

**KBC IFIMA Société Anonyme
R.C.S. Luxembourg B 193 577
4 Rue du Fort Wallis
L – 2714 Luxembourg**

Unaudited semi-annual accounts as at 30 June 2021

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Management report of the Board of Directors ***dated 30/06/2021***

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2021 to 30 June 2021. 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 290 195

Total assets amounted to EUR 988 685 129 as at 30 June 2021, compared to EUR 1 110 293 276 as at 31 December 2020.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 968 936 534
- accrued interests: EUR 7 455 177

The cash at bank amounts to EUR 7 020 559

The matured items are not replaced by the new investments.

Due to the actual circumstances, no new product is planned to be launched so far.

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 issued in December 2017 for tRACER and September 2018 for tJUMPER. There is no new product launched as at 30 June 2021.

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.
- The credit risk covers the possibility that an issuer may default by failing to repay principal or interest. The Company is not exposed to any significant credit risk
- The market risk embodies the potential for both loss and gains and includes currency risk and interest rate risk. The Company's exposure to such risks is outlined below.
- The currency risk covers the potential for both loss and gains as a result of changes in external rates. The Company is not exposed to any significant net currency risk.

- The interest rate risk covers the potential for a change in the value of assets resulting from the change in interest rates. The Company is not exposed to any significant net interest rate risk.
- The other price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factor specific to an individual instrument, its issuer or all factors affecting all instruments traded in the market. The Company is not exposed to any significant net other price risk.

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.

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 holds any own shares.
6. The Company as no branch offices.
7. The total income from loans and other investments is EUR 7 595 352. The total interest payable amount is EUR 7 193 003.
8. A dividend of EUR 691 012 has been distributed on 17 June 2021.
9. No subsequent event has occurred since 30 June 2021.
10. The Company is included in the consolidated accounts drawn up by the KBC Group.

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 corporate object of the Company is the holding of investments, in any form whatsoever, in Luxembourg companies and foreign companies, the acquisition by purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stocks, debentures, notes and other security of any kind.

The Company may carry intragroup or other investing activities and cash management.

The Company may borrow in any form and proceed to the issue of bonds, warrants, debentures or any other financial instruments.

In general fashion the Company may grant assistance (by way of loans, advances, guarantees of securities or otherwise) to companies or other enterprises in which the Company has an interest or which form part of the group of Companies to which the Company belongs. The Company may carry on any industrial activity and maintain a commercial establishment open to the public.

In general, it may take any controlling and supervisory measures and carry out any operation, which it may deem useful in the accomplishment and development of its purpose. The Company may carry out all its activities either directly or through one or more branches.

In the relation to the the financial reporting process, internal control and risk management procedures are maintained:

- Proper books and records are maintained in accordance with the group guidelines,
- All financial products (ie, loans, bonds) are governed by contractual agreements and calculation of payments/receipts and interest accruals are driven by the group in their system,
- All Risks and uncertainties facing the Company are listed in the management report.

Other information

The Company doesn't own quoted participations, directly or indirectly owned.

Rules for appointment or replacement of board members or management team or for modification of deed of incorporation:

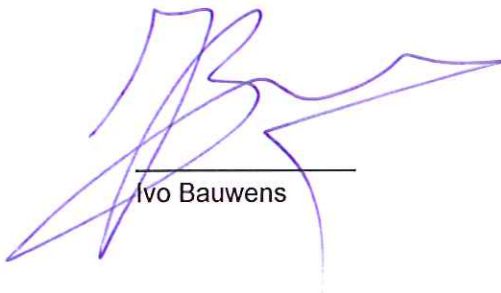
Art 7 of the by laws states: " The General Meeting appoints the directors. Directors cannot be appointed for more than 6 years and are re-eligible. Directors may be removed at any time (with or without cause) by a resolution of the General Meeting. If the office of a director becomes vacant, the majority of the

remaining directors may fill the vacancy on a provisional basis until the final appointment is made by the next General Meeting.”

There are no restrictions on voting rights or shareholders who hold special rights. The board members do not have the right to issue or buy back shares.

