



ANNUAL REPORT

2022/2023

HISTORY OF KBC ANCORA

1998

KBC Ancora was incorporated on 18 December 1998 as Cera Ancora SA (Société anonyme). Cera Ancora's capital was formed by the contribution of 35,950,000 Almanij shares and approximately EUR 12.4 million in cash, subscribed virtually entirely by Cera (then 'Cera Holding') Cera Ancora was thus an almost wholly owned subsidiary of Cera.

2001

The foundations were laid in 2000 for the fundamental restructuring of Cera Ancora and of Cera, with approval being granted on 12 and 13 January 2001, respectively. The restructuring was carried out in implementation of a settlement reached in conclusion of a legal dispute which went back to the merger in 1998 of CERA Bank, ABB and Kredietbank.

On the one hand, the restructuring of Cera Ancora led to the conversion of Cera Ancora NV to Almancora SCA, the splitting of the Almancora shares, so that the capital of the company was represented by 55,929,510 shares, and an increase (through contributions and purchase) of the participating interest in Almanij to 55,929,510 shares (28.56%). On the other hand, the restructuring of Cera gave Cera members the right to three Almancora shares for each cooperative D-share surrendered on withdrawal.

Almancora was listed on the stock exchange for the first time on 4 April 2001. From that date onwards it was possible to trade the shares on the 'double fixing' segment of the Brussels Stock Exchange.

2005

On 2 March 2005 the structure of the Almanij/KBC group was simplified by means of a merger in the form of the acquisition of Almanij by KBC Bank-insurance Holding.

The merger to form KBC Group had a number of important consequences for Almancora:

- As a result of the merger Almancora acquired KBC Group shares on 2 March 2005, based on an exchange ratio of 1.35 KBC Group shares for each Almanij share.
- Until the merger, the shareholder stability of the Almanij/KBC group was guaranteed by Cera, Almancora and the Other Permanent Shareholders via a shareholder agreement. Following the merger this was replaced by a new shareholder agreement, to which MRBB also became a party. The stable shareholders of the KBC group were henceforth Cera, Almancora, MRBB and the Other Permanent Shareholders.
- The disappearance of Almanij also brought to an end the reserving of profit at Almanij level.

2007

On 15 June 2007 the company name Almancora was changed to KBC Ancora and the Almancora share was split by a factor of 1.4 (seven new KBC Ancora shares per five existing Almancora shares). The purpose of these two changes was to make the link between the KBC Ancora share and the KBC Group share even more explicit.

The split also means that since 15 June 2007, Cera members who withdraw with their D-shares have the right to receive 4.2 KBC Ancora shares in exchange for each D-share surrendered. This 'reimbursement on withdrawal' means that the proportion of Cera's participation in KBC Ancora to be distributed will decline steadily over time.

Since 15 June 2007, the KBC Ancora share has been listed on the continuous segment of the Euronext Brussels stock exchange.

On 8 August 2007, Cera and KBC Ancora reported that their joint participating interest in KBC Group had been increased to over 30%. Exceeding the 30% threshold was important in the context of the law on public takeover bids which came into effect in Belgium on 1 September 2007. Under this law, participating interests of more than 30% which were in existence at the time the law came into force are exempt from any obligation to issue a bid, whereas after that

date exceeding this threshold carried a mandatory requirement to issue a public bid.

2012

KBC Group increased its capital by EUR 1.25 billion in December 2012 through the issue of new shares. KBC Ancora supported this capital increase, but did not participate in it itself. Cera participated less than proportionately in the capital increase. As a result of the increase, the joint participating interest of Cera and KBC Ancora fell below the 30% threshold. Cera and KBC Ancora did however contribute additional KBC Group shares which they already held to the shareholder agreement between Cera, KBC Ancora, MRBB and the Other Permanent Shareholders, so that this agreement continues to represent more than 30% of the total number of KBC Group shares.

2013

In July 2013, KBC Ancora attracted a new lender for EUR 325 million of its debt, which had previously been provided by KBC Bank. KBC Ancora sold 4.7 million KBC Group shares in November 2013. The proceeds of this sale were used to repurchase a loan with a nominal amount of EUR 175 million, which had been provided to KBC Ancora by KBC Bank in 2007. Both transactions had a positive impact on the capital position of KBC Bank.

2014

On 1 December 2014 Cera and KBC Ancora, together with MRBB and the Other Permanent Shareholders, extended their collaboration as a syndicate in updated form with respect to KBC Group for a further term of ten years, thereby ensuring the continued shareholder stability and supporting the further development of the KBC group. Cera, KBC Ancora, MRBB and the Other Permanent Shareholders contributed all their shares to the shareholder agreement, together representing 40% of the total number of KBC Group shares in issue.

2019

In August 2019, KBC Ancora decided to make a limited adjustment to the dividend policy. This adjustment means that 90% of the distributable recurring result for the financial year is paid out as dividend. This is a reduction of 10% compared to the previous dividend policy. As KBC Ancora is holding more cash within the business as a result, this will enable the outstanding financial liabilities to be reduced more quickly. That makes KBC Ancora's balance sheet more resilient against shocks.

On 25 October 2019, an Extraordinary General Meeting decided to transform KBC Ancora, with effect from 1 January 2020, from a partnership limited by shares (SCA) into a company with limited liability (SA) with a sole (statutory) director. In effecting this transformation, use was made of the possibilities offered by the 'renewed' SA to grant the same rights in the Articles of Association to the sole director as in an SCA, so that the change in legal form has no impact on the anchoring structure.

2020

The Extraordinary General Meeting of KBC Ancora held on 30 October 2020 decided to introduce a system of loyalty voting rights. This means that double voting rights are granted to each KBC Ancora share that has been entered in the register of registered shares in the name of the same shareholder for an uninterrupted period of at least two years. The other shares confer the right to one vote. Dematerialised shares do not benefit from double voting rights.

