



Press Release
 Regulated information
 27 August 2021 (17.40 hrs CEST)
 Annual press release

Regulated information, Leuven, 27 August 2021 (17.40 hrs CEST)

KBC Ancora closes financial year 2020/2021 with a profit of EUR 529.7 million, including recurring profit of EUR 18.0 million.

KBC Ancora recorded a profit of EUR 529.7 million in the financial year 2020/2021, equivalent to EUR 6.76 per share. This compares with a profit of EUR 60.8 million in the previous financial year. The result was due in very large part to the reversal of the remaining impairments on the participating interest in KBC Group (EUR 511.7 million). The recurring result for the financial year 2020/2021 (EUR 18.0 million) was determined on the one hand by the income from the dividend received on the participating interest in KBC Group (EUR 34.1 million), and on the other by the operating costs (EUR 2.4 million) and interest charges (EUR 13.8 million).

The result in the second half of the financial year was EUR 537.8 million, or EUR 6.87 per share. The recurring result for the second half of the financial year was EUR 26.0 million. KBC Ancora distributed a gross interim dividend of EUR 0.20 per share on 10 June 2021 and, as already announced, will not pay a final dividend.

The Board of Directors of Almancora Société de Gestion, statutory director of KBC Ancora SA, hereby announces the annual figures for the financial year ended 30 June 2021, subject to the approval of the General Meeting of KBC Ancora Shareholders to be held on 29 October 2021.

Abridged financial summaries and notes¹

Results for the financial year

	Financial year 2020/2021		Financial year 2019/2020	
	total (x EUR 1,000)	per share (in EUR)	total (x EUR 1,000)	per share (in EUR)
Income	545,887	6.97	77,561	0.99
Operating income	53	0.00	45	0.00
Recurring financial income				
Dividends from financial fixed assets	34,107	0.44	77,516	0.99
Non-recurring financial income				
Reversal of impairments	511,726	6.54	0	0.00
Expenses	16,204	0.21	16,713	0.21
Operating costs	2,386	0.03	2,243	0.03
Financial expenses	13,818	0.18	14,470	0.18
Result after taxes	529,682	6.76	60,848	0.78
Number of shares in issue*		78,301,314		78,301,314

* No instruments have been issued which could lead to dilution.

¹ KBC Ancora's reporting is based on Belgian GAAP.



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Income (EUR 545.9 million) principally comprised non-recurring income amounting to EUR 511.7 million stemming from the reversal of the remaining impairments on the participating interest in KBC Group, and a (recurring) income component comprising the dividend from the participating interest in KBC Group (EUR 34.1 million). Expenses (EUR 16.2 million) consisted mainly of the usual operating costs (EUR 2.4 million) and interest charges (EUR 13.8 million).

Developments in the last six months of the financial year 2020/2021

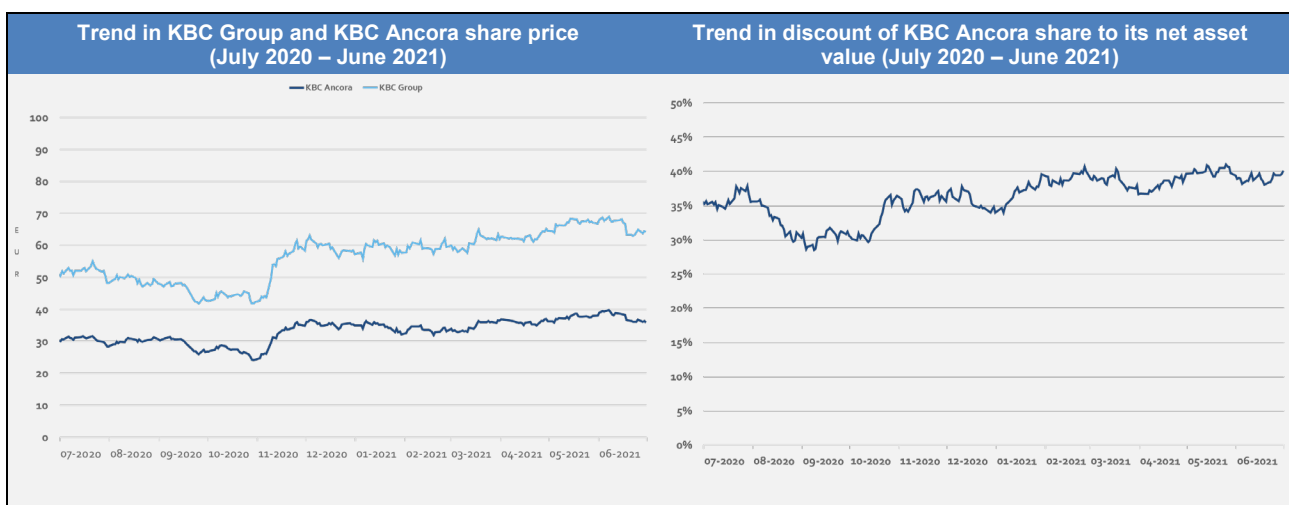
Participating interest in KBC Group, net debt position and net asset value

KBC Ancora did not buy or sell any KBC Group shares in the second half of the financial year, and holds 77,516,380 KBC Group shares.

