



Regulated information, Leuven, 26 August 2022 (17.40 hrs CEST)

KBC Ancora closes financial year 2021/2022 with a profit of EUR 804.8 million

KBC Ancora recorded a profit of EUR 804.8 million in the financial year 2021/2022, equivalent to EUR 10.28 per share. This compares with a profit of EUR 529.7 million in the previous financial year. This result was determined principally by the high dividend income received from the participating interest in KBC Group (EUR 821.7 million). The result in the previous financial year 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 result in the second half of the financial year was EUR 580.9 million, or EUR 7.42 per share.

KBC Ancora distributed a gross interim dividend of EUR 2.30 on 9 December 2021 and EUR 6.49 per share on 9 June 2022; as announced, it will not distribute a final dividend.

The Board of Directors of *Almancora Société de gestion*, statutory director of KBC Ancora NV, hereby announces the annual figures for the financial year ended 30 June 2022, subject to the approval of the General Meeting of KBC Ancora Shareholders to be held on 28 October 2022.

Abridged financial summaries and notes¹

Results for the financial year

	Financial year 2021/2022		Financial year 2020/2021	
	total (x EUR 1,000)	per share (in EUR)	total (x EUR 1,000)	per share (in EUR)
Income	821,713	10.49	545,887	6.97
Operating income	39	0.00	53	0.00
Recurring financial income				
Dividends from financial fixed assets	821,674	10.49	34,107	0.44
Non-recurring financial income				
Reversal of impairments	0	0.00	511,726	6.54
Expenses	16,884	0.22	16,204	0.21
Operating costs	3,265	0.04	2,386	0.03
Financial expenses	13,619	0.17	13,818	0.18
Result after taxes	804,828	10.28	529,682	6.76
Number of shares in issue*		78,301,314**		78,301,314

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

** On 30 June 2022 the number of shares with dividend entitlement stood at 78,184,128, being the number of shares in issue (78,301,314) less the number of repurchased shares (117,186).

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



KBC Ancora recorded a profit of EUR 804.8 million in the financial year 2021/2022, compared with a profit of EUR 529.7 million in the previous financial year. However, the recurring result in the previous financial year was only EUR 18.0 million, in view of the substantial non-recurring result in the financial year 2020/2021 due to the full reversal of the remaining impairments on the participating interest in KBC Group, amounting to EUR 511.7 million.

Income (EUR 821.7 million) consisted almost entirely of dividend received on the participating interest in KBC Group (EUR 821.7 million). Expenses (EUR 16.9 million) consisted mainly of the usual operating costs (EUR 3.3 million) and financial charges (EUR 13.6 million).

Developments in the last six months of the financial year 2021/2022

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.

Under the share repurchase programme launched on 10 June 2022, in the second half of the financial year KBC Ancora purchased 117,186 KBC Ancora shares on the stock exchange for a total amount of EUR 4.3 million. The reserves needed to fund the repurchase programme were accrued as part of the dividend policy in force since August 2019.

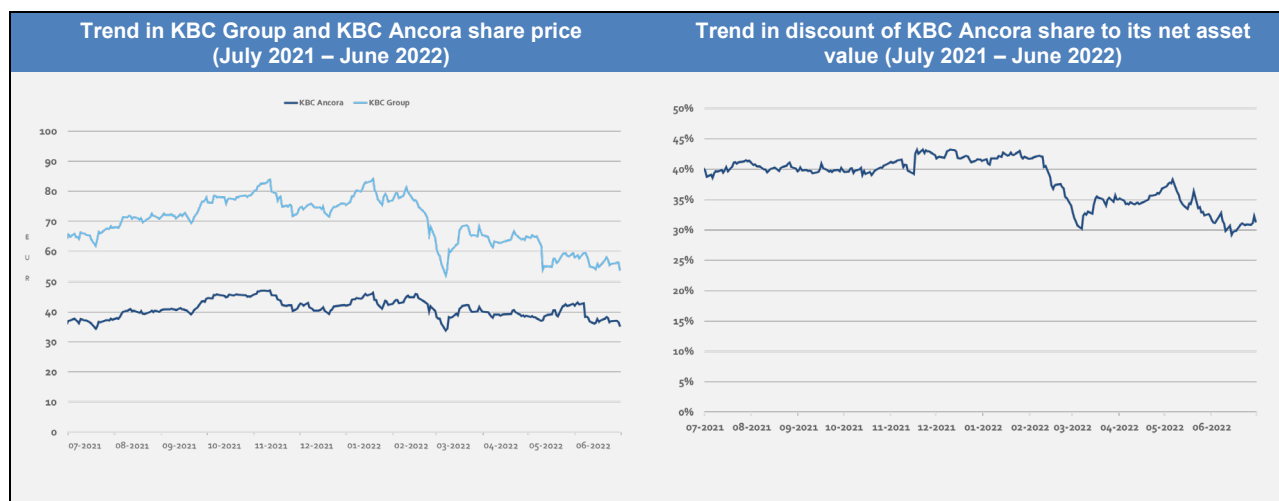
The net asset value of the KBC Ancora share corresponds to 0.991 times² the price of the KBC Group share, less the net debt³ per share. KBC Ancora's net debt position as at 30 June 2022 stood at EUR 2.15 per share.

