

Internal

**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 2023**

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## **Management report of the Board of Directors *dated 30/06/2023***

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1. We are pleased to report to you on the activities of the Company during the period from 1 January 2023 to 30 June 2023. 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 loss of EUR 341 712

Total assets amounted to EUR 406 793 762 as at 30 June 2023, compared to EUR 352 669 689 as at 31 December 2022.

The financial assets are composed of:

- loans to affiliated undertakings: EUR 392 206 253
- accrued interests: EUR 5 609 041

The cash at bank amounts to EUR 6 597 489

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 NV 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 losses 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 losses 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. No sensitivity analysis is required as, from the point of view of the Company, all the transactions are perfectly hedged. 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.

- Climate-related and other ESG risks are gradually integrated in existing management frameworks and in risk management processes.
- 4. The rising rate environment makes the coupons for Notes typically more appealing to the retail clients, therefore the Company is expecting a positive correlation between the higher level of the interest rates and the issuance activity as pointed out in Ifima's previsions.
- 5. Activities in research and development, as provided for by law, are not applicable to the Company.
- 6. The Company did not purchase any of its own shares nor holds any own shares.
- 7. The Company has no branch offices.
- 8. The total income from loans and other investments is EUR 6 619 773. The total interest payable amount is EUR 6 515 901.
- 9. A dividend of EUR 428 875 has been recorded as payable and distributed on 31 July 2023.
- 10. No subsequent event has occurred since 30 June 2023.
- 11. The Company is included in the consolidated accounts drawn up by the KBC Group.

Luxembourg, 10 August 2023

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 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, 10 August 2023

*Ivo Bauwens*

Ivo Bauwens (Oct 17, 2023 10:48 GMT+2)

Ivo Bauwens

*Fatima Boudabza*

Fatima Boudabza (Oct 17, 2023 15:53 GMT+2)

Fatima Boudabza

**Annual Accounts Helpdesk :**

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RCSL Nr. : B193577

Matricule : 2014 2226 732

eCDF entry date :

**BALANCE SHEET**

**Financial year from** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 30/06/2023 (in <sup>03</sup> EUR )

KBC IFIMA S.A.

4, rue du Fort Wallis  
L-2714 Luxembourg

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101 _____	101 _____	102 _____
I. Subscribed capital not called	1103 _____	103 _____	104 _____
II. Subscribed capital called but unpaid	1105 _____	105 _____	106 _____
<b>B. Formation expenses</b>	1107 _____	107 _____	108 _____
<b>C. Fixed assets</b>	1109 _____	109 <u>382.524.948,00</u>	110 <u>235.178.030,00</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 _____

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	382.524.948,00	235.178.030,00
1. Shares in affiliated undertakings	1137	137	138
2. Loans to affiliated undertakings	1139 <u>Note 3</u>	382.524.948,00	235.178.030,00
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
<b>D. Current assets</b>	1151	<b>21.895.943,00</b>	<b>115.192.052,00</b>
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	15.298.454,00	108.165.094,00
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	15.298.454,00	108.165.094,00
a) becoming due and payable within one year	1173 <u>Note 3</u>	15.298.454,00	108.165.094,00
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	0,00	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	0,00	188

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	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>6.597.489,00</u>	198 <u>7.026.958,00</u>
<b>E. Prepayments</b>	1199 <u>Note 4</u>	199 <u>2.372.871,00</u>	200 <u>2.299.607,00</u>
<b>TOTAL (ASSETS)</b>		201 <u>406.793.762,00</u>	202 <u>352.669.689,00</u>

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**CAPITAL, RESERVES AND LIABILITIES**

