

Management report of the Board of Directors dated 31/12/2018

1. We are pleased to report to you on the activities of the Company during the period from 1 January 2018 to 31 December 2018. 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 621 455.

Total assets amounted to EUR 1 459 979 622 as at 31 December 2018, compared to EUR 2 355 017 439 as at 31 December 2017.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 1 437 105 471
- structured deposits to affiliated undertakings: EUR 1 325 135
- accrued interests: EUR 10 256 326

The cash at bank amounts to EUR 5 283 796

The matured items are not replaced by the new investments.

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.

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. The total income from loans and other investments is EUR 51 771 101. The total interest payable amount is EUR 50 559 790.
8. A new activity has been launched in 2018. This new business line, called tJUMPER, also uses KBC IFIMA S.A. as a vehicle of warrants issuance. The first item has been issued in September 2018.
9. A dividend of EUR 971 987 has been distributed on 31 May 2018. A decrease of capital by an amount of EUR 5 000 000 has been operated and the same amount has been reimbursed to the Shareholder.
10. The accounting and reporting system of the Company are integrated in the group-wide financial reporting package. This ensures that registered transactions are controlled systematically for plausibility and as such fraud and error risks are mitigated
11. No subsequent event has occurred since 31 December 2018.

The Company is expected continue its normal development. COVID-19 is a constantly evolving situation which is leading to a global retrocession. 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.

12. The Company is included in the consolidated accounts drawn up by the KBC Group.
13. An amended version of the annual accounts for the year ended 31 December 2018 has been approved by the Board of Managers on 22 July 2020 . The following changes occurred compared to the previous version of the annual accounts as at 31 December 2018 that were approved by the Board on 19 March 2019 :

The Company has voluntarily prepared a Cash Flow Statement to meet the requirements of the Commission Delegated Regulation (EU) 2019/980) in the context of the EMTN and warrants issuance programs of the Company on the Luxembourg stock exchange. The Cash Flow Statement is included in the annual accounts whereas it was included as unaudited "Supplementary information" in the previous version of the annual accounts.

Luxembourg, 22 July 2020

The Board of Directors:

Ivo BAUWENS
 Fallma BOUDABZA
 Frank CAESTECKER
 Rik JANSSEN
 Sabrina GOCKEL


 KBC IFIMA SA
 F. BOUDABZA
 Director


 KBC IFIMA SA
 S. GOCKEL
 Director


 Frank Caestecker
 General Manager
 Back Office & ICT-Support
 Financial Markets


 KBC IFIMA SA
 I. BAUWENS
 Director


 RIK JANSSEN
 CHAIRMAN