II. Tangible assets	1125 _____	125 _____	126 _____
1. Land and buildings	1127 _____	127 _____	128 _____
2. Plant and machinery	1129 _____	129 _____	130 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	1135	1.131.621.315,00	892.762.772,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 Note 3	139 1.131.621.315,00	140 892.762.772,00
3. Participating interests	1141	141	142
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143	144
5. Investments held as fixed assets	1145	145	146
6. Other loans	1147	147	148
D. Current assets	1151	372.088.728,00	453.160.443,00
I. Stocks	1153	153	154
1. Raw materials and consumables	1155	155	156
2. Work in progress	1157	157	158
3. Finished goods and goods for resale	1159	159	160
4. Payments on account	1161	161	162
II. Debtors	1163	366.596.263,00	447.660.673,00
1. Trade debtors	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
2. Amounts owed by affiliated undertakings	1171	171 366.596.263,00	172 447.660.673,00
a) becoming due and payable within one year	1173 Note 3	173 366.596.263,00	174 447.660.673,00
b) becoming due and payable after more than one year	1175	175	176
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
4. Other debtors	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____	197 <u>5.492.465,00</u>	198 <u>5.499.770,00</u>
E. Prepayments	1199 <u>Note 4</u>	199 <u>5.260.963,00</u>	200 <u>5.293.458,00</u>
TOTAL (ASSETS)		201 <u>1.508.971.006,00</u>	202 <u>1.351.216.673,00</u>

RCSL Nr.: B193577

Matricule : 2014 2226 732

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves	1301 <u>Note 5</u>	301 <u>7.112.207,00</u>	302 <u>7.647.069,00</u>
I. Subscribed capital	1303	303 <u>5.296.266,00</u>	304 <u>5.296.266,00</u>
II. Share premium account	1305	305	306
III. Revaluation reserve	1307	307	308
IV. Reserves	1309	309 <u>1.794.984,00</u>	310 <u>1.564.494,00</u>
1. Legal reserve	1311	311 <u>308.380,00</u>	312 <u>269.065,00</u>
2. Reserve for own shares	1313	313	314
3. Reserves provided for by the articles of association	1315	315	316
4. Other reserves, including the fair value reserve	1429	429 <u>1.486.604,00</u>	430 <u>1.295.429,00</u>
a) other available reserves	1431	431	432
b) other non available reserves	1433	433 <u>1.486.604,00</u>	434 <u>1.295.429,00</u>
V. Profit or loss brought forward	1319	319	320
VI. Profit or loss for the financial year	1321	321 <u>20.957,00</u>	322 <u>786.309,00</u>
VII. Interim dividends	1323	323	324
VIII. Capital investment subsidies	1325	325	326
B. Provisions	1331	331 <u>362.399,00</u>	332 <u>336.295,00</u>
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335 <u>Note 6</u>	335 <u>305.838,00</u>	336 <u>305.785,00</u>
3. Other provisions	1337	337 <u>56.561,00</u>	338 <u>30.510,00</u>
C. Creditors	1435	435 <u>1.496.718.471,00</u>	436 <u>1.338.408.909,00</u>
1. Debenture loans	1437	437 <u>1.496.704.430,00</u>	438 <u>1.338.397.970,00</u>
a) Convertible loans	1439	439	440
i) becoming due and payable within one year	1441	441	442
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445	445 <u>1.496.704.430,00</u>	446 <u>1.338.397.970,00</u>
i) becoming due and payable within one year	1447 <u>Note 7</u>	447 <u>365.083.115,00</u>	448 <u>445.635.197,00</u>
ii) becoming due and payable after more than one year	1449 <u>Note 7</u>	449 <u>1.131.621.315,00</u>	450 <u>892.762.773,00</u>
2. Amounts owed to credit institutions	1355	355	356
a) becoming due and payable within one year	1357	357	358
b) becoming due and payable after more than one year	1359	359	360

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	379	380
a) becoming due and payable within one year	1381	381	382
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	451	452
a) Tax authorities	1393	393	394
b) Social security authorities	1395	395	396
c) Other creditors	1397	397	398
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
	Note 8	4.777.929,00	4.824.400,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	1.508.971.006,00	1.351.216.673,00

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RCSL Nr.: B193577

Matricule : 2014 2226 732

eCDF entry date :

PROFIT AND LOSS ACCOUNTFinancial year from ⁰¹ 01/01/2020 to ⁰² 30/06/2020 (in ⁰³ EUR)

KBC IFIMA S.A.

