



Regulated information, Leuven, 25 January 2019 (17.40 hrs CET)

Interim Financial Report 2018/2019

KBC Ancora recorded a profit of EUR 68.7 million in the first half of the financial year 2018/2019. This result is in line with the profit of EUR 68.8 million recorded over the same period in the previous financial year.

Abridged financial summary and notes¹

Results for the first half of the financial year 2018/2019

| | 1H fin. year (x EUR 1,000) | 2018/2019 per share (in EUR) | 1H fin. year (x EUR 1,000) | 2017/2018 per share (in EUR) |
|---------------------------------------|-------------------------------|------------------------------------|-------------------------------|------------------------------------|
| Income | 77,545 | 0.99 | 77,595 | 0.99 |
| Dividends from financial fixed assets | 77,516 | 0.99 | 77,516 | 0.99 |
| Other income | 29 | 0.00 | 79 | 0.00 |
| Expenses | -8,853 | -0.11 | -8,777 | -0.11 |
| Cost of debt | -7,576 | -0.10 | -7,576 | -0.10 |
| Services and sundry goods | -1,276 | -0.02 | -1,200 | -0.02 |
| Other costs | -1 | -0.00 | -1 | -0.00 |
| Result after taxes | 68,692 | 0.88 | 68,818 | 0.88 |
| Number of shares in issue* | 78,301,314 | | 78,301,314 | |

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

KBC Ancora recorded a positive result of EUR 68.7 million in the first six months of the current financial year, equivalent to EUR 0.88 per share, compared with a positive result of EUR 68.8 million in the same period in the previous financial year.

The result consisted primarily of the interim dividend received from KBC Group (EUR 77.5 million), interest charges on debt (EUR 7.6 million) and operating costs (EUR 1.3 million).

¹ KBC Ancora's reporting is based on Belgian GAAP.
See appendix for a detailed balance sheet and profit and loss account.



Balance sheet as at 31 December 2018

| (x EUR 1,000) | 31.12.2018 | *30.06.2018 |
|--|------------------|------------------|
| BALANCE SHEET TOTAL | 3,185,192 | 3,108,930 |
| Assets | | |
| Fixed assets | 3,088,253 | 3,088,253 |
| Financial fixed assets | 3,088,253 | 3,088,253 |
| Current assets | 96,939 | 20,678 |
| Liabilities | | |
| Equity | 2,801,006 | 2,732,313 |
| Issued capital | 2,021,871 | 2,021,871 |
| Legal reserve | 59,445 | 59,445 |
| Unavailable reserves | 650,117 | 650,117 |
| Profit (loss) carried forward | 879 | 879 |
| Result for the period | 68,692 | 0 |
| Creditors | 384,186 | 376,617 |
| Amounts falling due after more than one year | 200,000 | 200,000 |
| Amounts falling due within one year | 175,185 | 175,186 |
| Accruals and deferred income | 9,001 | 1,431 |

* The balance sheet as at 30 June 2018 is shown after appropriation of profit.

The balance sheet total stood at EUR 3.2 billion, an increase of EUR 76.3 million compared with the end of the financial year 2017/2018.

The number of shares held by KBC Ancora in KBC Group remained unchanged at 77,516,380.

Equity increased by EUR 68.7 million, i.e. the positive result recorded for the first six months of the current financial year. Debt increased by EUR 7.6 million due to the pro rata application of interest charges during the first six months of the financial year.



Interim report on the first six months of the current financial year 2018/2019

Notes on the first half of the current financial year 2018/2019

Results for the first six months of the financial year 2018/2019

KBC Ancora recorded a positive result of EUR 68.7 million in the first six months of the current financial year, compared with a positive result of EUR 68.8 million in the same period in the previous financial year.

This result was influenced principally by the following factors:

- Dividend income amounting to EUR 77.5 million. KBC Group distributed an interim dividend of EUR 1 per share in November 2018.
- Interest charges amounting to EUR 7.6 million, in line with the same period in the previous financial year.
- Operating expenses amounting to EUR 1.3 million, EUR 0.1 million more than in the same period in the previous financial year. The recurring operating expenses consisted primarily of costs incurred under the cost-sharing agreement with Cera (EUR 0.9 million). In addition, there were the usual costs such as listing fees and management expenses.

