

KBC INTERNATIONAL FINANCE N.V., CURAÇAO,  
NETHERLANDS ANTILLES

**INTERIM FINANCIAL REPORT FOR THE HALF YEAR TO JUNE 30, 2012**

(UNAUDITED)

of

KBC INTERNATIONAL FINANCE N.V.  
CURAÇAO, NETHERLANDS ANTILLES

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## INTERIM DIRECTORS' REPORT

### General

During the half year to June 30, 2012 the company did not launch any new issues, bonds or other financing programme. This is in line with the group policy.

### Financial

The financial indicators for the half year to June 30, 2012 are summarised as follows:

	June 30, 2012	June 30, 2011
	€	€
Net profit after tax	101,558	91,973
Interest income	229,674	663,176
Notes issued and on-lent during the half year	-	-
Earnings per share (diluted and undiluted)	10.16	9.20

No further important events, material or financial, occurred relating to the company since June 30, 2012.

The Financial Report for the half year to June 30, 2012 is unaudited.

### Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the financial statements for the half year to June 30, 2012 give a true and fair view of the assets, liabilities, financial position and profit of KBC International Finance N.V. and the directors' report includes a fair review of the development and performance of the business and the position of KBC International Finance N.V. together with a description of the principal opportunities and risks associated with the expected development of KBC International Finance N.V.

### Future Developments

KBC International Finance N.V. did not launch any new issues, bonds or other financing programme during the half- year ending June 30, 2012 and, in line with the group policy, it is not planned that the company will do so in the future. The last of the outstanding bonds mature in August 2012, after which it is intended to liquidate the company.

Rotterdam, August 13th, 2012

Management Board:

J.G. Heffernan

H.B.J. Wouters

**BALANCE SHEET AS AT JUNE 30, 2012 (UNAUDITED)**  
(before profit appropriation)

**A s s e t s**

		<b>June 30, 2012</b>		<b>December 31, 2011</b>	
		€	€	€	€
<b>Fixed assets</b>					
Financial fixed assets			-		-
<b>Current assets</b>					
Loans falling due within one year	(2)	1,094,365		5,427,769	
Interest and other receivables	(3)	64,115		249,639	
Cash		1,323,278		1,384,530	
			2,481,758		7,061,938
<b>Total assets</b>			2,481,758		7,061,938

**L i a b i l i t i e s**

**Capital and reserves**

Paid-in and called-up share capital	(4)	84,012		84,012	
Retained earnings	(5)	1,086,215		975,032	
Net profit for the half year/year		101,558		111,183	
			1,271,785		1,170,227

**Long term liabilities**

**Current liabilities**

Issued bonds falling due within one year	(6)	1,114,007		5,596,308	
Other current liabilities	(7)	95,966		295,403	
			1,209,973		5,891,711
<b>Total liabilities</b>			2,481,758		7,061,938

**PROFIT AND LOSS ACCOUNT FOR THE HALF YEAR ENDED JUNE 30, 2012 (UNAUDITED)**

	<b>June 30, 2012</b>		June 30, 2011	
	€	€	€	€
<b>Interest Income</b>	(8)	229,674	663,176	
<b>Interest expense</b>	(8)	(91,602)	(532,114)	
<b>Gross margin</b>		138,072		131,062
<b>Operating expenses</b>				
General and administrative Expenses		(2,648)	(7,671)	
Exchange rate differences		(13)	63	
		(2,661)		(7,608)
<b>Profit before taxation</b>		135,411		123,454
Corporation tax		(33,853)		(31,481)
<b>Net profit for the half year</b>		101,558		91,973

**CASH FLOW STATEMENT FOR THE HALF YEAR ENDED JUNE 30, 2012 (UNAUDITED)**

	<b>June 30, 2012</b>		June 30, 2011	
	€	€	€	€
Net profit	101,558		91,973	
Adjustment for:				
Amortization on bonds	3,723		37,878	
	105,281		129,851	
Change in other assets and liabilities	<u>(13,914)</u>		<u>3,254</u>	
<b>Net cash flow from operational activities</b>		<b>91,367</b>		<b>133,105</b>
Financial fixed assets repaid	4,333,404		8,225,399	
<b>Net cash flow from investment activities</b>		<b>4,333,404</b>		<b>8,225,399</b>
Bonds repaid	<u>(4,486,023)</u>		<u>(8,722,630)</u>	
<b>Net cash flow from financing activities</b>		<b>(4,486,023)</b>		<b>(8,722,630)</b>
<b>Net cash flow</b>		<b><u>(61,252)</u></b>		<b><u>(364,126)</u></b>
Cash balance as at January 1		1,384,530		2,060,189
Cash balance as at June 30		<u>1,323,278</u>		<u>1,696,063</u>
<b>Net cash flow</b>		<b><u>(61,252)</u></b>		<b><u>(364,126)</u></b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF YEAR TO JUNE 30, 2012