4, rue du Fort Wallis
L-2714 Luxembourg**PROFIT AND LOSS ACCOUNT**

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 _____	702 _____
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 _____	704 _____
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 _____	706 _____
4. Other operating income	1713 _____	713 _____	714 _____
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-109.104,00</u>	672 <u>-190.002,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>Note 9</u>	603 <u>-109.104,00</u>	604 <u>-190.002,00</u>
6. Staff costs	1605 _____ <u>Note 11</u>	605 <u>-132.168,00</u>	606 <u>-225.057,00</u>
a) Wages and salaries	1607 _____	607 <u>-107.715,00</u>	608 <u>-187.349,00</u>
b) Social security costs	1609 _____	609 <u>-22.812,00</u>	610 <u>-30.775,00</u>
i) relating to pensions	1653 _____	653 <u>-9.734,00</u>	654 <u>-9.284,00</u>
ii) other social security costs	1655 _____	655 <u>-13.078,00</u>	656 <u>-21.491,00</u>
c) Other staff costs	1613 _____	613 <u>-1.641,00</u>	614 <u>-6.933,00</u>
7. Value adjustments	1657 _____	657 _____	658 _____
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 _____	660 _____
b) in respect of current assets	1661 _____	661 _____	662 _____
8. Other operating expenses	1621 _____	621 _____	622 _____

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B193577

Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
9. Income from participating interests	1715 _____	715 _____	716 _____
a) derived from affiliated undertakings	1717 _____	717 _____	718 _____
b) other income from participating interests	1719 _____	719 _____	720 _____
10. Income from other investments and loans forming part of the fixed assets	1721 _____	721 <u>14.703.520,00</u>	722 <u>38.529.852,00</u>
a) derived from affiliated undertakings	1723 <u>Note 12</u>	723 <u>14.703.520,00</u>	724 <u>38.529.852,00</u>
b) other income not included under a)	1725 _____	725 _____	726 _____
11. Other interest receivable and similar income	1727 _____	727 <u>0,00</u>	728 <u>174.243,00</u>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 <u>0,00</u>	732 <u>174.243,00</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets	1665 _____	665 _____	666 _____
14. Interest payable and similar expenses	1627 _____	627 <u>-14.441.291,00</u>	628 <u>-37.421.258,00</u>
a) concerning affiliated undertakings	1629 _____	629 _____	630 _____
b) other interest and similar expenses	1631 <u>Note 12</u>	631 <u>-14.441.291,00</u>	632 <u>-37.421.258,00</u>
15. Tax on profit or loss	1635 _____	635 <u>0,00</u>	636 <u>-81.469,00</u>
16. Profit or loss after taxation	1667 _____	667 <u>20.957,00</u>	668 <u>786.309,00</u>
17. Other taxes not shown under items 1 to 16	1637 _____	637 _____	638 _____
18. Profit or loss for the financial year	1669 _____	669 <u>20.957,00</u>	670 <u>786.309,00</u>

KBC IFIMA S.A.
Société Anonyme

Notes to the annual accounts
As at 30 June 2020

Note 1 - General information

KBC IFIMA S.A. ("The Company") is a wholly-owned subsidiary of KBC Bank NV, Brussels. The Company carried out a cross-border transfer of its legal seat from The Netherlands to Luxembourg, effective at midnight on 31 December 2014. At the same time, the name of the Company was changed to KBC IFIMA S.A. (previous name: KBC International Financieringsmaatschappij n.v.).

The registered office of the Company is established 4, rue du Fort Wallis, L-2714 Luxembourg.

The activities of the Company remain unchanged after the transfer of legal seat.

KBC IFIMA S.A. was incorporated on 15 April 1982 as a "société anonyme".

The Company is established for an unlimited period.

The accounting year of the Company begins on the 1st January of each year and terminates on the 31 December of the same year.