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>			
	1301 <u>Note 5</u>	301 <u>6.254.629,00</u>	302 <u>7.025.213,00</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>1.300.073,00</u>	310 <u>1.424.711,00</u>
1. Legal reserve	1311 _____	311 <u>373.473,00</u>	312 <u>358.261,00</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>926.600,00</u>	430 <u>1.066.450,00</u>
a) other available reserves	1431 _____	431 _____	432 _____
b) other non available reserves	1433 _____	433 <u>926.600,00</u>	434 <u>1.066.450,00</u>
V. Profit or loss brought forward	1319 _____	319 _____	320 _____
VI. Profit or loss for the financial year	1321 _____	321 <u>-341.710,00</u>	322 <u>304.236,00</u>
VII. Interim dividends	1323 _____	323 _____	324 _____
VIII. Capital investment subsidies	1325 _____	325 _____	326 _____
<b>B. Provisions</b>			
	1331 _____	331 <u>185.433,00</u>	332 <u>419.626,00</u>
1. Provisions for pensions and similar obligations	1333 _____	333 _____	334 _____
2. Provisions for taxation	1335 <u>Note 6</u>	335 <u>163.797,00</u>	336 <u>379.513,00</u>
3. Other provisions	1337 _____	337 <u>21.636,00</u>	338 <u>40.113,00</u>
<b>C. Creditors</b>			
	1435 _____	435 <u>398.183.509,00</u>	436 <u>343.010.439,00</u>
1. Debenture loans	1437 _____	437 <u>397.688.487,00</u>	438 <u>342.953.340,00</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>397.688.487,00</u>	446 <u>342.953.340,00</u>
i) becoming due and payable within one year	1447 <u>Note 7</u>	447 <u>15.163.124,00</u>	448 <u>107.775.310,00</u>
ii) becoming due and payable after more than one year	1449 <u>Note 7</u>	449 <u>382.525.363,00</u>	450 <u>235.178.030,00</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

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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	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	428.875,00	380 0,00
a) becoming due and payable within one year	1381	428.875,00	382 0,00
b) becoming due and payable after more than one year	1383		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	66.147,00	452 57.099,00
a) Tax authorities	1393	393	394
b) Social security authorities	1395	66.147,00	396 16.451,00
c) Other creditors	1397	0,00	398 40.648,00
i) becoming due and payable within one year	1399	0,00	400 40.648,00
ii) becoming due and payable after more than one year	1401	401	402
<b>D. Deferred income</b>	1403 <u>Note 8</u>	2.170.191,00	404 2.214.411,00
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>	405	406.793.762,00	406 352.669.689,00

**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** <sup>01</sup> 01/01/2023 **to** <sup>02</sup> 30/06/2023 (in <sup>03</sup> EUR )

KBC IFIMA S.A.

4, rue du Fort Wallis  
L-2714 Luxembourg

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701 _____	701 _____	702 _____
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703 _____	703 _____	704 _____
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705 _____	705 _____	706 _____
<b>4. Other operating income</b>	1713 _____	713 _____	714 _____
<b>5. Raw materials and consumables and other external expenses</b>	1671 _____	671 <u>150.149,00</u>	672 <u>36.234,00</u>
a) Raw materials and consumables	1601 _____	601 _____	602 _____
b) Other external expenses	1603 _____ <u>Note 9</u>	603 <u>150.149,00</u>	604 <u>36.234,00</u>
<b>6. Staff costs</b>	1605 _____ <u>Note 11</u>	605 <u>-388.744,00</u>	606 <u>-295.591,00</u>
a) Wages and salaries	1607 _____	607 <u>-298.171,00</u>	608 <u>-257.105,00</u>
b) Social security costs	1609 _____	609 <u>-41.324,00</u>	610 <u>-34.626,00</u>
i) relating to pensions	1653 _____	653 _____	654 _____
ii) other social security costs	1655 _____	655 <u>-41.324,00</u>	656 <u>-34.626,00</u>
c) Other staff costs	1613 _____	613 <u>-49.249,00</u>	614 <u>-3.860,00</u>
<b>7. Value adjustments</b>	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 _____
<b>8. Other operating expenses</b>	1621 _____	621 _____	622 _____