2022-2023

Between June 2022 and March 2023 KBC Ancora implemented a share repurchase programme to a total amount of EUR 50 million. KBC Ancora repurchased a total of 1,289,470 shares, equivalent to 1.6% of the total number of shares in issue. The Extraordinary General Meeting to be held on 27 October 2023 will be invited to approve a proposal to cancel these treasury shares. Approval of this proposal will reduce the number of shares in issue from 78,301,314 to 77,011,844.



Annual Report 2022/2023

KBC Ancora

Legal form: Company with limited liability

Registered office: Muntstraat 1, 3000 Leuven, Belgium

LEI 549300I4XZ0RR3ZOSZ55

Company number: 0464.965.639

www.kbcancora.be

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BOARD OF DIRECTORS OF ALMANCORA SOCIÉTÉ DE GESTION SA



Standing, from left to right, front row: Johan Massy - Franky Depickere - Christiane Steegmans - Luc Vandecatseye

Standing, from left to right, back row: Mathilde Remy - Rita Van kerckhoven - Paul Demyttenaere - Henri Vandermeulen - Marc De Ceuster - Liesbet Okkerse - Philippe Vanclooster

Letter from the Chairman of the Board of Directors and the Managing Directors

KBC Ancora's results for the financial year 2022/2023

KBC Ancora recorded a profit of EUR 298.9 million in the financial year 2022/2023, compared with a profit of EUR 804.8 million in the previous financial year. The principal factor behind the strong result in the previous financial year was the unusually high dividend income received from the participating interest in KBC Group (EUR 821.7 million).

Revenue in the year under review was determined to a very large extent by the dividend income from the participating interest in KBC Group. KBC Group distributed a total dividend of EUR 4.00 per share in the financial year 2022/2023 (EUR 1.00 in November 2022 and EUR 3.00 in May 2023), taking KBC Ancora's total dividend income for the financial year to EUR 310.1 million.

In the previous financial year, KBC Group distributed a dividend of EUR 3.00 per share in November 2021 and EUR 7.60 per share in May 2022; KBC Ancora consequently received dividend income totalling EUR 821.7 million on its participating interest in KBC Group in that financial year.

In addition, KBC Ancora received interest income totalling EUR 0.9 million from short-term investments in the year under review.

KBC Ancora's expenses consisted principally of the usual cost lines. Operating costs amounted to EUR 3.0 million, EUR 0.2 million less than in the previous financial year. The decrease was due principally to a reduction of EUR 0.3 million in costs of financial services (owing to the payment of a lower KBC Ancora dividend), partially offset by costs associated with the share repurchase programme (EUR 0.1 million). Interest charges on outstanding loans came to EUR 8.9 million, a reduction of EUR 4.6 million compared with the previous financial year, thanks on the one hand to the repayment of debts totalling EUR 100 million in May 2022, and on the other to the partial early repayment of debt to an amount of EUR 70 million in May 2023. KBC Ancora paid less than EUR 0.1 million in negative interest on its outstanding cash position, compared with EUR 0.5 million in the previous financial year.

After addition of the result carried forward from the previous financial year (EUR 0.2 million), the result available for appropriation amounted to EUR 299.1 million.

The following appropriation of profit will be proposed to the General Meeting of Shareholders to be held on 27 October 2023:

- Addition of EUR 14.9 million (5% of the profit for the financial year) to the legal reserve;
- Addition of EUR 28.4 million to the available reserves; this represents 10% of the recurring result, after formation of the legal reserve;
- Dividend amounting to EUR 254.9 million; this represents the interim dividend of EUR 3.31 per share that was distributed on 8 June 2023, and equates to 90% of the recurring result available for distribution, after formation of the legal reserve;
- Carry-forward of the balance of EUR 0.9 million to the next financial year.

Balance sheet

KBC Ancora's total assets amounted to EUR 3.7 billion on 30 June 2023, in line with the previous financial year.

Assets

The participating interest in KBC Group remained unchanged in the year under review. On the balance sheet date, KBC Ancora held 77,516,380 KBC Group shares, equivalent to 18.58% of the total number of KBC Group shares in issue. The book value of these shares stood at EUR 46.44 per share. KBC Ancora is the largest shareholder of KBC Group and, together with Cera and the other stable shareholders, ensures the anchoring of the KBC group.

In addition, the share repurchase programme, which was completed in March 2023, meant that KBC Ancora held 1,289,470 KBC Ancora shares on the balance sheet at year-end, for an amount of EUR 50.0 million. As announced in the press release following completion of the share repurchase programme, the Extraordinary General Meeting of Shareholders to be held on 27 October 2023 will be invited to approve a proposal to cancel these treasury shares.

In addition to these participating interests, at year-end KBC Ancora held term deposits totalling EUR 3.9 million as well as cash holdings totalling EUR 0.2 million.

Creditors

Debt totalled EUR 173.8 million at the balance sheet date, EUR 70.1 million less than at the end of the previous financial year.

Following the partial early repayment of loans to an amount of EUR 70 million at the end of May 2023, the financial liabilities at the balance sheet date totalled EUR 173 million, with maturity dates in 2024 (EUR 73 million) and 2027 (EUR 100 million). The dividend policy, which was slightly modified in August 2019, is contributing to the accrual of cash reserves in the run-up to the maturity dates of these loans.

Changes at the statutory director

Marc De Ceuster was appointed as a part-time managing director of Almancora Société de gestion on 28 April 2023. He succeeded Katelijn Callewaert with effect from 18 May 2023, as she had reached the age limit set in the Articles of Association, and joins Franky Depickere, who is a full-time managing director of Almancora Société de gestion.

Paul Demyttenaere was appointed as an independent director on 28 April 2023. He was also appointed Chairman of the Board of Directors.

Jos Peeters's term of office as a director came to an end on 28 April 2023; he was succeeded by Mathilde Remy as representative of the Cera members.

Outlook

As stated, the Extraordinary General Meeting of Shareholders of KBC Ancora to be held on 27 October 2023 will be invited to approve a proposal to cancel the repurchased KBC Ancora shares.

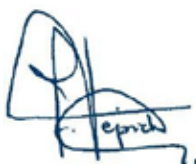
During the course of the financial year 2023/2024, KBC Ancora will make the necessary preparations and take the requisite decisions in relation to a loan totalling EUR 73 million which matures in May 2024. The cash position accrued at that time will be addressed for this purpose, with due observance of the usual dividend policy.