The purpose of KBC IFIMA S.A. is the issue of bonds and on-lending the proceeds to KBC Bank NV. The principal activity of the company since a few years consists of the administration of the retail bonds and warrants issued and the loans made. The retail notes issued by the company are fully guaranteed by KBC Bank NV.

The annual accounts of the Company are fully consolidated in the consolidated accounts of KBC Bank NV Brussels, which forms the smallest body of undertakings of which the Company forms a part as a subsidiary and in the consolidated accounts of KBC Group NV, which forms the largest body of undertakings of which the Company forms a part as a subsidiary. Group accounts and consolidated management reports are available at its head office Haavenlan 2, B - 1080 Brussels.

As at 28 June 2016, the Sole Shareholder had approved the merger (the "Merger") by acquisition between KBC IFIMA S.A. (the acquiring company) and KBC FINANCIAL PRODUCTS INTERNATIONAL S.A., a société anonyme, incorporated under the laws of Luxembourg (formerly a Cayman company named KBC Financial Products International Limited.) having its registered office at 5, Place de la gare, L-1616 Luxembourg and registered with the Luxembourg trade and companies register under number B 184.148, incorporated by a deed enacted by Maître Francis KESSELER, notary residing in Esch-sur-Alzette, on 31 December 2013, published in the Memorial , Recueil des Sociétés et Associations number 810 of 29 March 2014 ("KBC FPI" and together with the Company the "Merging Companies") as the acquired company.

New products have been launched. The new business lines, called tRACER (launched in December 2017) and tJUMPER (launched in September 2018), both use KBC IFIMA S.A. as a vehicle of warrants issuance. There is no new product launched as at 30 June 2020.

During the Extraordinary General Meeting of 21 June 2018, it has been decided to reduce the share capital by an amount of EUR 5 000 000 by way of reimbursement to the Shareholder and by decreasing the par value of the share representing the capital.

KBC IFIMA S.A.
Société Anonyme

Since the 28th of December 2018, KBC IFIMA S.A. has been integrated in a Luxembourg tax unity. The other entities in scope are KBC Lease Luxembourg SA and KBC Group Re, which is the integrating company.

Note 2 - Summary of significant accounting policies

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, as amended, determined and applied by the Board of Directors.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The significant accounting policies are as follows:

a) Foreign currency translation

Annual accounts are expressed in EUR.

Transactions, income and charges denominated in currencies other than Euro are translated at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities items denominated in currencies other than Euro are translated in Euro at exchange rate prevailing as at the date of the balance sheet. Realized exchange gains and losses and unrealized exchange gains and losses are recorded in the profit and loss account.

Non-monetary assets and liabilities items denominated in currencies other than Euro are translated in Euro at the exchange rate prevailing at the date of the balance sheet. Realized gains or losses and realized losses are recorded in the profit and loss account while the unrealized exchange gains are not recorded.

b) Financial assets: Notional amount

Loans are recorded on the assets side of the balance sheet at the lowest amount between their repayment value and their estimated fair value. Value adjustments are only taken into consideration when, according to the Board of Directors, the depreciation is deemed permanent.

KBC IFIMA S.A.
Société Anonyme

c) Non-convertible bonds

Non-convertible bonds are recorded on the liabilities side of the balance sheet at the repayment value. The bonds are issued on the Luxembourg Stock Exchange market.

d) Premiums on loans

The premiums related to these loans (i.e. the difference between the issue price and the repayment value) are booked in the caption "deferred income" in liabilities. These premiums are taken to financial income on the duration of the loans.

Some of these contracts can be subject to an early redemption.

e) Discounts on non-convertible bonds

The discounts related to these non-convertible bonds (i.e. the difference between the issue price and the repayment value) are booked in the caption "prepayments". These discounts are taken to financial expenses on the duration of the non-convertible loans.

f) Income and expenses recognition

Interest income and expenses are recorded on an accrual basis.

g) Taxes

Taxes are charged to the profit and loss account on an accrual basis and not in the year in which the payment occurs. Accordingly, provisions for taxation have been recorded for the financial years for which no final assessment has been issued by the tax authorities.

h) Derivatives financial instruments

The Company may enter into financial instruments such as options, swaps, futures or foreign exchange contracts.