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, 5 August 2021



Ivo Bauwens



Fatima Boudabza

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Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr.: B193577

Matricule : 2014 2226 732

eCDF entry date:

BALANCE SHEET

Financial year from on 01/01/2021 to 30/06/2021 in EUR J

KBC IFIMA S.A.
4, rue du Fort Wallis
L-2714 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1100 _____	100 _____	100 _____
I. Subscribed capital not called	1100 _____	100 _____	100 _____
II. Subscribed capital called but unpaid	1100 _____	100 _____	100 _____
B. Formation expenses	1100 _____	100 _____	100 _____
C. Fixed assets	1100 _____	100 <u>762.414.627,00</u>	110 <u>764.547.826,00</u>
I. Intangible assets	1110 _____	110 _____	110 _____
1. Costs of development	1110 _____	110 _____	110 _____
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1110 _____	110 _____	110 _____
a) acquired for valuable consideration and need not be shown under C.I.3	1110 _____	110 _____	110 _____
b) created by the undertaking itself	1110 _____	110 _____	100 _____
3. Goodwill, to the extent that it was acquired for valuable consideration	1110 _____	110 _____	100 _____
4. Payments on account and intangible assets under development	1110 _____	110 _____	110 _____
II. Tangible assets	1120 _____	120 _____	120 _____
1. Land and buildings	1120 _____	120 _____	120 _____
2. Plant and machinery	1120 _____	120 _____	100 _____

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

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	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1130		
4. Payments on account and tangible assets in the course of construction	1132		
III. Financial assets	1135	762.414.627,00	764.547.826,00
1. Shares in affiliated undertakings	1137		
2. Loans to affiliated undertakings	1138 Note 3	762.414.627,00	764.547.826,00
3. Participating interests	1140		
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143		
5. Investments held as fixed assets	1146		
6. Other loans	1147		
D. Current assets	1151	221.486.017,00	340.977.167,00
I. Stocks	1153		
1. Raw materials and consumables	1155		
2. Work in progress	1157		
3. Finished goods and goods for resale	1159		
4. Payments on account	1161		
II. Debtors	1163	214.465.458,00	335.453.441,00
1. Trade debtors	1165		
a) becoming due and payable within one year	1167		
b) becoming due and payable after more than one year	1169		
2. Amounts owed by affiliated undertakings	1171	213.977.084,00	334.965.067,00
a) becoming due and payable within one year	1173 Note 3	213.977.084,00	334.965.067,00
b) becoming due and payable after more than one year	1175		
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177		
a) becoming due and payable within one year	1179		
b) becoming due and payable after more than one year	1181		
4. Other debtors	1183	488.374,00	488.374,00
a) becoming due and payable within one year	1185		
b) becoming due and payable after more than one year	1187	488.374,00	488.374,00

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	Reference(s)		Current year		Previous year	
III. Investments	1100	_____	100	_____	100	_____
1. Shares in affiliated undertakings	1101	_____	101	_____	101	_____
2. Own shares	1200	_____	200	_____	210	_____
3. Other investments	1106	_____	106	_____	106	_____
IV. Cash at bank and in hand	1107	_____	107	<u>7.020.559,00</u>	108	<u>5.523.726,00</u>
E. Prepayments	1108	Note 4	108	<u>4.784.485,00</u>	200	<u>4.768.283,00</u>
TOTAL (ASSETS)			201	<u>988.685.129,00</u>	202	<u>1.110.293.276,00</u>

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Matricule: 2014 2226 732

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1300 <u>Note 5</u>	7.324.288,00	7.725.105,00
II. Share premium account	1305	5.296.266,00	5.296.266,00
III. Revaluation reserve	1307		
IV. Reserves	1308	1.737.827,00	1.794.984,00
1. Legal reserve	1111	340.073,00	308.380,00
2. Reserve for own shares	1111		
3. Reserves provided for by the articles of association	1115		
4. Other reserves, including the fair value reserve	1309	1.397.754,00	1.486.604,00
a) other available reserves	1310		
b) other non available reserves	1311	1.397.754,00	1.486.604,00
V. Profit or loss brought forward	1112		
VI. Profit or loss for the financial year	1311	290.195,00	633.855,00
VII. Interim dividends	1323		
VIII. Capital investment subsidies	1325		
B. Provisions			
1. Provisions for pensions and similar obligations	1313	400.065,00	396.755,00
2. Provisions for taxation	1326 <u>Note 6</u>	371.346,00	356.191,00
3. Other provisions	1317	28.719,00	40.564,00
C. Creditors			
1. Debenture loans	1318	976.188.276,00	1.097.406.608,00
a) Convertible loans	1319	976.188.276,00	1.097.394.926,00
i) becoming due and payable within one year	1340		
ii) becoming due and payable after more than one year	1341		
b) Non convertible loans	1346	976.188.276,00	1.097.394.926,00
i) becoming due and payable within one year	1347 <u>Note 7</u>	213.773.649,00	332.847.100,00
ii) becoming due and payable after more than one year	1348 <u>Note 7</u>	762.414.627,00	764.547.826,00
2. Amounts owed to credit institutions	1355		
a) becoming due and payable within one year	1357		
b) becoming due and payable after more than one year	1359		