On 10 August 2023, KBC Group announced a result of EUR 1,848 million for the first half of the financial year 2023, compared with EUR 1,339 million in the same period in the previous financial year. KBC Group has confirmed its intention to distribute an interim dividend of EUR 1.00 per share in November 2023, as an advance payment on the total dividend in respect of the financial year 2023. These interim results justify the expectation that KBC Ancora will also be able to close its financial year 2023/2024 with a positive result and, barring unforeseen circumstances, will be able to distribute an interim dividend in June 2024, in line with its dividend policy.

Leuven, 31 August 2023



Paul Demyttenaere
Chairman of the Board of
Directors of
Almancora Société de gestion



Franky Depickere
Managing Director and
permanent representative of
Almancora Société de gestion



Marc De Ceuster
Managing Director of
Almancora Société de gestion

Declaration by the responsible individuals

Declaration pursuant to the European regulations on transparency as imposed by the Belgian Royal Decree of 14 November 2007.

“We, the members of the Board of Directors of Almancora Société de gestion¹, statutory director of KBC Ancora SA, hereby declare that, as far as we are aware, a) the KBC Ancora financial statements, which have been prepared in accordance with the financial reporting standards applicable in Belgium, give a true and fair view of the net worth, financial position and results of KBC Ancora; and b) the KBC Ancora annual report gives a true and fair view of the development and results of the business and of the position of KBC Ancora, as well as a description of the principal risks and uncertainties with which the company is confronted.”

¹ The individual members of the Board of Directors of Almancora Société de gestion are listed in the ‘Group structure’ section of this Annual Report.

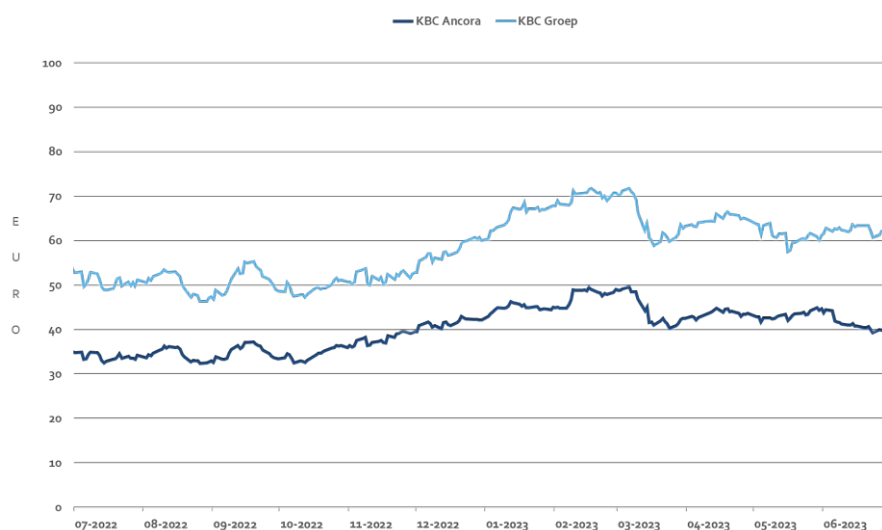
Investor information

Share price, discount and traded volumes

At the balance sheet date, KBC Ancora had a total of 77,516,380 KBC Group shares in portfolio, as well as 1,289,470 treasury shares. Debt less other assets amounted to EUR 169.7 million. KBC Ancora has itself issued 78,301,314 shares. The intrinsic value² of one KBC Ancora share at the balance sheet date accordingly corresponded to the price of 1.007 KBC Group shares³ less net debt⁴ per share of EUR 2.20.

Chart 1 traces the performance of the KBC Ancora and KBC Group shares during the last financial year.

Chart 1: Trend in KBC Ancora and KBC Group share price during the last financial year



² Intrinsic value: value per share calculated on the basis of the stock market price of the underlying listed share, less the net debt per share.

³ Number of KBC Group shares in portfolio / (number of shares issued – number of repurchased shares) = 77,516,380 / (78,301,14 – 1,289,470) = 1.007

⁴ Net debt is defined in this Annual Report as total liabilities less total assets excluding financial assets and excluding treasury shares.

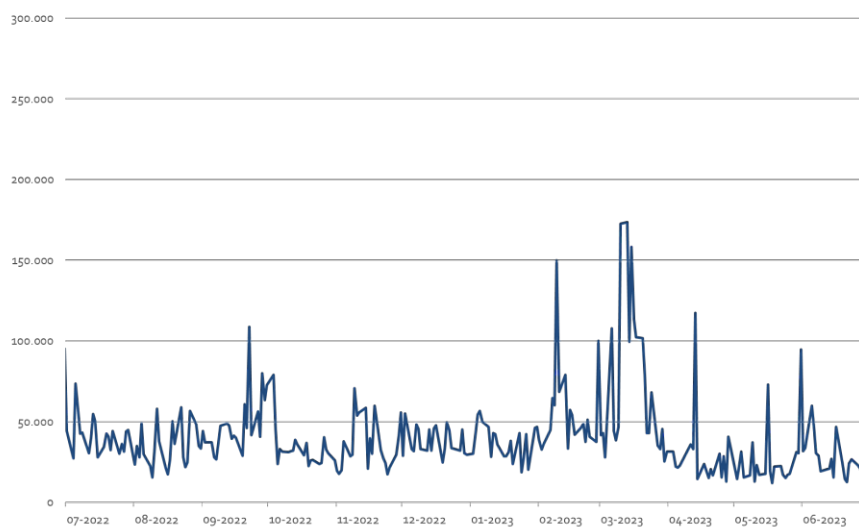
Chart 2 shows the trend in the discount of the KBC Ancora share relative to its intrinsic value over the year under review. This fluctuated between 22% and 34%.

Chart 2: Trend in discount of the KBC Ancora share relative⁵ to its intrinsic value over the last financial year



Chart 3 illustrates the liquidity of the KBC Ancora share.