Based on the price of the KBC Group share on 30 June 2022 (EUR 53.54), the net asset value of one KBC Ancora share amounted to EUR 50.93, and the KBC Ancora share (EUR 35.02) was trading at a discount of 31.2% 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 Number of KBC Group shares in portfolio / (number of shares in issue – number of repurchased shares) = 77,516,380 / (78,301,314 – 117,186) = 0.991.

³ Net debt is defined here as total liabilities less total assets excluding financial fixed assets and excluding repurchased shares.



Result for the second half of the financial year 2021/2022

	2H FY 2021/2022		2H FY 2020/2021	
	total (x EUR 1,000)	per share (in EUR)	total (x EUR 1,000)	per share (in EUR)
Income	589,136	7.52	545,853	6.97
Operating income	12	0.00	20	0.00
Recurring financial income				
Dividends from financial fixed assets	589,124	7.52	34,107	0.44
Non-recurring financial income				
Reversal of impairments	0	0.00	511,726	6.54
Expenses	8,217	0.10	8,090	0.10
Operating costs	1,532	0.02	1,156	0.01
Financial expenses	6,685	0.09	6,934	0.09
Result after taxes	580,919	7.42	537,764	6.87
Number of shares in issue		78,301,314		78,301,314

KBC Ancora recorded a profit after tax of EUR 580.9 million in the second half of the year under review, or EUR 7.42 per share. In the same period in the previous financial year, KBC Ancora recorded a profit of EUR 537.8 million.

Income amounted to EUR 589.1 million.

KBC Ancora received dividend income totalling EUR 589.1 million on its participating interest in KBC Group.



In the same period in the previous financial year, KBC Ancora received dividends totalling EUR 34.1 million from its participating interest in KBC Group, in addition to non-recurring income of EUR 511.7 million due to the full reversal of the remaining impairments on the KBC Group shares held in portfolio.

Expenses in the second half-year (EUR 8.2 million) were EUR 0.1 million higher than a year earlier, and were principally determined by the following factors:

- The usual operating costs amounted to EUR 1.5 million, EUR 0.3 million higher than in the same period in the previous financial year. Of this total, EUR 0.9 million relates to costs incurred within the cost-sharing agreement with Cera. Other expenses consisted among other things of costs associated with the dividend distribution (which were substantially higher in view of the significantly increased dividend), management costs (statutory director) and listing fees.
- Cost of debt amounted to EUR 6.7 million, EUR 0.3 million less than in the same period in the previous financial year. Interest charges were EUR 0.7 million lower, while KBC Ancora paid negative interest charges amounting to EUR 0.5 million.