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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	132	32	32
a) becoming due and payable within one year	132	32	34
b) becoming due and payable after more than one year	132	0	0
4. Trade creditors	132	32	34
a) becoming due and payable within one year	132	32	37
b) becoming due and payable after more than one year	132	0	0
5. Bills of exchange payable	117	17	17
a) becoming due and payable within one year	117	17	17
b) becoming due and payable after more than one year	117	0	0
6. Amounts owed to affiliated undertakings	117	17	15
a) becoming due and payable within one year	117	17	15
b) becoming due and payable after more than one year	117	0	0
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	132	32	36
a) becoming due and payable within one year	132	32	38
b) becoming due and payable after more than one year	132	0	0
B. Other creditors	161	2,046,00	11,682,00
a) Tax authorities	120	20	24
b) Social security authorities	126	206	9,636,00
c) Other creditors	130	2,046,00	2,046,00
i) becoming due and payable within one year	130	2,046,00	2,046,00
ii) becoming due and payable after more than one year	130	0	0
D. Deferred income	140	Note B 4,770,454,00	4,764,808,00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	95	988,685,129,00	1,110,293,276,00

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Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494
Email : centralebilans@statec.etat.lu

RCSL Nr.: B193577

Matricule: 2014 2226 732

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from 01/01/2021 to 30/06/2021, in EUR

KBC IFIMA S.A.
4, rue du Fort Wallis
L-2714 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1700		
2. Variation in stocks of finished goods and in work in progress	1701		
3. Work performed by the undertaking for its own purposes and capitalised	1705		
4. Other operating income	1711		
5. Raw materials and consumables and other external expenses	1415	-175.056,00	-190.839,00
a) Raw materials and consumables	1420		
b) Other external expenses	1421 <u>Note 9</u>	-175.056,00	-190.839,00
6. Staff costs	1425 <u>Note 11</u>	-24.318,00	-245.755,00
a) Wages and salaries	1427	-21.388,00	-206.349,00
b) Social security costs	1429	-2.578,00	-34.070,00
i) relating to pensions	1433		-9.734,00
ii) other social security costs	1434	-2.578,00	-24.336,00
c) Other staff costs	1431	-352,00	-5.336,00
7. Value adjustments	1437		
a) in respect of formation expenses and of tangible and intangible fixed assets	1439		
b) in respect of current assets	1440		
8. Other operating expenses	1441		

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RCSL Nr.: B193577

Matricule: 2014 2226 732

	Reference(s)	Current year	Previous year
9. Income from participating Interests	1716 _____	215 _____	216 _____
a) derived from affiliated undertakings	1717 _____	217 _____	218 _____
b) other income from participating interests	1718 _____	218 _____	220 _____
10. Income from other Investments and loans forming part of the fixed assets	1721 _____	221 _____	222 _____
a) derived from affiliated undertakings	1723 _____ Note 12	223 _____ <u>7.595.352,00</u>	224 _____ <u>25.716.068,00</u>
b) other income not included under a)	1725 _____	225 _____	226 _____
11. Other interest receivable and similar Income	1727 _____	227 _____	228 _____
a) derived from affiliated undertakings	1729 _____	229 _____	230 _____
b) other interest and similar income	1731 _____	231 _____ <u>106.298,00</u>	232 _____ <u>0,00</u>
12. Share of profit or loss of undertakings accounted for under the equity method	1863 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets	1865 _____	665 _____	666 _____
14. Interest payable and similar expenses	1817 _____	417 _____	418 _____
a) concerning affiliated undertakings	1829 _____	429 _____	430 _____
b) other interest and similar expenses	1831 _____ Note 12	431 _____ <u>-7.193.003,00</u>	432 _____ <u>-24.593.549,00</u>
15. Tax on profit or loss	1835 _____	435 _____	436 _____
		<u>-19.078,00</u>	<u>-52.070,00</u>
16. Profit or loss after taxation	1867 _____	667 _____	668 _____
		<u>290.195,00</u>	<u>633.855,00</u>
17. Other taxes not shown under Items 1 to 16	1837 _____	437 _____	438 _____
18. Profit or loss for the financial year	1869 _____	669 _____	670 _____
		<u>290.195,00</u>	<u>633.855,00</u>

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

KBC IFIMA S.A.
Société Anonyme

Notes to the unaudited semi-annual accounts
As at 30 June 2021

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 Havenlaan 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 2021.