Chart 3: Traded volumes of KBC Ancora shares on a daily basis in the past financial year



⁵ Intrinsic value per KBC Ancora share (IV) = (price of KBC Group share x number of KBC Group shares held by KBC Ancora - net debt) / (number of KBC Ancora shares in issue - number of shares repurchased).
Discount in relative terms = (IV - KBC Ancora share price) / IV

Table 1 summarises a number of stock market figures and compares them with the performance in previous financial years.

Table 1: Summary of stock market figures in recent financial years

	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
High (EUR)	49.58	47.06	39.88
Low (EUR)	32.30	33.76	24.18
Price on the balance sheet date (EUR)	41.88	35.02	35.98
Average number of shares traded per day	40,350	57,719	48,329

Charts 4 and 5 show the trend in KBC Ancora's share price relative to that of the KBC Group share, the BEL20 Index and the Dow Jones EURO STOXX Bank Index in the year under review.

Chart 4: Trend in KBC Ancora and KBC Group share prices relative to the BEL20-Index in the last financial year

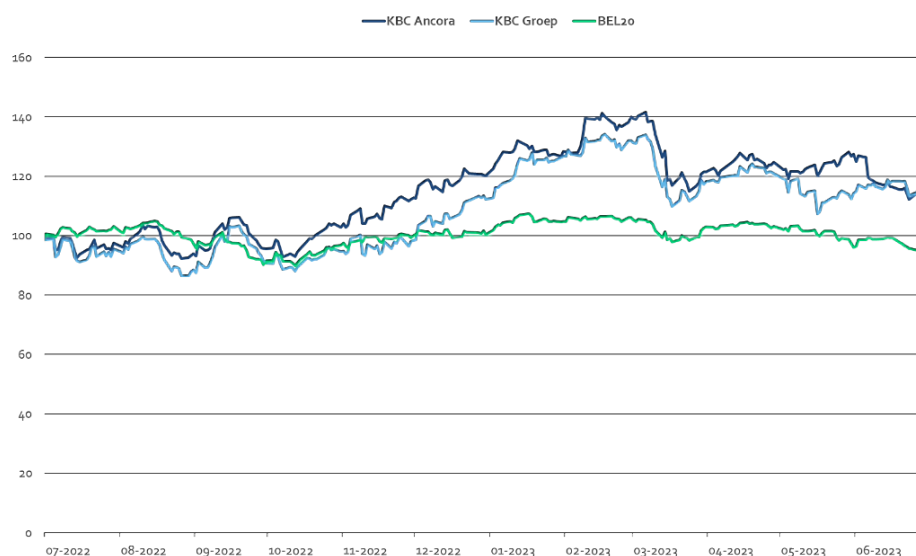
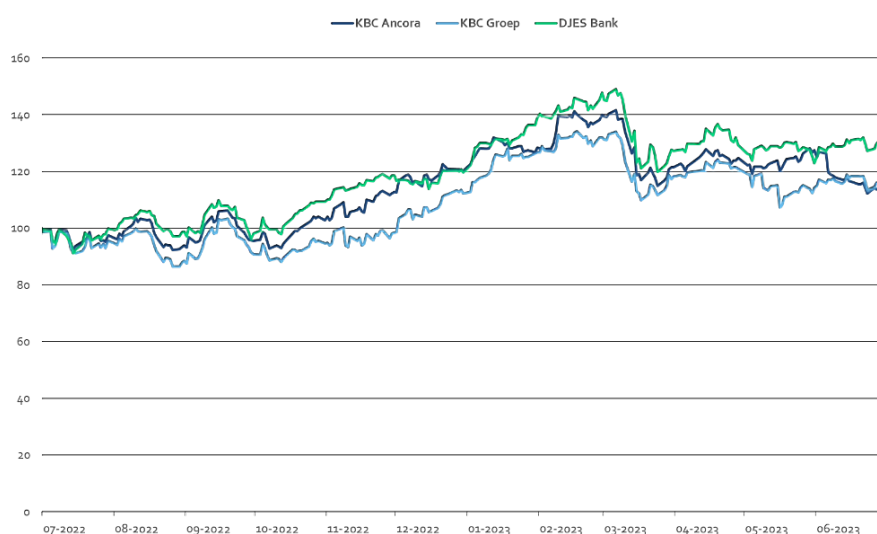


Chart 5: Trend in KBC Ancora and KBC Group share prices relative to Dow Jones EURO STOXX Bank Index in the last financial year



Key figures at balance sheet date

Balance sheet and result

Table 2 contains a number of key figures as at the balance sheet date for the most recent financial years.

Table 2: Basic figures at balance sheet date

	30 June 2023	30 June 2022	30 June 2021
Number of shares in issue	78,301,314	78,301,314	78,301,314
Number of dividend-entitled shares in issue	77,011,844	78,184,128	78,301,314
Number of KBC Group shares in portfolio	77,516,380	77,516,380	77,516,380
Balance sheet total in EUR	3,654,084,605	3,680,265,432	3,664,326,615
Market capitalisation in EUR (based on share price on balance sheet date)	3,279,259,030	2,738,008,163	2,817,281,278
Book value of capital and reserves in EUR	3,480,278,813	3,436,318,733	3,319,758,873
Market capitalisation/book value of capital and reserves	0.94	0.80	0.85

Table 3 summarises the results in recent financial years.

Table 3: Summary of results in recent financial years

Result of KBC Ancora (x EUR million)	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
Income	311.0	821.7	545.9
Operating income	0.0	0.0	0.1
Recurring financial income (principally dividends from financial fixed assets)	310.9	821.7	34.1
Non-recurring financial income (reversal of impairments)	0.0	0.0	511.7
Expenses	12.1	16.9	16.2
Operating costs	3.0	3.3	2.4
Financial expenses	9.0	13.6	13.8
RESULTS	298.9	804.8	529.7

Cash flow table

Table 4 shows KBC Ancora's cash flows.