The net asset value of the KBC Ancora share corresponds to 0.99 times the price of the KBC Group share, less the net debt² per share. KBC Ancora's net debt position as at 30 June 2021 stood at EUR 3.58 per share.

Based on the price of the KBC Group share on 30 June 2021 (EUR 64.30), the net asset value of one KBC Ancora share amounted to EUR 60.08, and the KBC Ancora share (EUR 35.98) was trading at a discount of 40.1% to its net asset value.

The following charts illustrate the movements in the price of the KBC Group and KBC Ancora shares and the discount of the KBC Ancora share to its net asset value.



² Net debt is defined here as total liabilities less total assets excluding financial fixed assets.



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Result for the second half of the financial year 2020/2021

	2H FY 2020/2021		2H FY 2019/2020	
	total (x EUR 1,000)	per share (in EUR)	total (x EUR 1,000)	per share (in EUR)
Income	545,853	6.97	18	0.00
Operating income	20	0.00	18	0.00
Recurring financial income				
Dividends from financial fixed assets	34,107	0.44	0	0.00
Non-recurring financial income				
Reversal of impairments	511,726	6.54	0	0.00
Expenses	8,090	0.10	8,263	0.11
Operating costs	1,156	0.01	1,028	0.01
Financial expenses	6,934	0.09	7,235	0.09
Result after taxes	537,764	6.87	-8,244	-0.11
Number of shares in issue*		78,301,314		78,301,314

KBC Ancora recorded a profit after tax of EUR 537.8 million in the second half of the year under review, or EUR 6.87 per share. In the same period in the previous financial year, KBC Ancora recorded a loss of EUR 8.2 million.

Income amounted to EUR 545.9 million.

KBC Ancora received dividend income totalling EUR 34.1 million on its participating interest in KBC Group.

In addition, the remaining impairments on the KBC Group shares were fully reversed, generating non-recurring income of EUR 511.7 million.

On 30 June 2021, the IFRS equity value amounted to EUR 51.8 per KBC Group share and the KBC Group share was listing at a price of EUR 64.30. Both the IFRS equity value and the stock market price have for some considerable time been well above the historical book value (EUR 46.44 per share) of the KBC Group shares held in portfolio by KBC Ancora.

The Board of Directors accordingly took the view that as at 30 June 2021 there was no longer any reason to maintain the remaining impairments that had been applied to the KBC Group shares. This led to an increase in the book value of the KBC Group shares from EUR 39.94 to their historical book value of EUR 46.44 per share.

In the same period in the previous financial year, KBC Ancora did not receive any dividends from its participating interest in KBC Group, and generated no non-recurring income.

Expenses in the second half-year (EUR 8.1 million) were EUR 0.2 million lower than a year earlier, and were principally determined by the following factors:

- The usual operating expenses amounted to EUR 1.2 million, EUR 0.2 million higher than in the same period in the previous financial year. Of this total, EUR 0.9 million relates to



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costs incurred within the cost-sharing agreement with Cera. Other costs relate among other things to listing fees, dividend distribution costs and management costs (statutory director).

- Cost of debt amounted to EUR 6.9 million, EUR 0.3 million less than in the same period in the previous financial year, due to the downward adjustment (in 2020) of the interest rate charged on the existing bullet loan of EUR 100 million, which matures in May 2027.

Balance sheet as at 30 June 2021

(x EUR 1,000)	30.06.2021	30.06.2020	30.06.2019
BALANCE SHEET TOTAL	3,664,327	3,150,309	3,089,448
Assets			
Fixed assets	3,599,979	3,088,253	3,088,253
<i>Financial fixed assets</i>	3,599,979	3,088,253	3,088,253
Current assets	64,348	62,057	1,195
Liabilities			
Equity	3,319,759	2,805,737	2,744,889
<i>Contribution</i>	2,021,871	2,021,871	2,021,871
<i>Legal reserve</i>	101,659	75,175	72,132
<i>Other unavailable reserves</i>	1,136,257	650,117	650,117
<i>Available reserves</i>	59,588	57,806	0
<i>Profit (loss) carried forward</i>	383	767	767
Creditors	344,568	344,573	344,559
<i>Amounts falling due after more than one year</i>	243,000	343,000	343,000
<i>Amounts falling due within one year</i>	100,244	198	179
<i>Accrued expense and deferred income</i>	1,324	1,374	1,380

Total assets stood at EUR 3.66 billion on 30 June 2021, an increase of EUR 514.0 million compared with the previous financial year, largely due to the reversal of the remaining impairments on the KBC Group shares as described above.