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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.

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

The figures for the year that has ended 31.12.19 relating to items prepayments have been reclassified to other debtors to ensure comparability with the figures for the year ended 31.12.20.

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.

In the context of the "Covid-19" pandemic, since the first half of 2020, Management has paid particular attention to the possible impacts linked to the health crisis on certain significant elements of its balance sheet and its income statement, and more particularly to aspects of valuation and recoverability of investments and receivables. Indeed, as mentioned above, forward-looking and / or estimated elements may enter into the calculation of certain items in the financial statements and be impacted by the pandemic and its related events, in particular greater volatility of the financial markets, as well as potential difficulties of loans' counterparts. Based on its monitoring, Management has not identified any major impacts on the annual accounts requiring additional mention in the annual accounts.

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.

KBC IFIMA S.A.
Société Anonyme

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

Loans are recorded on the assets side of the balance sheet at the lowest amount between their nominal 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. The annual accounts are prepared in accordance with the legal requirements in the Grand-Duchy of Luxembourg.

Accounting policies and valuation rules are, besides the ones laid down by the law of 19 December 2002, determined and applied by the Board of Directors.

c) Provisions for other risks and charges

Provisions for other risks and charges are included in order to cover losses or debts whose nature is clearly defined and are, at the balance sheet date, either likely or certain to be incurred but amounts or timing are indeterminable.

d) 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.

e) 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.

f) 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 bonds .

g) Deferred income on bonds

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

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Société Anonyme

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

h) Income and expenses recognition

Interest income and expenses are recorded on an accrual basis.

i) 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.

j) Derivative 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.

k) Cash flow statement

The Cash Flow Statement shows how cash and cash equivalents have changed in the course of the year as a result of inflows and outflows of funds.

The Company presents its cash flows using the indirect method. The indirect method adjusts accrual basis net profit or loss for the effects of non-cash transactions. Differentiation is made between cash flows from operating activities, from investing activities and from financing activities. Cash flow from operating activities is the cash and cash equivalents raised as a result of the main revenue-producing activities of the Company that are not investing or financing activities, so operating cash flows include cash received from customers and cash paid to suppliers and employees. It is determined on the basis of net profit. As part of the indirect determination of cash flow, the changes in balance sheet items due to operating activities were applied where necessary. Cash flow from investing activities is the cash and cash equivalents raised as a result of acquisition and disposal of long-term assets and other investments that are not considered to be cash equivalents. Cash flow from financing activities is the cash and cash equivalents raised as a result of activities that alter the equity capital and borrowing structure of the Company.

Interest and dividends received and paid are classified as financing cash flows consistently from period to period.

Cash and cash equivalents with a term to maturity of not more than three months are recorded under cash and cash equivalents. Cash equivalents are short-term financial assets which can be converted into cash at any time and which are only subject to minor value fluctuation risks.

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Note 3 - Financial assets

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

- Long term loans: EUR 762 414 627 (2020: EUR 764 547 826);
- Short term loans: EUR 206 521 907 (2020: EUR 327 754 257);
- Short term bank deposits: EUR 0 (2020: EUR 1 314 064);
- Accrued interest on loans and related derivatives: EUR 7 455 177 (2020: EUR 5 898 057);
- Accrued interest on deposit: EUR 0 (2020: EUR -1 311);
- Margin adjustment : EUR 53 978 (2020 : EUR 560 858)

The loans granted can be disclosed as follows:

30/06/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	41.253.500	-	106.011.000	-	-	-	88.522.000	206.521.907
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	179.670.000	746.501.707
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	15.912.919
TOTAL	47.677.500	3.100.000	580.905.000	1.500.000.000	1.157.340.000	11.862.000	268.192.000	968.936.534

31/12/2020:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	70.122.000	-	120.325.064	-	68.310.000	-	194.012.000	329.068.321
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	191.570.000	748.189.181
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.358.645
TOTAL	76.546.000	3.100.000	595.219.064	1.500.000.000	1.225.650.000	11.862.000	385.582.000	1.093.616.147

As at 30 June 2021, the Board of Directors is of the opinion that no impairment is necessary. All the above transactions for the financial assets relate to our parent, KBC Bank N.V.