The cash flow from operating activities in the financial year 2022/2023 (EUR 303.9 million) was determined by the difference between the dividends received by KBC Ancora from its participating interest in KBC Group on the one hand and the operating costs on the other. These funds were used to distribute an interim dividend (EUR 254.9 million) and to pay interest charges (EUR 9.1 million). In addition, the financial liabilities were reduced by EUR 70.0 million and additional shares were repurchased to an amount of EUR 45.7 million. Finally, term investments were entered into for a portion of the cash holdings (EUR 3.9 million) (i.e. part of the change in net working capital). These movements led to a reduction in the cash position of EUR 75.7 million on an annualised basis.

The cash flow from operating activities in the financial year 2021/2022 (EUR 817.3 million) was determined by the difference between the dividends received by KBC Ancora from its participating interest in KBC Group on the one hand and the operating costs on the other. These funds were used primarily to distribute two interim dividends (together amounting to EUR 688.3 million) and to pay interest charges. The financial liabilities were also reduced by EUR 100.0 million, and shares were repurchased for a total amount of EUR 4.3 million, leading to an increase in the cash reserves on an annualised basis of EUR 11.6 million.

The cash flow from operating activities in the financial year 2020/2021 (EUR 31.8 million) was determined by the difference between the dividends received by KBC Ancora from its participating interest in KBC Group on the one hand and the operating costs on the other. These funds were used primarily to distribute an interim dividend (EUR 15.7 million) and to pay interest charges (EUR 13.8 million). The balance (EUR 2.3 million) represents the increase in cash and cash equivalents. The movement in the financial fixed assets was determined entirely by the reversal of impairments and thus does not constitute a cash flow.

Table 4: Cash flow table for the most recent financial years

Cash flow table (x EUR million)	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
Net cash flow	-75.7	11.6	2.3
Indirect method			
Cash position at start of year	75.9	64.3	62.0
Operating activities	303.9	817.3	31.8
Net result (excl. dividend income)	-11.2	-16.8	495.6
Movement in net working capital	-49.5	-4.4	0.0
Non-cash result (reversal of impairments)	0.0	0.0	-511.7
Reallocation of cash flows	54.6	16.9	13.8
Dividends received	310.1	821.7	34.1
Investing activities	0.0	0.0	0.0
Financial fixed assets	0.0	0.0	-511.7
Reversal of impairment of financial fixed assets	0.0	0.0	511.7
Financing activities	-379.6	-805.7	-29.5
Financial liabilities	-70.0	-100.0	0.0
Interest paid	-9.1	-13.1	-13.8
Distribution of interim dividend	-254.9	-688.3	-15.7
Repurchase of shares	-45.7	-4.3	0.0
Cash position at end year	0.2	75.9	64.3

Dividend

The Board of Directors of Almancora Société de gestion, statutory director of KBC Ancora, decided in August 2019 to make a limited adjustment to the dividend policy. This adjustment means that, barring exceptional circumstances, 90% of the distributable recurring result for the financial year (i.e. after adjustment for any exceptional results and after the compulsory formation of the legal reserve) will be paid out as (interim) dividend. This is a reduction of 10% compared to the previous dividend policy.

As KBC Ancora is holding more cash within the business as a result, this enables the outstanding financial liabilities to be reduced more quickly. That makes KBC Ancora's balance sheet more resilient against shocks and will in principle lead to an accelerated reduction in the interest charges payable.

In the financial year 2022/2023, KBC Ancora distributed an interim dividend of EUR 3.31 per share on the 77,011,844 dividend-entitled KBC Ancora shares in issue as at 10 June 2023, to a total amount of EUR 254.9 million. No final dividend will be distributed in respect of the financial year 2022/2023.

Table 5: KBC Ancora dividend in recent financial years

	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
Dividend per dividend-entitled share (in EUR)	3.31	8.79	0.20
Total dividend payout (x EUR million)	254.9	688.3	15.7

The appropriation of the result is discussed in more detail in the section Result and proposed profit appropriation .

Distribution of KBC Ancora shares

KBC Ancora shareholder structure

There is a statutory requirement to disclose participating interests in listed companies of (multiples of) 5%. In addition, KBC Ancora's Articles of Association stipulate a disclosure threshold of 3%.

An Extraordinary General Meeting of KBC Ancora decided at the end of October 2020 to introduce a system of loyalty voting rights, in accordance with Section 7:53 of the Belgian Companies and Associations Code. Since then, paid-up shares which have been entered in the register of registered shares in the name of the same shareholder for an uninterrupted period of at least two years have conferred the right to two votes. The other shares confer the right to one vote. At the same meeting it was decided to scrap the lowest disclosure threshold of 1% set in the Articles of Association.

There were 40,618,164 registered shares at the balance sheet date, of which 40,523,188 conferred a double voting right.

On 30 October 2020 Cera announced that it had exceeded the disclosure threshold of 65% of the voting rights as set in the Articles of Association. This was a passive exceeding of the threshold which was the direct result of the decision by KBC Ancora to introduce the loyalty voting rights system. At that time, Cera held 79,819,045 of the 118,657,091 voting rights (or 67.27% of the total number of voting rights). KBC Ancora did not receive any further transparency reports from Cera. This implies that at the date of this Annual Report, Cera still held between 65% and 70% of the total number of voting rights in KBC Ancora.

KBC Ancora also received no further notifications during the year under review from shareholders who had exceeded or fallen short of a notification threshold set by law or the Articles of Association.

A complete list of the participating interest disclosures received in previous financial years can be found on the KBC Ancora website.