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Matricule : 2014 2226 732

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	721 <u>6.619.773,00</u>	722 <u>8.087.290,00</u>
a) derived from affiliated undertakings	1723 <u>Note 12</u>	723 <u>6.619.773,00</u>	724 <u>8.087.290,00</u>
b) other income not included under a)	1725	725	726
<b>11. Other interest receivable and similar income</b>	1727	727 <u>-319.642,00</u>	728 <u>76.035,00</u>
a) derived from affiliated undertakings	1729	729	730
b) other interest and similar income	1731	731 <u>-319.642,00</u>	732 <u>76.035,00</u>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	663	664
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	665	666
<b>14. Interest payable and similar expenses</b>	1627	627 <u>-6.515.901,00</u>	628 <u>-7.595.396,00</u>
a) concerning affiliated undertakings	1629	629	630
b) other interest and similar expenses	1631 <u>Note 12</u>	631 <u>-6.515.901,00</u>	632 <u>-7.595.396,00</u>
<b>15. Tax on profit or loss</b>	1635	635 <u>112.655,00</u>	636 <u>-4.336,00</u>
<b>16. Profit or loss after taxation</b>	1667	667 <u>-341.710,00</u>	668 <u>304.236,00</u>
<b>17. Other taxes not shown under items 1 to 16</b>	1637	637	638
<b>18. Profit or loss for the financial year</b>	1669	669 <u>-341.710,00</u>	670 <u>304.236,00</u>

**KBC IFIMA S.A.**  
**Société Anonyme**

<b>CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31 2022</b>		
	<b>2022</b>	<b>2021</b>
Net profit	304.236	363.762
Adjustments for:		
Interests income/charges	-491.894	-603.730
Net amortization on loans and bonds	447.986	-479.928
Other provision	26.608	-27.059
Other - adjustment		
	<b>286.936</b>	<b>-746.955</b>
Other advance	-128.952	1.248
Change in other assets and liabilities	39.048	6.374
Taxes (paid)/received	488.374	0
Tax provision	11.277	12.045
<b>Net cash flow from operational activities</b>	<b>696.683</b>	<b>-727.288</b>
Distribution on liquidation of subsidiaries		
Financial fixed assets - issued	-58.276.936	0
Financial fixed assets - repaid	490.502.263	321.325.012
Interest received	7.556.418	16.071.245
<b>Net cash flow from investment activities</b>	<b>439.781.745</b>	<b>337.396.257</b>
Bonds issued	58.276.936	0
Bonds repaid	-490.502.263	-320.010.948
Dividend paid	-676.878	-691.012
Interest Paid	-7.627.494	-14.412.499
<b>Net cash flow from financing activities</b>	<b>-440.529.700</b>	<b>-335.114.459</b>
<b>Net cash flow</b>	<b>-51.272</b>	<b>1.554.510</b>
Cash balance as at January 1st	7.078.235	5.523.726
Cash balance as at December 31st	7.026.963	7.078.235
<b>Net cash flow</b>	<b>-51.272</b>	<b>1.554.509</b>

**KBC IFIMA S.A.**  
**Société Anonyme**

Notes to the annual accounts  
As at 30 June 2023

**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 1<sup>st</sup> 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.

Several new products have been launched. This year another new product, called tOPTIMISER also based on warrant issuance has been launched in September 2022.

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**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

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

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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.

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. Since the 28<sup>th</sup> 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.

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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.

**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 382 524 948 (2022: EUR 235 178 030);
- Short term loans: EUR 9 681 306 (2022: EUR 104 887 777);
- Accrued interest on loans and related derivatives: EUR 5 609 041 (2022: EUR 3 022 579);
- Margin adjustment: EUR 8 108 (2022: EUR 254 738)

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All the above transactions for the financial assets relate to our parent, KBC Bank N.V.  
The loans granted can be disclosed as follows:

30/06/2023:

Maturity	AUD	CZK	EUR	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	-	-	-	113.310.000	-	-	9.681.306
Between 1 and 5 years	3.224.000	1.625.000	170.587.000	377.610.000	10.584.000	181.694.000	378.024.948
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
<b>TOTAL</b>	<b>3.224.000</b>	<b>1.625.000</b>	<b>175.087.000</b>	<b>490.920.000</b>	<b>10.584.000</b>	<b>181.694.000</b>	<b>392.206.253</b>

