

Regulated information, Leuven, 28 January 2022 (17.40 hrs CET)

Interim Financial Report 2021/2022

KBC Ancora recorded a profit of EUR 223.9 million in the first half of the financial year 2021/2022. This compared with a loss of EUR 8.1 million in the same period in the previous financial year. The difference was due almost entirely to the decision by KBC Group to distribute both an interim dividend in respect of financial year 2021 and an extra dividend in respect of financial year 2020 in the second half of 2021. In the same period in the previous financial year KBC Group, following the recommendation of the European Central Bank (ECB), took the decision not to distribute an interim dividend.

Abridged financial summaries and notes¹

Results for the first half of financial year 2021/2022

	1H fin. year (x EUR 1,000)	2021/2022 per share (in EUR)	1H fin. year (x EUR 1,000)	2020/2021 per share (in EUR)
Income	232,576	2.97	34	0.00
Dividends from financial fixed assets	232,549	2.97	0	0.00
Other income	27	0.00	34	0.00
Expenses	-8,667	-0.11	-8,115	-0.10
Cost of debt	-6,934	-0.09	-6,884	-0.09
Services and sundry goods	-1,332	-0.02	-1,230	-0.02
Other costs	-400	-0.01	-1	-0.00
Result after taxes	223,910	2.86	-8,081	-0.10
Distribution of interim dividend	180,093	2.30	0	0.00
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 profit of EUR 223.9 million in the first six months of the current financial year, equivalent to EUR 2.86 per share, compared with a loss of EUR 8.1 million in the same period in the previous financial year.

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

Income consisted principally of dividend received on the participating interest in KBC Group (EUR 232.5 million). Expenses were made up mainly of interest charges on debt (EUR 6.9 million), operating costs (EUR 1.3 million) and tax on securities accounts (EUR 0.4 million).

On 9 December 2021 KBC Ancora distributed an interim dividend of EUR 2.30 gross per share, amounting to a total of EUR 180.1 million.

Balance sheet as at 31 December 2021

(x EUR 1,000)	31.12.2021	*30.06.2021
BALANCE SHEET TOTAL	3,715,036	3,664,327
Assets		
Fixed assets	3,599,979	3,599,979
<i>Financial fixed assets</i>	3,599,979	3,599,979
Current assets	115,058	64,348
Liabilities		
Equity	3,363,575	3,319,759
<i>Issued capital</i>	2,021,871	2,021,871
<i>Legal reserve</i>	101,659	101,659
<i>Other unavailable reserves</i>	1,136,257	1,136,257
<i>Available reserves</i>	59,588	59,588
<i>Profit (loss) carried forward</i>	383	383
<i>Result for the period</i>	223,910	0
<i>Distribution of interim dividend</i>	-180,093	0
Creditors	351,461	344,568
<i>Amounts falling due after more than one year</i>	243,000	243,000
<i>Amounts falling due within one year</i>	100,209	100,244
<i>Accrued expense and deferred income</i>	8,252	1,324

* The balance sheet as at 30 June 2021 is shown after appropriation of profit.

The balance sheet total at 31 December 2021 stood at EUR 3.7 billion, an increase of EUR 50.7 million compared with the end of financial year 2020/2021.

The number of shares held by KBC Ancora in KBC Group remained unchanged at 77,516,380. Cash at bank and in hand increased by EUR 50.7 million.

Equity rose by EUR 43.8 million, being the result for the first six months of the current financial year (EUR 223.9 million) less the interim dividend distributed in December 2021 (EUR 180.1 million). Debt increased by EUR 6.9 million, principally due to the pro rata application of interest charges in respect of the first six months of the financial year.



Interim report on the first six months of the current financial year 2021/2022

Notes on the first half of the current financial year 2021/2022

Results for the first six months of the financial year 2021/2022

KBC Ancora recorded a profit of EUR 223.9 million in the first six months of the current financial year, compared with a loss of EUR 8.1 million in the same period in the previous financial year.

This result was influenced principally by the following factors:

- an interim dividend of EUR 1.00 per KBC Group share distributed in respect of financial year 2021, and an extra dividend of EUR 2.00 per KBC Group share in respect of financial year 2020 (together totalling EUR 232.5 million). In the same period in the previous financial year KBC Group, following the recommendation of the European Central Bank (ECB), did not distribute an interim dividend.
- interest charges amounting to EUR 6.9 million, in line with the same period in the previous financial year.
- operating expenses amounting to EUR 1.7 million, EUR 0.5 million more than in the same period in the previous financial year. The 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. There was also a tax liability of EUR 0.4 million on the securities accounts in the first half of the financial year.