The road to the market

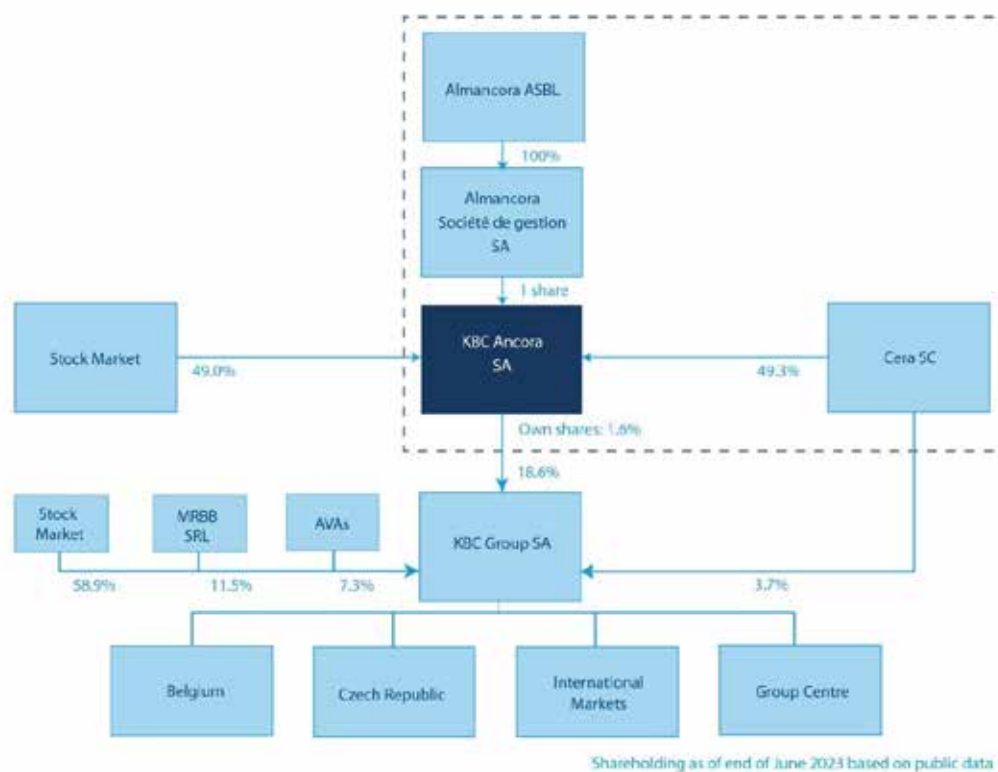
Members of the Cera cooperative who withdraw with their cooperative D-shares receive a special 'reimbursement on withdrawal', consisting primarily of 4.2 KBC Ancora shares. In other words, members receive 4.2 KBC Ancora shares for each D-share which they surrender on withdrawal from Cera. They can then choose between keeping the KBC Ancora shares or selling them on the stock market.

In principle, Cera members are permitted to withdraw voluntarily with their shares during the first half of each financial year. However, Cera's Articles of Association provide the possibility for the statutory director of Cera, Cera Société de gestion, to temporarily refuse or suspend withdrawal by members. Members were permitted to withdraw voluntarily during the first half of the financial year 2023. Cera Société de gestion did however reserve the right to limit such withdrawals to 10% of the contribution actually paid in for the shares, in order to safeguard the stability of the company. Consequently, requests for withdrawal submitted in the first half of the financial year 2023 were not executed until the end of June 2023, after expiry of the withdrawal period. Since the number of withdrawals was well below the 10% threshold, all withdrawal requests submitted were met in full. Compulsory withdrawals (e.g. as a result of death) are in all cases implemented in full.

Group structure

Chart 6 shows KBC Ancora's group structure within the KBC group. The dotted line indicates the companies that belong to the Cera/KBC Ancora group.

Chart 6: Group structure⁶



Almancora ASBL

The object of Almancora ASBL ('Association sans but lucratif') is to support the stability and continuity of KBC Group. As the sole shareholder of Almancora Société de gestion, Almancora ASBL takes the decisions at the General Meeting of Shareholders of Almancora Société de gestion and determines the composition of its Board of Directors.

Almancora ASBL's Board of Directors comprises the representatives of Cera members serving on the Board of Directors of Almancora Société de gestion SA and the managing directors of Almancora Société de gestion.

⁶ AVAs: Other Permanent Shareholders

M.R.B.B.: Maatschappij voor Roerend Bezit van de Boerenbond CVBA.

These parties together with Cera and KBC Ancora constitute the stable shareholders of KBC Group and have entered into a shareholder agreement to this end with a view to supporting the general policy of KBC Group (see KBC Ancora).

Almancora Société de gestion SA

KBC Ancora does not have a Board of Directors of its own but is instead managed by a statutory director: Almancora Société de gestion SA. In this role, the duties of Almancora Société de gestion SA include setting out the policy to be pursued by KBC Ancora.

Almancora Société de gestion's Board of Directors (see Board of Directors of Almancora Société de gestion SA) is made up of at least four representatives of Cera members, at least two managing directors and at least three independent directors.

KBC Ancora SA

KBC Ancora's principal activity is the maintenance and management of its shareholding in KBC Group with a view to ensuring, in collaboration with Cera, MRBB and the Other Permanent Shareholders, the shareholder stability and continuity of KBC Group. To this end, KBC Ancora signed a shareholder agreement with these parties on 23 December 2004. Cera and KBC Ancora are viewed as a single party for the purposes of the agreement.

In December 2012, Cera and KBC Ancora contributed additional KBC Group shares which they already held to the shareholder agreement between Cera, KBC Ancora, MRBB and the Other Permanent Shareholders, so that this agreement continued to represent more than 30% of the total number of KBC Group shares, including after the capital increase effected by KBC Group in December 2012.

On 1 December 2014 Cera and KBC Ancora, together with MRBB and Other Permanent Shareholders, extended their collaboration as a syndicate in updated form with respect to KBC Group for a further term of ten years. In this connection, Cera, KBC Ancora, MRBB and the Other Permanent Shareholders contributed all the shares they held at that time to the shareholder agreement.

The shareholders' agreement currently represents 171.9 million KBC Group shares, equivalent to 41.2% of the total number of KBC Group shares in issue. Cera and KBC Ancora have together committed 93.1 million KBC Group shares, or 22.3% of the total number of KBC Group shares. KBC Ancora has committed 77.5 million KBC Group shares, or 18.6% of the total, and Cera the rest.

Statutory director's report

Declaration in connection with risks

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.

KBC Ancora's assets consist almost entirely of a participating interest in KBC Group. For information on the specific risks to which KBC Group is exposed, reference is made to the annual report and press releases of KBC Group, which are available on the website www.kbc.com.

A fall in the KBC Group share price will inevitably have a negative influence on the value of KBC Ancora's assets.

