

**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 2022

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Management report of the Board of Directors dated 30/06/2022

1. We are pleased to report to you on the activities of KBC Ifima S.A. (the “company”) during the period from 1 January 2022 to 30 June 2022. 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 78 258

Total assets amounted to EUR 425 113 589 as at 30 June 2022, compared to EUR 787 343 961 as at 31 December 2021.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 413 192 153
- accrued interests: EUR 2 519 261

The cash at bank amounts to EUR 6 554 310

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 2022.

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 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 to 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.

At the time this report was being prepared, the invasion of Russia in Ukraine required additional attention at group level and in our home markets in Central and Eastern Europe. KBC Group has very limited direct exposure to Ukraine and Belarus (less than EUR 10 mln combined) and only limited direct exposure to Russia of less than 50 million euros, mainly stemming from trade financing. KBC Group is keeping a very close eye on the related macroeconomic impact (e.g., impact of high gas and oil prices on inflation and economic growth) and on spillover effects to KBC Group and its clients, both financially and operationally, among other things with high focus on information security threats. Economic and financial sanctions by the West might further impact the European economy. Continuous monitoring and reporting of the situation is in place.

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 has no branch offices.
7. The total income from loans and other investments is EUR 3 548 973. The total interest payable amount is EUR 3 404 631.
8. A dividend of EUR 676 878 has been distributed on 28 June 2022.
9. The activity of the issuing of the notes has started again in February 2022.
10. The Company is included in the consolidated accounts drawn up by the KBC Group.

Luxembourg, 02 August 2022

The Board of Directors:

Ivo BAUWENS
Fatima BOUDABZA
Damien DEBBAUT
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 of 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, 02 August 2022

Ivo Bauwens

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RCSL Nr. : B193577

Matricule : 2014 2226 732

eCDF entry date :

BALANCE SHEET

Financial year from ⁰¹ 01/01/2022 **to** ⁰² 30/06/2022 (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 _____	108 _____
C. Fixed assets	1109 _____	109 <u>294.850.747,00</u>	110 <u>541.585.236,00</u>
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 _____

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	294.850.747,00	541.585.236,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 Note 3	139 294.850.747,00	140 541.585.236,00
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	127.974.338,00	240.947.371,00
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	121.420.028,00	233.869.137,00
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	171 120.860.667,00	172 233.380.763,00
a) becoming due and payable within one year	1173 Note 3	173 120.860.667,00	174 233.380.763,00
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	183 559.361,00	184 488.374,00
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187 559.361,00	188 488.374,00

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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>6.554.310,00</u>	198 <u>7.078.234,00</u>
E. Prepayments	1199 <u>Note 4</u>	199 <u>2.288.504,00</u>	200 <u>4.811.353,00</u>
TOTAL (ASSETS)		201 <u>425.113.589,00</u>	202 <u>787.343.960,00</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>6.799.236,00</u>	302 <u>7.397.854,00</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>1.424.711,00</u>	310 <u>1.737.827,00</u>
1. Legal reserve	1311 _____	311 <u>358.261,00</u>	312 <u>340.073,00</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>1.066.450,00</u>	430 <u>1.397.754,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>1.066.450,00</u>	434 <u>1.397.754,00</u>
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>78.259,00</u>	322 <u>363.761,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
B. Provisions			
	1331 _____	331 <u>397.725,00</u>	332 <u>381.741,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 <u>Note 6</u>	335 <u>374.975,00</u>	336 <u>368.236,00</u>
3. Other provisions	1337 _____	337 <u>22.750,00</u>	338 <u>13.505,00</u>
C. Creditors			
	1435 _____	435 <u>415.649.865,00</u>	436 <u>775.228.822,00</u>
1. Debenture loans	1437 _____	437 <u>415.630.673,00</u>	438 <u>775.210.767,00</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>415.630.673,00</u>	446 <u>775.210.767,00</u>
i) becoming due and payable within one year	1447 <u>Note 7</u>	447 <u>120.779.926,00</u>	448 <u>233.625.531,00</u>
ii) becoming due and payable after more than one year	1449 <u>Note 7</u>	449 <u>294.850.747,00</u>	450 <u>541.585.236,00</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	19.192,00	18.055,00
a) Tax authorities	1393	393	394
b) Social security authorities	1395	10.215,00	5.539,00
c) Other creditors	1397	8.977,00	12.516,00
i) becoming due and payable within one year	1399	8.977,00	12.516,00
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	2.266.763,00	4.335.543,00
	Note 8		
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	425.113.589,00	787.343.960,00

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RCSL Nr. : B193577

Matricule : 2014 2226 732

eCDF entry date :

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01/2022 **to** ⁰² 30/06/2022 (in ⁰³ EUR)

KBC IFIMA S.A.