The number of KBC Group shares in portfolio remained unchanged in the year under review; at the balance sheet date, KBC Ancora held a total of 77,516,380 KBC Group shares. The reversal of the impairments led to an increase in the book value of the KBC Group shares to their historical book value of EUR 46.44 per share. The stock market price of the KBC Group share on the balance sheet date was EUR 64.30.

Debt remained virtually unchanged from the position on the balance sheet date in the previous financial year (EUR 344.6 million, including financial debt of EUR 343 million). Current assets (cash) rose by EUR 2.3 million compared with a year earlier, to stand at EUR 64.3 million.



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After addition of the result carried forward from the previous financial year (EUR 0.8 million), the result available for appropriation amounted to EUR 530.4 million; this figure includes a non-recurring result of EUR 511.7 million. The following appropriation of profit will be proposed to the General Meeting of Shareholders to be held on 29 October 2021:

- addition of EUR 26.5 million (5% of the profit for the financial year) to the legal reserve;
- addition of EUR 486.1 million to the unavailable reserves. This amount represents 95% of the non-recurring result deriving from the reversal of impairments. The remaining 5% of the reversed impairments (EUR 25.6 million) is accounted for by the increase in the legal reserve;
- addition of EUR 1.8 million to the available reserves; This amount represents 10% of the recurring result after formation of a legal reserve (5% of the that amount);
- distribution of a dividend of EUR 15.7 million (EUR 0.20 per share), which was paid to shareholders as an interim dividend on 10 June 2021; This amount represents 90% of the recurring result available for distribution, after formation of the legal reserve;
- carry-forward of the balance of EUR 0.4 million, or EUR 0.005 per share, to the next financial year.

Notes on anticipated developments in the financial year 2021/2022

Costs within the cost-sharing agreement with Cera are expected to amount to approximately EUR 1.9 million. Total interest charges for the financial year 2021/2022 are estimated at approximately EUR 13.2 million. Other operating costs are likely to be around EUR 1.3 million.

In its press release of 5 August 2021, KBC Group reaffirmed its intention to distribute an additional gross dividend in the fourth quarter of 2021 of EUR 2.00 per share in respect of the financial year 2020. KBC Group has also stated its intention, in line with its dividend policy, to distribute an interim dividend of EUR 1.00 per share in November 2021 followed in May 2022 by a final dividend, the amount of which has yet to be determined, in respect of the financial year 2021. Barring exceptional or unforeseen circumstances, KBC Group's dividend policy is to aim for a dividend payout ratio (including the coupon on the outstanding Additional Tier-1 instruments) of at least 50% of the consolidated profit.

Barring exceptional circumstances, KBC Ancora will take its dividend income in the current financial year into account in determining the interim dividend that it is able to pay out in June 2022, in line with its dividend policy. This means that, barring exceptional circumstances, 90% of the recurring result for the financial year available for distribution (i.e. after adjustment for any exceptional results and after the compulsory formation of the legal reserve) will be paid out as (interim) dividend.

In addition, during the course of the financial year 2021/2022, KBC Ancora will make the necessary preparations and take the requisite decisions in the context of the loans totalling EUR 100 million which mature in May 2022. The cash position accrued at that time will be addressed for this purpose, with due observance of the usual dividend policy. The cash position as at 30 June 2021 stood at EUR 64.3 million.



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Information on the external audit of the annual accounting data

The auditor, KPMG Réviseurs d'entreprises, represented by Kenneth Vermeire, has issued an unqualified opinion on the financial statements. The draft press release was also reviewed by the auditor and contains no obvious inconsistencies compared with the financial statements.

KBC Ancora is a listed company which holds 18.6% of the shares in KBC Group and which together with Cera, MRBB and the Other Permanent Shareholders is responsible for the shareholder stability and further development of the KBC group. As core shareholders of KBC Group, these parties have signed a shareholder agreement to this effect.

Financial calendar:

28 September 2021	Annual Report 2020/2021 available and notice of Annual General Meeting of Shareholders
29 October 2021	Annual General Meeting of Shareholders
28 January 2022	Interim financial report (1H)
26 August 2022	Annual press release for the financial year 2021/2022

This press release is available in Dutch, French and English on the website www.kbcancora.be.
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