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

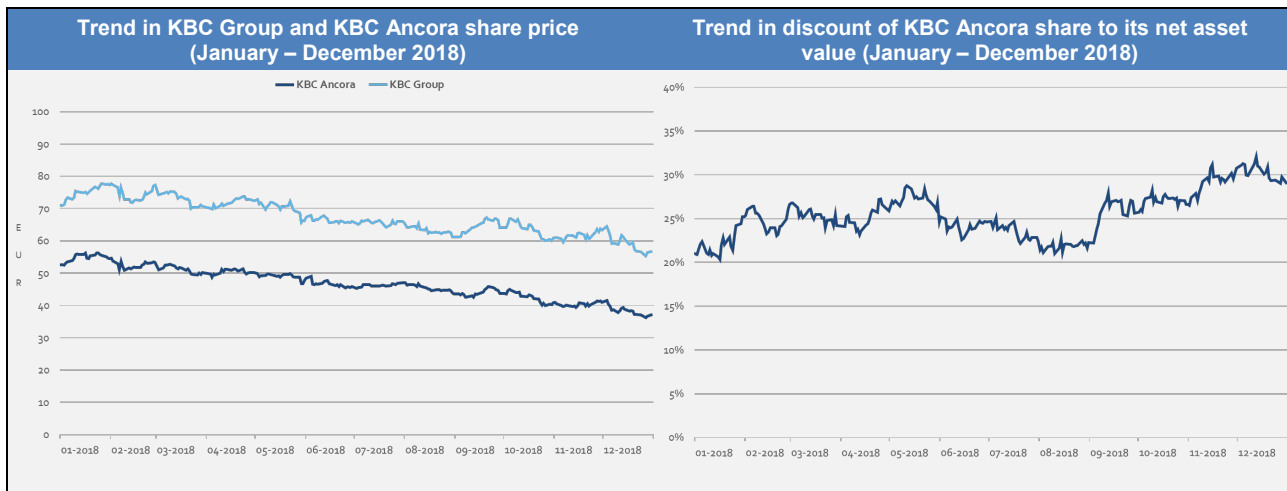
The number of KBC Group shares in portfolio remained unchanged during the past six months, at 77,516,380. KBC Ancora holds 0.99 KBC Group shares per KBC Ancora share in issue. The average book value of the KBC Group shares is EUR 39.84 per share.

KBC Ancora's net debt amounted to EUR 3.67 per share as at 31 December 2018, a decrease of EUR 0.88 per share compared with 30 June 2018. This reduction in net debt was principally the result of the interim dividend distributed by KBC Group in November 2018. In view of the intention of KBC Ancora to distribute an interim dividend in early June 2019, net debt will increase again in the second half of the year.

The net asset value of one KBC Ancora share as at 31 December 2018 was thus equivalent to the price of 0.99 KBC Group shares less EUR 3.67. Based on the closing price of the KBC Group share on 31 December 2018 (EUR 56.68), the net asset value of one KBC Ancora share amounted to EUR 52.44, and the KBC Ancora share (EUR 37.24) was trading at a discount of 29.0% 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.



Principal risks and uncertainties in the remaining months of the financial year

Certain risk factors could have an impact on the value of the assets held by KBC Ancora and on its ability to distribute a dividend. Reference is made in this regard to the description of the risks in the most recent annual report (page 17).

During the second half of the financial year 2018/2019, KBC Ancora will make the necessary preparations and take the requisite decisions in the context of the loan totalling EUR 175 million which matures in May 2019.

KBC Group reported a net result of EUR 1.95 billion for the first nine months of 2018. It will announce its annual result for the full financial year 2018 on 14 February 2019. KBC Group's dividend policy provides for a dividend payout ratio (including the coupon on the outstanding Additional Tier-1 instruments) of at least 50% of the consolidated profit. Following its annual general meeting in May 2019, KBC Group will distribute a final dividend, which together with the interim dividend distributed in November 2018 will constitute the total dividend in respect of the financial year 2018.

In addition to a final dividend from KBC Group, KBC Ancora's result in the second half of the current financial year (2018/2019) will consist principally of interest charges plus the usual limited operating expenses (costs under the cost-sharing agreement with Cera, listing fees and management expenses).

Barring unforeseen circumstances, KBC Ancora will close the financial year 2018/2019 with a positive result. KBC Ancora intends to distribute its recurring result, after formation of the legal



reserve, in the form of interim dividend. The amount and payment date of the interim dividend will be announced on 24 May 2019 (17.40 hrs CEST).