The investment in KBC Group is funded from capital and reserves in combination with loans from financial institutions. At the balance sheet date, those loans amounted to EUR 173 million. These are long-term loans carrying fixed rates of interest, with repayment dates in 2024 (EUR 73 million⁷) and 2027 (EUR 100 million). KBC Ancora closely monitors the interest-rate and refinancing risk.

In principle, KBC Ancora's recurring income consists mainly of the dividend it receives from its participating interest in KBC Group.

In the event that KBC Ancora does not receive a dividend from its participating interest in KBC Group in any given financial year, KBC Ancora will itself not pay a dividend in that year. If KBC Ancora once again receives KBC Group dividend in a subsequent financial year, its carried-forward result will be taken into account when determining the profit available for distribution.

Declaration concerning effective corporate governance

KBC Ancora attaches great importance to corporate governance.

It applies the Belgian Corporate Governance Code 2020 as a reference code. It is committed to implementing the 2020 Code as fully as possible.

KBC Ancora's Corporate Governance Charter explains the principal elements of the company's policy in relation to corporate governance. It is available on the website www.kbcancora.be.

As KBC Ancora is managed by a statutory director, the provisions of the Belgian Corporate Governance Code are applied at the level of the Board of Directors of Almancora Société de gestion SA.

The Board of Directors of Almancora Société de gestion applies the principles from the Corporate Governance Code in full. It deviates from the provisions of the Code where the specific characteristics of KBC Ancora or its statutory director or specific circumstances make this necessary. In such cases the deviation is explained in accordance with the 'comply or explain' principle.

KBC Ancora's Corporate Governance Charter deviates from only a small number of the provisions of the Code.

Contrary to Provisions 2.13, 4.1 and 4.21 of the Corporate Governance Code, the Appointments Committee of Almancora Société de gestion may submit proposals directly (i.e. without the intervention of the Board of Directors) to the General Meeting of Shareholders of Almancora Société de gestion as regards the appointment of A, B and C directors. This offers the best

⁷ On 31 May 2023 KBC Ancora made early repayment of a portion of the outstanding loan maturing on 31 May 2024. This partial early repayment amounted to EUR 70 million of a loan totalling EUR 143 million. As a result, with effect from 31 May 2023 the remaining amount outstanding on this loan maturing on 31 May 2024 is EUR 73 million. This leads to a reduction in the total amount of outstanding loans from EUR 243 million to EUR 173 million (of which EUR 73 million matures in May 2024 and EUR 100 million in May 2027).

guarantee of an independent nominations policy, in which the focus is exclusively on KBC Ancora's interests.

In addition, contrary to Provisions 7.7 and 7.8 of the Corporate Governance Code, the members of the Day-to-Day Management Committee receive no variable remuneration for their actual and set functions within KBC Ancora, and contrary to Provision 7.6 of the Corporate Governance Code, the executive and non-executive directors receive no remuneration in the form of shares in the company. Lastly, contrary to Provision 7.9 of the Corporate Governance Code, no obligation is imposed on the members of the Day-to-Day Management Committee to hold a minimum number of shares in the company.

KBC Ancora's Corporate Governance Charter was comprehensively revised on 26 June 2020 to bring it into line with the provisions of the Belgian Companies and Associations Code, the 2020 Corporate Governance Code and the amendments to the Articles of Association of KBC Ancora and Almancora Société de gestion which came into effect on 1 January 2020. The Articles of Association of Almancora Société de gestion and the Corporate Governance Charter were most recently updated on 23 June 2023.

Management structure

Almancora Société de gestion was appointed in KBC Ancora's Articles of Association as statutory director for the entire duration of the company. Its mandate may only be terminated under exceptional circumstances. The statutory director may however choose to resign without having to seek the endorsement of the General Meeting of Shareholders.

Almancora Société de gestion is authorised as statutory director to do all that is necessary for or conducive to the achievement of the company's object, with the exception of powers that are reserved by law for the General Meeting of Shareholders.

Almancora Société de gestion receives no remuneration for exercising its mandate as director, but costs incurred during the exercise of that mandate are reimbursed.

Following an amendment to the Articles of Association on 25 October 2019, KBC Ancora's legal form was amended with effect from 1 January 2020 from a partnership limited by shares to a company limited by shares (company with limited liability) with a sole director. Making this change, use was made of the possibilities created by the 'renewed' legal form of a company with limited liability to include provisions in the Articles of Association which restate the essence of what made a partnership limited by shares particularly suited for anchoring purposes.

The following provisions of the Articles of Association are of particular relevance in this context:

- Article 12: The Company shall be managed by a single statutory director.
- Article 13: The mandate of the statutory director may only be revoked if there is a legitimate reason for doing so;
- Article 29: Decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director may only take effect when and on the condition that the statutory director consents to them.

The statutory director has joint and several liability for the commitments of the company dating from before the conversion from a partnership limited by shares to a company with limited liability.

Board of Directors of Almancora Société de gestion SA

The following changes took place in the composition of the Board of Directors in the year under review:

- At the Extraordinary General Meeting of Shareholders of Almancora Société de gestion held on 28 April 2023:
 - Paul Demyttenaere was appointed as a C director for a term of four years, succeeding FINTRAC SRL (with Marc De Ceuster as permanent representative), who stood down as a C director.
 - Mathilde Remy was appointed as a B director for a term of four years, succeeding Jos Peeters, whose term of office had expired.
 - Marc De Ceuster was appointed as an A director for a term of four years with effect from 18 May 2023, succeeding Katelijn Callewaert, who had reached the age limit set in the Articles of Association.
- At the meeting of the Board of Directors of Almancora Société de gestion on 28 April 2023, Paul Demyttenaere was appointed Chairman of the Board of Directors, a member and Chairman of the Appointments Committee and a member and Chairman of the Remuneration Committee, succeeding FINTRAC SRL (with Marc De Ceuster as permanent representative).