Interim dividend of EUR 2.30 per KBC Ancora share on 9 December 2021

On 9 December 2021 KBC Ancora distributed an interim dividend of EUR 2.30 gross per share, amounting to a total of EUR 180.1 million. This represented a one-off deviation from KBC Ancora's usual dividend calendar, in light of the extra dividend distributed by KBC Group on 17 November 2021 in respect of financial year 2020.

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

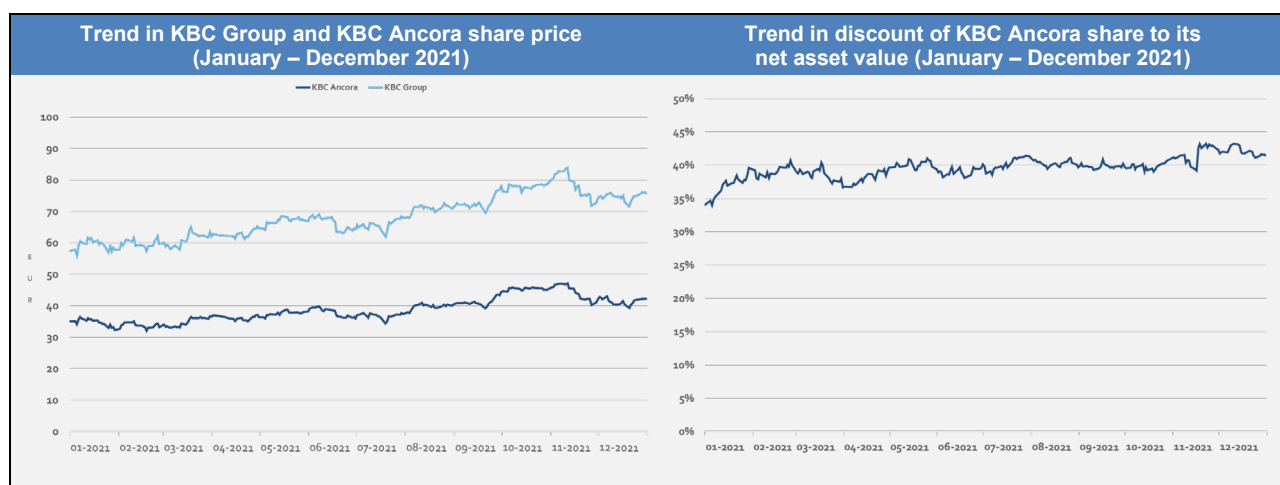
The number of KBC Group shares in portfolio remained unchanged during the past six months at 77,516,380. KBC Ancora holds 0.99 KBC Group shares per KBC Ancora share in issue. The average book value of the KBC Group shares is EUR 46.44 per share. KBC Ancora's net debt amounted to EUR 3.02 per share at 31 December 2021, a reduction of EUR 0.56 per share compared with 30 June 2021.

The net asset value of one KBC Ancora share at 31 December 2021 was thus equivalent to the price of 0.99 KBC Group shares less EUR 3.02.



Based on the closing price of the KBC Group share on 31 December 2021 (EUR 75.46), the net asset value of one KBC Ancora share amounted to EUR 71.68, and the KBC Ancora share price (EUR 42.02) was trading at a discount of 41.4% to the 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.



Appointments at the statutory director, Almancora Société de gestion

On 26 November 2021 Fintrac BV, represented by Professor Marc De Ceuster, who has been an independent director since November 2019, was appointed Chairman of the Board of Directors of Almancora Société de gestion, statutory director of KBC Ancora. He succeeded Herman Vandaele, who had reached the age limit set in the Articles of Association.

Philippe Vanclooster was appointed as a new independent director on the Board of Directors of Almancora Société de gestion, succeeding Herman Vandaele.

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 19).

KBC Group reported a net result of EUR 1.95 billion for the first nine months of 2021. KBC Group will announce its annual result for the financial year 2021 on 10 February 2022.

KBC Ancora's expenses in the second half of the current financial year (2021/2022) will consist principally of interest charges plus the usual limited operating expenses. KBC Ancora estimates the total expenses in respect of the financial year 2021/2022 at approximately EUR 16.6 million.