In the case of hedging of an asset or a liability which is not recorded at fair value, unrealized gains or losses are deferred until recognition of the realized gains or losses on the hedged item.

Commitments relating to options/swaps/futures/warrants/foreign exchange contracts transactions are recorded in the off-balance sheet accounts.

i) Prepayments

Prepayments include accrued amounts such as commissions, premiums or pension benefits, tax advances paid to the Administration and income to be received during the next financial year.

KBC IFIMA S.A.
Société Anonyme

Note 3 - Financial assets

The caption relates to the loans granted by the Company to its parent and is composed of:

- Long term loans: EUR 1 131 621 315 (2019: EUR 892 762 772);
- Short term loans: EUR 353 183 730 (2019: EUR 436 915 486);
- Short term bank deposits: EUR 1 315 602 with a maturity date of 30 October 2020 (2019: EUR 1 320 196);
- Accrued interest on loans and related derivatives: EUR 12 097 452 (2019: EUR 8 875 778);
- Accrued interest on deposit: EUR - 521 (2019: EUR -2 482);

The loans granted can be disclosed as follows:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	PLN	USD	TOTAL (EUR equivalent)
Less than 1 year	-	-	287 555 785	-	126 060 000	-	14 970 000	58 265 000	354 499 332
Between 1 and 5 years	76 546 000	3 100 000	585 205 000	-	1 225 650 000	11 862 000	-	235 582 000	961 641 221
More than 5 years	-	-	8 700 000	1 500 000 000	-	-	-	166 680 514	169 980 094
TOTAL	76 546 000	3 100 000	881 460 785	1 500 000 000	1 351 710 000	11 862 000	14 970 000	460 527 514	1 486 120 647

The matured items are not replaced by the new investments. The Company aims at providing products (issuance of debt securities, warrants, etc.) to its customers and invest its proceeds. The evolution of the outstanding volume will largely depend on the interest climate. The Company foresees to continue these activities.

Note 4 – Prepayments

The prepayments account includes some accrued amounts and the 2018 tax advances paid to the Administration (EUR 369 300 for CIT and EUR 119 073 for MBT).

EUR	30/06/2020	31/12/2019
Accrued premiums	3 168 600	2 500 188
Accrued commission	1 559 511	2 249 501
Tax advances 2018	488 374	488 374
Accrued pension benefit	29 970	30 826
CRED MTM	14 508	23 368
Other payable	0	1 200
TOTAL	5 260 963	5 293 458

KBC IFIMA S.A.
Société Anonyme

Note 5 - Capital and reserves

EUR	Subscribed capital	Share premium and similar premiums	Legal reserve	Reserve IF	Profit or loss brought forward	Result of the financial year
31/12/2019	5 296 266	0	269 065	1 295 429	0	786 309
AGM 28/05/2020			39 315	191 175		-230 490
Dividend						-555 819
Result 30/06/2020						20 957
30/06/2020	5 296 266	0	308 380	1 486 604	0	20 957

Subscribed capital

As per the Extraordinary General Meeting of 21 June 2018, the subscribed share capital has been reduced by an amount of EUR 5 000 000 by way of reimbursement to the Shareholder and by decreasing the par value of the shares representing the capital. The Shareholder decided to suppress the nominal value of the 22 679 shares representing the whole capital of the Company.

Reserve

The Company is required under Luxembourg law to allocate a minimum of 5% of its annual statutory net profit to a legal reserve until the aggregate reserve equals 10% of the subscribed share capital. Such reserve is not available for distribution, except in case of dissolution.

A special Net Wealth Tax reserve has been created in order to reduce the Net Wealth Tax of the Company. This special reserve amounts to five times the envisaged Net Wealth Tax credit. This special Net Wealth Tax reserve has to remain unavailable for distribution for five years, to take advantage of the reduction in Net Wealth Tax liability.

Note 6 – Provisions for taxation

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

The Tax provision concerns the fiscal debts to KBC Group Re, head of the fiscal unity to which the Company is included in.

Note 7 – Debenture loans - Non convertible loans

The caption relates to notes issued by the Company and is composed of:

- Long term notes: EUR 1 131 621 315 (2019: EUR 892 762 773);
- Short term notes: EUR 353 183 730 (2019: EUR 436 915 486);
- Accrued interests on notes and related derivatives: EUR 11 899 385 (2019: EUR 8 719 712).