Declaration by the responsible individuals

“We, the members of the Board of Directors of Almancora Société de gestion, statutory manager of KBC Ancora SCA, hereby jointly declare that, in so far as we are aware:

- a) the abridged financial summaries, drawn up in accordance with the applicable standards for financial statements, present a true and fair picture of the capital position, financial position and results of KBC Ancora,
- b) the interim financial report presents a true and fair view of the key events and principal transactions with affiliated parties during the first six months of the current financial year and of their impact on the abridged financial summaries, as well as a description of the principal risks and uncertainties during the remaining months of the financial year.”

Information on the external audit

The statutory auditor has reviewed the interim financial information. The statutory auditor's report is appended to this interim report.

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:

| | |
|--------------------------------|---|
| 24 May 2019 (17.40 CEST) | Announcement of amount and payment date of interim dividend |
| 30 August 2019 | Annual press release for the financial year 2018/2019 |
| 24 September 2019 (17.40 CEST) | Annual Report 2018/2019 available |
| 25 October 2019 | General Meeting of Shareholders |

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

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Appendix: Detailed balance sheet and profit and loss account with comparative figures

| (x EUR 1,000) | 31.12.2018 | 30.06.2018 |
|--|-------------------|-------------------|
| BALANCE SHEET TOTAL | 3,185,192 | 3,108,930 |
| <u>Assets</u> | | |
| Fixed assets | 3,088,253 | 3,088,253 |
| Financial fixed assets | 3,088,253 | 3,088,253 |
| <i>Companies with which there is a participatory relationship</i> | 3,088,253 | 3,088,253 |
| <i>Participating interests</i> | 3,088,253 | 3,088,253 |
| Current assets | 96,939 | 20,678 |
| Receivables due within one year | 16 | 14 |
| Cash at bank and in hand | 96,924 | 20,658 |
| Prepayments and accrued income | 0 | 6 |
| <u>Liabilities</u> | | |
| Equity | 2,801,006 | 2,732,313 |
| Capital | 2,021,871 | 2,021,871 |
| <i>Issued capital</i> | 2,021,871 | 2,021,871 |
| Reserves | 709,563 | 709,563 |
| <i>Legal reserve</i> | 59,445 | 59,445 |
| <i>Unavailable reserves</i> | 650,117 | 650,117 |
| Profit (loss) carried forward | 879 | 879 |
| Profit (loss) for the period | 68,692 | n/a |
| Creditors | 384,186 | 376,617 |
| Amounts falling due after more than one year | 200,000 | 200,000 |
| <i>Financial liabilities</i> | 200,000 | 200,000 |
| <i>Credit institutions</i> | 200,000 | 200,000 |
| Amounts falling due within one year | 175,185 | 175,186 |
| <i>Liabilities over more than one year falling due within the year</i> | 175,000 | 175,000 |
| <i>Trade creditors</i> | 127 | 115 |
| <i>Suppliers</i> | 127 | 115 |
| <i>Other creditors</i> | 58 | 71 |
| Accruals and deferred income | 9,001 | 1,431 |



Press Release

Regulated information
25 January 2019 (17.40 hrs CET):
Interim financial report

| (x EUR 1,000) | 01.07.2018 -31.12.2018 | 01.07.2017 -31.12.2017 |
|------------------------------------|-----------------------------------|-----------------------------------|
| RESULTS | 68,692 | 68,818 |
| Expenses | 8,853 | 8,777 |
| Cost of debt | 7,576 | 7,576 |
| Other financial expenses | 0 | 0 |
| Services and sundry goods | 1,276 | 1,200 |
| Miscellaneous current expenses | 0 | 0 |
| Income | 77,545 | 77,595 |
| Income from financial fixed assets | 77,516 | 77,516 |
| <i>Dividend</i> | 77,516 | 77,516 |
| Other financial income | 0 | 0 |
| Other current income | 29 | 79 |



Statutory auditor's report to the statutory manager of KBC Ancora SCA on the review of the condensed interim financial information as at 31 December 2018 and for the 6-month period then ended

FREE TRANSLATION OF A REPORT ORIGINALLY PREPARED IN DUTCH

Introduction

We have reviewed the accompanying condensed statement of financial position of KBC Ancora SCA as at 31 December 2018 and the statement of profit or loss for the 6-month period then ended ("the condensed interim financial information"). The management body is responsible for the preparation and presentation of this condensed interim financial information in accordance with the financial reporting framework applicable in Belgium for interim financial information. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 31 December 2018 and for the 6-month period then ended is not prepared, in all material respects in accordance with the financial reporting framework applicable in Belgium for the condensed interim financial information.

Brussels, 25 January 2019

KPMG Réviseurs d'Entreprises
Statutory Auditor
represented by

Olivier Macq
Réviseur d'Entreprises / Bedrijfsrevisor