### 1 Accounting principles

#### General

The company is a wholly-owned subsidiary of KBC Internationale Financieringsmaatschappij N.V., Rotterdam and is legally incorporated according to the applicable laws of Curaçao, The Netherlands Antilles. The main activity of the company is to assist in financing the activities of KBC Bank N.V., its subsidiaries and associated companies. The address of the company is Watermanweg 92, 3067 GG Rotterdam, The Netherlands.

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code. The last of the outstanding bonds will mature in August 2012 and no new bonds will be issued. After repayment of the remaining bonds in 2012 it is planned to liquidate the company; therefore in 2011 the company changed its basis of presentation from the going-concern basis to liquidation basis whereby assets are presented at estimated realizable values and liabilities at estimated settlement amounts and are presented in the joint currency of the European Monetary Union, the euro ("EUR").

The same accounting principles as were applied in the Financial Report 2011 have also been applied in the financial statements for the half year to June 30, 2012.

### 2 Financial fixed assets and loans falling due within 1 year

The financial fixed assets consist of loans to group companies at June 30, 2012 and December 31, 2011.

#### Activity in loans to group companies

	<b>June 30, 2012</b>	<b>June 30, 2011</b>
	€	€
Loans issued in the half year to June 30	-	-
Loan repayments in the half year to June 30	4,333,404	8,225,399

### 3 Interest and other receivables

	June 30, 2012	December 31, 2011
	€	€
Accrued interest receivable	64,115	249,639
	<u>64,115</u>	<u>249,639</u>

The interest on loans granted to group companies is calculated using a straight-line method.

### 4 Paid-in and called-up share capital

#### Authorised

10,000 ordinary shares of USD 10 USD 100,000

**Paid-in and called-up share capital** € 84,012

The paid-in and called-up share capital is fully held by KBC Internationale Financieringsmaatschappij N.V., Rotterdam.

The share capital is valued in euros, using the original exchange rate of USD 1.1903/€ 1.000

There have been no movements in paid-in and called-up share capital during the half year to June 30, 2012 (year to December 31, 2011: no movements).

### 5 Retained earnings

	June 30, 2012	December 31, 2011
	€	€
Balance as at January 1	975,032	877,436
Net profit appropriation	111,183	97,596
Dividend paid	-	-
Balance as at June 30/December 31	<u>1,086,215</u>	<u>975,032</u>



## 6 Activity in Bonds

	June 30, 2012	June 30, 2011
	€	€
Bonds issued in the half year to June 30	-	-
Bonds repaid in the half year to June 30	4,486,023	8,722,630

All bonds are guaranteed by KBC Bank NV, Brussels, Belgium.

## 7 Other current liabilities

	June 30, 2012	December 31, 2011
	€	€
Accrued interest	62,113	252,390
Sundries	-	5,952
Payable to parent company in respect of tax	33,853	37,061
	<u>95,966</u>	<u>295,403</u>

## NOTES TO THE PROFIT AND LOSS ACCOUNT

### 8 Interest income and expense

The interest receivable mainly results from the loans granted by the company to KBC Bank NV, Brussels, Belgium. The interest payable relates to bonds issued.

### 9 Risk management

The structure and organisation of the company are such that interest, exchange, market and operational risks to the company are strictly limited, notes issued being on-lent within the group for the same currency, amount and tenor. The interest margins on the loans where applicable, have been set in conjunction with KBC Bank NV and take account of the company's obligations under an Advance Pricing Agreement entered into with the Dutch tax authorities.

## **NOTES TO THE CASH FLOW STATEMENT**

### **10 Cash Flow Statement**

The Cash Flow Statement is compiled according to the indirect method.

The cash balances of the company are free of encumbrance.

Rotterdam, August 13th, 2012

Board of Directors:

J.G. Heffernan

H.B.J. Wouters