4, rue du Fort Wallis
L-2714 Luxembourg

	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>-71.295,00</u>	672 <u>-276.052,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>Note 9</u>	603 <u>-71.295,00</u>	604 <u>-276.052,00</u>
6. Staff costs	1605 _____ <u>Note 11</u>	605 <u>-71.827,00</u>	606 <u>-52.863,00</u>
a) Wages and salaries	1607 _____	607 <u>-62.943,00</u>	608 <u>-43.808,00</u>
b) Social security costs	1609 _____	609 <u>-8.884,00</u>	610 <u>-9.055,00</u>
i) relating to pensions	1653 _____	653 _____	654 <u>-3.509,00</u>
ii) other social security costs	1655 _____	655 <u>-8.884,00</u>	656 <u>-5.546,00</u>
c) Other staff costs	1613 _____	613 _____	614 _____
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 _____

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 3.548.973,00	722 12.843.018,00
a) derived from affiliated undertakings	1723 Note 12	723 3.548.973,00	724 12.843.018,00
b) other income not included under a)	1725	725	726
11. Other interest receivable and similar income	1727	727 77.039,00	728 112.298,00
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731 77.039,00	732 112.298,00
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 -3.404.631,00	628 -12.239.288,00
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631 Note 12	631 -3.404.631,00	632 -12.239.288,00
15. Tax on profit or loss	1635	635	636 -23.351,00
16. Profit or loss after taxation	1667	667 78.259,00	668 363.762,00
17. Other taxes not shown under items 1 to 16	1637	637	638
18. Profit or loss for the financial year	1669	669 78.259,00	670 363.762,00

KBC IFIMA S.A.
Société Anonyme

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2021

	2021	2020
Net profit	791.940	633.856
Adjustments for:		
Interests income/charges	-1.061.662	-1.122.520
Net amortization on loans and bonds	-479.928	-40.821
Other provision	-27.059	10.055
Other - adjustment		
	-776.709	-519.430
Other advance	1.248	2.056
Change in other assets and liabilities	6.374	742
Taxes (paid)/received	0	0
Tax provision	41.799	50.406
Net cash flow from operational activities	-727.288	-466.226
Distribution on liquidation of subsidiaries		
Financial fixed assets - issued	0	-255.093.916
Financial fixed assets - repaid	321.325.012	492.476.225
Interest received	16.071.244	29.260.284
Net cash flow from investment activities	337.396.256	266.642.593
Bonds issued	0	253.779.852
Bonds repaid	-320.010.948	-491.156.028
Dividend paid	-691.012	-555.819
Interest Paid	-14.412.499	-28.220.416
Net cash flow from financing activities	-335.114.458	-266.152.411
Net cash flow	1.554.509	23.956
Cash balance as at January 1st	5.523.726	5.499.770
Cash balance as at December 31st	7.078.235	5.523.726
Net cash flow	1.554.509	23.956

KBC IFIMA S.A.
Société Anonyme

Notes to the annual accounts
As at 30 June 2022

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.

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.

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.

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.

KBC IFIMA S.A.
Société Anonyme

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. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

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.

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.

KBC IFIMA S.A.
Société Anonyme

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 off-balance sheet.

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 and amounts owed by affiliated undertakings

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

- Long term loans: EUR 294 850 747 (2021: EUR 541 585 236);
- Short term loans: EUR 118 341 406 (2021: EUR 230 705 899);
- Accrued interest on loans and related derivatives: EUR 2 519 261 (2021: EUR 2 674 865);

The loans granted can be broken-down as follows:

30/06/2022:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	1.492.000	-	48.500.000	-	528.520.000	2.958.000	16.630.000	118.341.406
Between 1 and 5 years	1.098.000	1.625.000	105.894.000	-	444.140.000	8.904.000	140.656.000	290.350.747
More than 5 years	-	-	4.500.000	-	-	-	-	4.500.000
TOTAL	2.590.000	1.625.000	158.894.000	0	972.660.000	11.862.000	157.286.000	413.192.153

31/12/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	5.326.000	3.100.000	114.500.000	-	747.120.000	2.958.000	40.876.000	230.705.898
Between 1 and 5 years	1.098.000	-	355.894.000	-	410.220.000	8.904.000	138.794.000	525.580.403
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.004.833
TOTAL	6.424.000	3.100.000	474.894.000	1.500.000.000	1.157.340.000	11.862.000	179.670.000	772.291.134

All the above transactions for the financial assets relate to our parent, KBC Bank N.V. As at 30 June 2022, the Board of Directors is of the opinion that no impairment is necessary.