The non-subordinated debts are broken down as follows:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	PLN	USD	TOTAL (EUR equivalent)
Less than 1 year	-	-	-286 240 182	-	-126 060 000	-	-14 970 000	-58 265 000	-353 183 730
Between 1 and 5 years	-76 546 000	-3 100 000	-585 205 000	-	-1 225 650 000	-11 862 000	-	-240 200 000	-961 641 221
More than 5 years	-	-	-8 700 000	-1 500 000 000	-	-	-	-166 680 514	-169 980 094
TOTAL	-76 546 000	-3 100 000	-880 145 182	-1 500 000 000	-1 351 710 000	-11 862 000	#VALUE!	-465 145 514	-1 484 805 045

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Société Anonyme

Note 8 – Deferred income

This account includes the sum of the accrued premium amount from liabilities side.

EUR	30/06/2020	31/12/2019
Premiums accruals	4 777 930	4 824 401

Note 9 - Other external expenses

The Company and its affiliates provide to each other certain support and other services for which they compensated each other on a monthly basis pursuant to service agreements.

EUR	30/06/2020	31/12/2019
Intra group charges	-90 916	-172 733
Intra group income	50 900	101 800
External charges	-69 088	-119 069
TOTAL	-109 104	-190 002

Note 10 - Emoluments granted to the members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of those bodies

The Directors did not receive any remuneration as at 30 June 2020.

Note 11 – Staff costs

The Company has an average of 3 full time employees on 30 June 2020 represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 3 FTE

EUR	30/06/2020	31/12/2019
Salaries and wages	107 715	187 349
Social security on salaries and wages	13 078	21 491
Pensions	9 734	9 284
Other social costs	1 641	6 933
TOTAL	132 168	225 057

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Note 12 – Income from other investments and loans forming part of the fixed assets and interest payable and similar expenses

Income from fixed interest investments results from a fixed interest deposit placed with KBC Bank NV. The interest receivable income results from the loans granted by KBC IFIMA S.A. to KBC Bank NV, Brussels, Belgium and the related derivatives. The interest expense relates to bonds issued and related derivatives.

EUR	30/06/2020	31/12/2019
Interest income from:	14 703 520	38 529 852
fixed interest deposit	2 633	5 423
granted loans and related derivatives	14 700 886	38 524 429
Interest expenses from:	14 430 191	37 421 258
bonds and related derivatives	14 426 273	37 419 826
other	3 918	1 432

Note 13 - Auditor's fees

The provision fees of the auditor of the Company as at 30 June 2020 amount to EUR 21 000 (2019: EUR 47 335) excluding VAT. These fees concern the audit of the annual accounts and the work for the group reporting.

Note 14 - Subsequent event

No subsequent significant events occurred after the balance sheet date.

The Company is expected continue its normal development. COVID-19 is a constantly evolving situation which is leading to a global recession. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for our people (such as social distancing and working from home) and securing the execution of our daily operations. At this stage, the impact on our business and results has not been significant, and based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we will do our utmost to continue our operations in the best and safest way possible without jeopardising the health of our people. The Board of Directors will continue to monitor this going forward and will take any action they deem necessary.

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Note 15 - Off-balance sheet

The fair value and notional value of the Company's derivative financial instruments at 30 June 2020 is reflected in the table below (base currency is EUR):

Derivatives Assets

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3 500 000	52 082
Equity Option	169 413 740	145 903 545
Equity Swap	205 601 420	10 945 189
Interest Option	9 509 839	59 600
Interest Rate Swap	846 718 700	48 864 864
TOTAL	1 234 743 699	205 825 279

Derivatives Liabilities

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3 500 000	52 082
Equity Option	169 413 740	145 903 545
Equity Swap	205 601 420	10 945 189
Interest Option	6 011 000	8
Interest Rate Swap	846 718 700	24 340 256
TOTAL	1 231 244 860	181 241 079

The difference in notional between assets and liabilities is EUR 3 498 839 as an interest option only has one leg, this implies there is no offsetting balance.