Note 4 – Prepayments

The prepayments account includes some accrued amounts.

EUR	30/06/2021	31/12/2020
Accrued premiums	4.163.221	3.732.218
Accrued commission	592.704	998.700
Accrued pension benefit	23.826	29.970
CRED MTM	2.619	7.396
Other receivable	2.116	0
TOTAL	4.784.486	4.768.283

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Note 5 - Capital and reserves

EUR	Subscribed capital	Legal reserve	Other non-available reserves	Result of the financial year
31/12/2020	5.296.266	308.380	1.486.604	633.855
AGM 27/05/2021		31.693	-88.850	57.157
Dividend				-691.012
Result 30/06/2021				290.195
30/06/2021	5.296.266	340.073	1.397.754	290.195

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 subscribed share capital is set at EUR 5 296 266 divided into 22 679 shares with no designation of a nominal value.

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.

Note 7 – Debenture bonds - Non convertible bonds

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

- Long term notes: EUR 762 414 627 (2020: EUR 764 547 826);
- Short term notes: EUR 206 521 907 (2020: EUR 327 754 257);
- Accrued interests on notes and related derivatives: EUR 7 251 742 (2020: EUR 5 092 843).

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The Debenture bonds - Non convertible bonds are broken down as follows:

30/06/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	41.253.500	-	106.011.000	-	-	-	88.522.000	206.521.907
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	179.670.000	746.501.707
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	15.912.920
TOTAL	47.677.500	3.100.000	580.905.000	1.500.000.000	1.157.340.000	11.862.000	268.192.000	968.936.534

31/12/2020:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	70.122.000	-	119.011.000	-	68.310.000	-	194.012.000	327.754.257
Between 1 and 5 years	6.424.000	3.100.000	470.394.000	-	1.157.340.000	11.862.000	191.570.000	748.189.181
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.358.645
TOTAL	76.546.000	3.100.000	593.905.000	1.500.000.000	1.225.650.000	11.862.000	385.582.000	1.092.302.083

Note 8 – Deferred income

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

EUR	30/06/2021	31/12/2020
Premiums accruals	4.770.454	4.764.808

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. Other external charges refer to other professional service providers fees.

EUR	30/06/2021	31/12/2020
Net intra group charges	-124.765	-31.703
External charges	-50.291	-260.936
TOTAL	-175.056	-292.639

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 2021.

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Note 11 – Staff costs

The Company has an average of 0.60 employee on 30 June 2021 (2020: 3 full time employees) represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 0.60 FTE

EUR	30/06/2021	31/12/2020
Salaries and wages	21.388	206.349
Social security on salaries and wages	2.578	24.336
Pensions	0	9.734
Other social costs	352	5.336
TOTAL	24.318	245.755

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	30/06/2021	31/12/2020
Interest income from:	7.595.352	25.716.068
fixed interest deposit	3.128	4.961
granted loans and related derivatives	7.592.224	25.711.107
Interest expenses from:	-7.193.003	-24.582.449
bonds and related derivatives	-7.192.901	-24.576.437
other	-102	-6.012

Note 13 - Auditor's fees

The accrued fees of the auditor of the Company are detailed as per below:

	30/06/2021	31/12/2020
Audit fees	13.000	44.000
Consent letter	0	4.000
TOTAL	13.000	48.000

Note 14 - Subsequent event

No subsequent significant events occurred after the balance sheet date. The Company is expected continue its normal development.

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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 2021 is reflected in the table below (base currency is EUR):

Derivatives Assets

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	37.110
Equity Option	327.195.557	333.260.448
Equity Swap	101.616.482	7.947.617
Interest Option	9.307.870	195.280
Interest Rate Swap	516.916.610	40.094.860
TOTAL	958.536.519	381.535.315

Derivatives Liabilities

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	37.110
Equity Option	327.195.557	333.260.448
Equity Swap	101.616.482	7.947.617
Interest Option	6.011.000	0
Interest Rate Swap	516.916.610	40.094.860
TOTAL	955.239.650	381.340.035

The difference in notional between assets and liabilities is EUR 3 296 870 as an interest option only has one leg, this implies there is no offsetting balance.

The derivative products are linked to the main issuance contract for hedging purpose.