Partly dependent on the decisions taken by KBC Group regarding the distribution in the first half of 2022 of a final dividend in respect of financial year 2021, the Board of Directors of Almancora Société de gestion, statutory director of KBC Ancora, will take a decision at the end of May 2022 on whether to distribute a second interim dividend in June 2022 in respect of financial year 2021/2022, in line with its dividend policy. KBC Ancora's dividend policy sets out the intention to pay out 90% of the recurring result available for distribution in the form of an interim dividend (i.e. after adjustment for any exceptional results and after mandatory formation of the legal reserve).

During the second half of financial year 2021/2022, KBC Ancora will make the necessary preparations and take the appropriate decisions in respect of the loans (totalling EUR 100 million) which mature in May 2022. Taking into account the normal dividend policy, the accrued cash position at that time will be applied to these loans. At 31 December 2021, the cash position stood at EUR 115.1 million.

Declaration by the responsible individuals

“We, the members of the Board of Directors of Almancora Société de gestion, statutory director of KBC Ancora SA, 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.”



Press Release
Regulated information
28 January 2022 (17.40 hrs CET):
Interim financial report

Information on the external audit

The statutory auditor has reviewed the abridged interim financial information and accompanying notes. The 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:

26 August 2022 (17.40 hrs CEST)
27 September 2022 (17.40 CEST)
28 October 2022

Annual press release for the financial year 2021/2022
Annual Report 2021/2022 available
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: Balance sheet and profit and loss account with comparative figures

(x EUR 1,000)	31.12.2021	*30.06.2021
BALANCE SHEET TOTAL	3,715,036	3,664,327
Assets		
Fixed assets	3,599,979	3,599,979
Financial fixed assets	3,599,979	3,599,979
<i>Companies with which there is a participatory relationship</i>	3,599,979	3,599,979
<i>Participating interests</i>	3,599,979	3,599,979
Current assets	115,058	64,348
Receivables due within one year	7	5
<i>Trade receivables</i>	7	5
Cash at bank and in hand	115,051	64,337
Accrued income and deferred expense	0	6
Liabilities		
Equity	3,363,575	3,319,759
Contribution	2,021,871	2,021,871
<i>Issued capital</i>	2,021,871	2,021,871
Reserves	1,297,505	1,297,505
Unavailable reserves	1,237,916	1,237,916
<i>Legal reserve</i>	101,659	101,659
<i>Other unavailable reserves</i>	1,136,257	1,136,257
Available reserves	59,588	59,588
Profit (loss) carried forward	383	383
Profit/loss for the period	223,910	n/a
Distribution of interim dividend	-180,093	0
Creditors	351,461	344,568
Amounts falling due after more than one year	243,000	243,000
<i>Financial liabilities</i>	243,000	243,000
<i>Credit institutions</i>	243,000	243,000
Amounts falling due within one year	100,209	100,244
<i>Financial liabilities</i>	100,000	100,000
<i>Credit institutions</i>	100,000	100,000
<i>Trade creditors</i>	142	168
<i>Suppliers</i>	142	168
<i>Other creditors</i>	67	76
Accrued expense and deferred income	8,252	1,324

* The balance sheet as at 30 June 2021 is shown after appropriation of profit.

KBC Ancora

indirect investment in KBC Group



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(x EUR 1,000)	01.07.2021- 31.12.2021	01.07.2020- 31.12.2020
Operating income	27	34
Other operating income	27	34
Operating costs	1,733	1,231
Services and sundry goods	1,332	1,230
Other operating costs	400	1
Operating profit (Operating loss)	-1,705	-1,197
Financial income	232,549	0
Recurring financial income	232,549	0
Income from financial fixed assets	232,549	0
Financial expenses	6,934	6,884
Cost of debt	6,934	6,884
Other financial expenses	0	0
Profit (loss) before tax	223,910	-8,081
Profit (loss) after tax	223,910	-8,081



Statutory auditor's report to the board of directors of KBC Ancora NV on the review of the condensed interim financial information as at 31 December 2021 and for the 6-month period then ended

FREE TRANSLATION OF A REPORT ORIGINALLY PREPARED IN DUTCH

Introduction

We have reviewed the accompanying interim financial report 2021/2022, containing the condensed balance sheet of KBC Ancora NV as at 31 December 2021, the condensed profit and loss statement and notes ("the condensed interim financial information"). The board of directors 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 condensed 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 2021 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 condensed interim financial information.

Zaventem, 28 January 2022

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Kenneth Vermeire
Bedrijfsrevisor / Réviseur d'Entreprises