31/12/2022:

Maturity	AUD	CZK	EUR	NOK	NZD	USD	TOTAL (EUR equivalent)
Less than 1 year	1.098.000	-	70.000.000	325.780.000	4.286.000	694.000	104.887.777
Between 1 and 5 years	3.224.000	1.625.000	41.051.000	311.440.000	4.618.000	165.466.000	230.678.030
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
<b>TOTAL</b>	<b>4.322.000</b>	<b>1.625.000</b>	<b>115.551.000</b>	<b>637.220.000</b>	<b>8.904.000</b>	<b>166.160.000</b>	<b>340.065.807</b>

As at 30 June 2023, the Board of Directors is of the opinion that no impairment is necessary.

**Note 4 – Prepayments**

Prepayments	30/06/2023	31/12/2022
Accrued premiums	2.137.231	2.141.794
Accrued commission	32.219	70.669
Accrued pension benefit	44.070	29.807
CRED MTM	-14.669	-70.529
Other	174.020	127.867
<b>TOTAL</b>	<b>2.372.871</b>	<b>2.299.607</b>

**Note 5 - Capital and reserves**

EUR	Subscribed capital	Legal reserve	Other non-available reserves	Result of the financial year
31/12/2022	5.296.266	358.261	1.066.450	304.236
AGM 27/05/2023		15.212	-139.850	124.638
Dividend				-428.875
Result 30/06/2023				-341.710
	<b>5.296.266</b>	<b>373.473</b>	<b>926.600</b>	<b>-341.710</b>

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**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 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 382 524 948 (2022: 235 178 030);
- Short term notes: EUR 9 681 306 (2022: EUR 104 887 777);
- Accrued interests on notes and related derivatives: EUR 5 481 819 (2022: EUR 2 887 533).

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

30/06/2023:

<b>Maturity</b>	<b>AUD</b>	<b>CZK</b>	<b>EUR</b>	<b>NOK</b>	<b>NZD</b>	<b>USD</b>	<b>TOTAL (EUR equivalent)</b>
Less than 1 year	-	-	-	113.310.000	-	-	9.681.306
Between 1 and 5 years	3.224.000	1.625.000	170.587.000	377.610.000	10.584.000	181.694.000	378.024.948
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
<b>TOTAL</b>	<b>3.224.000</b>	<b>1.625.000</b>	<b>175.087.000</b>	<b>490.920.000</b>	<b>10.584.000</b>	<b>181.694.000</b>	<b>392.206.253</b>

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31/12/2022:

<b>Maturity</b>	<b>AUD</b>	<b>CZK</b>	<b>EUR</b>	<b>NOK</b>	<b>NZD</b>	<b>USD</b>	<b>TOTAL (EUR equivalent)</b>
Less than 1 year	1.098.000	-	70.000.000	325.780.000	4.286.000	694.000	104.887.777
Between 1 and 5 years	3.224.000	1.625.000	41.051.000	311.440.000	4.618.000	165.466.000	230.678.030
More than 5 years	-	-	4.500.000	-	-	-	4.500.000
<b>TOTAL</b>	<b>4.322.000</b>	<b>1.625.000</b>	<b>115.551.000</b>	<b>637.220.000</b>	<b>8.904.000</b>	<b>166.160.000</b>	<b>340.065.807</b>

**Note 8 – Deferred income**

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

<b>EUR</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Premiums accruals	2.170.191	2.214.411

**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.

<b>EUR</b>	<b>30/06/2023</b>	<b>31/12/2022</b>
Net intra group charges	240.409	115.145
External charges	-90.260	-78.911
<b>TOTAL</b>	<b>150.149</b>	<b>36.234</b>

**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 December 2023.

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**Note 11 – Staff costs**

The Company has an average of 5.80 employee on 30 June 2023 (2022: 3.60 full time employees) represented by the following categories:

- Directors: 0 FTE
- Management: 0 FTE
- Employees: 5.80 FTE

EUR	30/06/2023	31/12/2022
Salaries and wages	287.567	252.627
Social security on salaries and wages	41.324	34.626
Pensions	49.249	3.860
Other social costs	10.604	4.478
<b>TOTAL</b>	<b>388.744</b>	<b>295.591</b>

**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	30/06/2023	31/12/2022
<b>Interest income from:</b>	<b>6.619.773</b>	<b>8.087.290</b>
fixed interest deposit	0	0
granted loans and related derivatives	6.619.773	8.087.290
<b>Interest expenses from:</b>	<b>-6.515.901</b>	<b>-7.595.396</b>
bonds and related derivatives	-3.539.786	-7.585.159
other	-2.976.115	-10.237

**Note 13 - Auditor's fees**

The accrued fees (excluding VAT and out-of-pocket Expenses) of the auditor of the Company are detailed as per below:

	30/06/2023	31/12/2022
Audit fees	15.675	25.574
Consent letter	2.070	2.050
<b>TOTAL</b>	<b>17.745</b>	<b>27.624</b>

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**Note 14 - Subsequent event**

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

**Note 15 - Off-balance sheet**

The fair value and notional value of the Company's derivative financial instruments at 31 December 2022 is reflected in the table below (base currency is EUR):

Derivatives Assets

<b>Derivative</b>	<b>Notional (EUR)</b>	<b>Fair-value (EUR)</b>
Equity Option	224.251.600	223.492.620
Equity Swap	7.000.000	430.395
Interest Rate Swap	242.058.869	157.156
<b>TOTAL</b>	<b>473.310.469</b>	<b>224.080.171</b>

Derivatives Liabilities

<b>Derivative</b>	<b>Notional (EUR)</b>	<b>Fair-value (EUR)</b>
Equity Option	224.251.600	223.492.620
Equity Swap	7.000.000	430.395
Interest Rate Swap	242.058.869	157.156
<b>TOTAL</b>	<b>473.310.469</b>	<b>224.080.171</b>

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

# KBC IFIMA - unaudited semi-annual account 2023 with CRED corr update

Final Audit Report

2023-10-17

Created:	2023-10-17
By:	KBC Group Re (jba@kbcgroupre.lu)
Status:	Signed
Transaction ID:	CBJCHBCAABAAQfIFq-fRDk1klenBqeezSijhM4iv_KLS

## "KBC IFIMA - unaudited semi-annual account 2023 with CRED corr update" History

-  Document created by KBC Group Re (jba@kbcgroupre.lu)  
2023-10-17 - 08:06:13 GMT
-  Document emailed to ivo.bauwens@kbcgroupre.lu for signature  
2023-10-17 - 08:07:55 GMT
-  Document emailed to fatima.boudabza@kbcgroupre.lu for signature  
2023-10-17 - 08:07:55 GMT
-  Email viewed by ivo.bauwens@kbcgroupre.lu  
2023-10-17 - 08:41:17 GMT
-  Signer ivo.bauwens@kbcgroupre.lu entered name at signing as Ivo Bauwens  
2023-10-17 - 08:48:19 GMT
-  Document e-signed by Ivo Bauwens (ivo.bauwens@kbcgroupre.lu)  
Signature Date: 2023-10-17 - 08:48:21 GMT - Time Source: server
-  Email viewed by fatima.boudabza@kbcgroupre.lu  
2023-10-17 - 13:53:29 GMT
-  Signer fatima.boudabza@kbcgroupre.lu entered name at signing as Fatima Boudabza  
2023-10-17 - 13:53:45 GMT
-  Document e-signed by Fatima Boudabza (fatima.boudabza@kbcgroupre.lu)  
Signature Date: 2023-10-17 - 13:53:47 GMT - Time Source: server
-  Agreement completed.  
2023-10-17 - 13:53:47 GMT