Balance sheet as at 30 June 2022

(x EUR 1,000)	30.06.2022	30.06.2021	30.06.2020
BALANCE SHEET TOTAL	3,680,265	3,664,327	3,150,309
Assets			
Fixed assets	3,599,979	3,599,979	3,088,253
<i>Financial fixed assets</i>	<i>3,599,979</i>	<i>3,599,979</i>	<i>3,088,253</i>
Current assets	80,287	64,348	62,057
Liabilities			
Equity	3,436,319	3,319,759	2,805,737
<i>Contribution</i>	<i>2,021,871</i>	<i>2,021,871</i>	<i>2,021,871</i>
<i>Legal reserve</i>	<i>141,900</i>	<i>101,659</i>	<i>75,175</i>
<i>Unavailable reserve for repurchase of shares</i>	<i>4,336</i>	<i>0</i>	<i>0</i>
<i>Other unavailable reserves</i>	<i>1,136,257</i>	<i>1,136,257</i>	<i>650,117</i>
<i>Available reserves</i>	<i>131,711</i>	<i>59,588</i>	<i>57,806</i>
<i>Profit (loss) carried forward</i>	<i>243</i>	<i>383</i>	<i>767</i>
Creditors	243,947	344,568	344,573
<i>Amounts falling due after more than one year</i>	<i>243,000</i>	<i>243,000</i>	<i>343,000</i>
<i>Amounts falling due within one year</i>	<i>190</i>	<i>100,244</i>	<i>198</i>
<i>Accrued expenses and deferred income</i>	<i>756</i>	<i>1,324</i>	<i>1,374</i>

Total assets stood at EUR 3.68 billion on 30 June 2022, up EUR 15.9 million on the previous financial year.



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, with a book value of EUR 46.44 per share (the historical book value). The stock market price of the KBC Group share on the balance sheet date was EUR 57.64; the IFRS equity value stood at EUR 45.0 per share on 30 June 2022.

Current assets rose by EUR 15.9 million compared with a year earlier, to EUR 80.3 million. Cash at bank and in hand increased by EUR 11.6 million, while current investments increased by EUR 4.3 million due to the repurchase of shares during the year under review. As a result of the share repurchase programme, an amount of EUR 4.3 million was also transferred from the available reserves to an unavailable reserve for treasury shares.

Debt (totalling EUR 243.9 million, including financial debt of EUR 243 million) reduced by EUR 100.6 million compared with the position as at the balance sheet date in the previous financial year, largely due to the repayment in full of loans totalling EUR 100 million which matured in May 2022.

After addition of the result carried forward from the previous financial year (EUR 0.4 million), the result available for appropriation amounted to EUR 805.2 million. The following appropriation of profit will be proposed to the General Meeting of Shareholders to be held on 28 October 2022:

- addition of EUR 40.2 million (5% of the profit for the financial year) to the legal reserve;
- addition of EUR 76.5 million to the available reserves; This amount represents 10% of the recurring result (after formation of the legal reserve);
- dividend amounting to a total of EUR 688.3 million. This amount represents both the interim dividend of EUR 2.30 per share which was distributed on 9 December 2021, and the interim dividend of EUR 6.49 per share which was distributed to shareholders on 9 June 2022. It represents 90% of the recurring result available for distribution, after formation of the legal reserve;
- carry-forward of the balance of EUR 0.2 million, or EUR 0.003 per share, to the next financial year.

Notes on anticipated developments in the financial year 2022/2023

Barring unforeseen circumstances, KBC Ancora will complete the ongoing share repurchase programme during the course of the financial year 2022/2023. This implies a further investment of EUR 45.7 million.

Costs within the cost-sharing agreement with Cera are expected to amount to approximately EUR 2.0 million. Total interest charges for the financial year 2022/2023 are estimated at approximately EUR 9.2 million. Other operating costs are likely to be around EUR 1.3 million.



In its press release of 11 August 2022, KBC Group reaffirmed its intention, in line with its dividend policy, to distribute an interim dividend of EUR 1.00 per share in November 2022, as an advance payment on the total dividend in respect of the financial year 2022. 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.

Based on the projected income and expenditure as highlighted above, it is likely that KBC Ancora will close the financial year 2022/2023 with a positive recurring result available for appropriation and will be able to distribute an interim dividend in June 2023, in line with its dividend policy.

Information on the external audit of the annual accounting data

The audit procedures by KPMG Réviseurs d'entreprises, represented by Kenneth Vermeire, had not yet been fully completed at the time of writing. More specifically, the ESEF-related XHTML annual report document had yet to be generated and audited by the auditor. As at the date of this press release, no findings had emerged which would lead to any qualification of the audit opinion. This 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:

27 September 2022	Annual Report 2021/2022 available and notice of Annual General Meeting of Shareholders
28 October 2022	Annual General Meeting of Shareholders
27 January 2023	Interim financial report (1H)
25 August 2023	Annual press release for the financial year 2022/2023

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