Note 4 – Prepayments

The prepayments account includes some accrued amounts and an invoiced amount to be received.

EUR	30/06/2022	31/12/2021
Accrued premiums	2.091.622	4.450.258
Accrued commission	168.873	331.323
Accrued pension benefit	28.721	28.722
CRED MTM	-712	1.050
TOTAL	2.288.504	4.811.353

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Note 5 - Capital and reserves

EUR	Subscribed capital	Legal reserve	Other non-available reserves	Result of the financial year
31/12/2021	5.296.266	340.073	1.397.754	363.762
AGM 27/05/2022		18.188	-331.304	313.116
Dividend				-676.878
Result 30/06/2022				78.258
	5.296.266	358.261	1.066.450	78.258

Subscribed 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 is 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 belongs.

Note 7 – Debenture bonds - Non convertible bonds

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

- Long term notes: EUR 294 850 747 (2021: EUR 541 585 236);
- Short term notes: EUR 118 341 406 (2021: EUR 230 705 899);
- Accrued interests on notes and related derivatives: EUR 2 438 520 (2021: EUR 2 919 632).

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

30/06/2020:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	1.492.000	-	48.500.000	-	528.520.000	2.958.000	16.630.000	118.341.406
Between 1 and 5 years	1.098.000	1.625.000	105.894.000	-	444.140.000	8.904.000	140.656.000	290.350.747
More than 5 years	-	-	4.500.000	-	-	-	-	4.500.000
TOTAL	2.590.000	1.625.000	158.894.000	0	972.660.000	11.862.000	157.286.000	413.192.153

31/12/2021:

Maturity	AUD	CZK	EUR	JPY	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	5.326.000	3.100.000	114.500.000	-	747.120.000	2.958.000	40.876.000	230.705.899
Between 1 and 5 years	1.098.000	-	355.894.000	-	410.220.000	8.904.000	138.794.000	525.580.403
More than 5 years	-	-	4.500.000	1.500.000.000	-	-	-	16.004.832
TOTAL	6.424.000	3.100.000	474.894.000	1.500.000.000	1.157.340.000	11.862.000	179.670.000	772.291.135

None of these bonds are held by group companies.

Note 8 – Deferred income

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

EUR	30/06/2022	31/12/2021
Premiums accruals	2.266.763	4.335.543

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	30/06/2022	31/12/2021
Net intra group charges	-23.305	-190.340
External charges	-47.989	-85.712
TOTAL	-71.294	-276.052

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 2022 and the company has no commitments related to pension to former members of those bodies.

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Note 11 – Staff costs

The Company has an average of 3.60 employee on 30 June 2022 (2021: 0.6 full time employees) represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 3.60 FTE

EUR	30/06/2021	31/12/2021
Salaries and wages	60.668	42.638
Social security on salaries and wages	8.884	5.546
Pensions	0	3.509
Other social costs	2.275	1.170
TOTAL	71.828	52.863

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	30/06/2022	31/12/2021
Interest income from:	3.548.973	12.843.017
fixed interest deposit	0	-3.128
granted loans and related derivatives	3.548.973	12.846.145
Interest expenses from:	-3.404.631	-12.239.288
bonds and related derivatives	-3.404.631	-12.235.046
other	0	-4.242

Note 13 - Auditor's fees

The fees excluding V.A.T. of the auditor of the Company are detailed as per below:

	30/06/2022	31/12/2021
Audit fees	12.071	26.000
Consent letter	2.050	0
TOTAL	14.121	26.000

Note 14 - Subsequent event

The activity of the issuing of the notes has started again in February 2022.

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 2022 is reflected in the table below (base currency is EUR):

Derivatives Assets

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	45.337
Equity Option	264.137.094	222.853.000
Equity Swap	47.000.000	1.294.471
Interest Option	668.143	22
Interest Rate Swap	399.095.796	24.528.327
TOTAL	714.401.032	248.721.157

Derivatives Liabilities

Derivative	Notional (EUR)	Fair-value (EUR)
Credit default swap	3.500.000	45.337
Equity Option	264.137.094	222.853.000
Equity Swap	47.000.000	1.294.471
Interest Rate Swap	402.946.763	22.503.691
TOTAL	717.583.858	246.696.499

The difference in notional between assets and liabilities is EUR 668 142 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.