Table 6 shows the composition of the Board of Directors of Almancora Société de gestion and the committees set up under the Board's aegis. The number of meetings attended by each Board member is reported for the Board of Directors and its committees. The Board met eleven times in the financial year 2022/2023; the Day-to-Day Management Committee met eleven times; the Audit Committee met six times, the Appointments Committee eight times and the Remuneration Committee four times.

Table 6: Composition of the Board of Directors of Almancora Société de gestion SA and summary of attendance

Name	End of current term	A directors	B directors	C directors	Day-to-Day Management Committee	Audit Committee	Appointments Committee	Remuneration Committee
Franky Depickere	2026	11			11		8	
Katelijn Callewaert ¹ (until 17.05.2023)	2023	9			9			
Marc De Ceuster ² (since 18.05.2023)	2027	2			2			
Johan Massy (Vice-chair)	2025		11			6	8	4
Liesbet Okkerse	2024		10					
Joseph Peeters ³ (until 28.04.2023)	2023		9					
Mathilde Remy ³ (since 28.04.2023)	2027		2					
Luc Vandecatseye	2023		11					
Henri Vandermeulen	2024		11					
Paul Demyttenaere ⁴ (Chair) (since 28.04.2023)	2027			2			1	1

BODA SCS (with Rita Van kerckhoven as permanent representative)	2024			11		6	8	
FINTRAC SRL (with Marc De Ceuster as permanent representative) ⁵ (Chair) (until 28 April 2023)	2023			9		5	7	3
Philippe Vanclooster	2025			11		6	8	4
VISIONALITY SRL (with Christiane Steegmans as permanent representative)	2025			10		5		

¹ Katelijn Callewaert's term of office as an A director at Almancora Société de gestion expired on 17 May 2023, as she had reached the age limit set in the Articles of Association.

² On 28 April 2023, Marc De Ceuster was appointed an A director of Almancora Société de gestion with effect from 18 May 2023 (succeeding Katelijn Callewaert).

³ Mathilde Remy has been a member of the Board of Directors since 28 April 2023 (succeeding Jos Peeters). Since taking up her mandate, she has attended all meetings of the Board of Directors.

⁴ On 28 April 2023, Paul Demyttenaere was appointed a C director of Almancora Société de gestion (succeeding FINTRAC SRL) and was appointed Chairman of the Board of Directors, a member and Chairman of the Appointments Committee and a member and Chairman of the Remuneration Committee. Since taking up his mandate, he has attended all meetings of the Board of Directors.

⁵ FINTRAC SRL, with Marc De Ceuster as permanent representative, stepped down as a C director of Almancora Société de gestion on 28 April 2023. FINTRAC SRL was also Chairman of the Board of Directors, a member and Chairman of the Appointments Committee and a member and Chairman of the Remuneration Committee.

Composition of the Board of Directors

The mandate of the statutory director, Almancora Société de gestion, may only be terminated with its agreement or by the courts, if there are lawful reasons for doing so. For this reason, a great deal of attention has been paid to the way in which the Board of Directors of Almancora Société de gestion is constituted. Account was taken when drafting the Articles of Association of KBC Ancora's anchoring objective, the principles of effective corporate governance – more specifically recommendations from competent authorities – and the legal rules regarding conflicts of interest in listed companies.

The Board of Directors of Almancora Société de gestion consists of three types of directors, each with its own specific conditions for appointment:

- A directors are those whose directorship forms part of their everyday professional activity. The individuals in question are managing directors of Almancora Société de gestion, with individual powers of representation. The two current A directors are also managing directors of Cera Société de gestion, Cera's statutory director. This creates a personal link between KBC Ancora and Cera.
- B directors are non-executive directors who are members of the consultative bodies that operate within Cera Ancora ASBL as long as the latter does not oppose their candidacy. These directors personify the institutional link between KBC Ancora and Cera, as also enshrined in the description of KBC Ancora's object as set out in its Articles of Association.
- C directors are independent directors. They are appointed because of their independence vis-à-vis the management of KBC Ancora, Cera and the KBC group.

Directors are appointed for a maximum term of four years.

An A director's mandate is renewable indefinitely but ends by operation of law in any event following the General Meeting of Shareholders held in the year following the year in which the director in question has reached the age of sixty-seven (67) years. B directorships end by operation of law in any event following the Annual General Meeting of Shareholders held in the sixteenth

year of the directorship or after the General Meeting of Shareholders following the year in which the director in question has reached the age of 70 years. C directorships end by operation of law in any event following the Annual General Meeting of Shareholders held in the twelfth year of the directorship or after the General Meeting of Shareholders following the year in which the director in question has reached the age of 70 years.

Directorships may be renewed. If a directorship is renewed within the same category, the director concerned may be reappointed one or more times on expiry of each term of office, though only for immediately following terms.

In cases where the Internal Rules permit the taking up of a directorship in a different category, possibly following a cooling off period of two years, the maximum total term of the directorship is calculated taking into account the years spent as a director in both categories.

In the event that there are one or more unfilled directorships, the remaining directors of the same category are authorised to co-opt a new director from among the candidates proposed by the Appointments Committee. The mandate of a co-opted director is submitted for ratification to the next General Meeting of Shareholders.

The Board selects a chairman from among its B and C members.

There must be a minimum of three C directors. The A and C directors together constitute the majority on the Board of Directors. Persons may only be appointed as A, B or C directors by the General Meeting of Shareholders at the nomination of the Appointments Committee of Almancora Société de gestion. The C directors constitute the majority of the members of this Appointments Committee.

All C directors meet the specific independence criteria set out in Provision 3.5 of the Corporate Governance Code and the independence criteria as referred to in Section 7:87 of the Belgian Companies and Associations Code.

Since 1 January 2017, at least one third of the members of the Board of Directors must be of a different gender from the remaining members. On the balance sheet date, the Board of Directors consisted of four women and seven men, thus meeting the requirements of the law.

Powers of the Board of Directors

The Board of Directors of Almancora Société de gestion is authorised to perform all acts which are necessary for or conducive to the achievement of the company's object and, in the context of its directorship of KBC Ancora, for the achievement of KBC Ancora's object.

In exercising its directorship within KBC Ancora, Almancora Société de gestion pays particular attention to KBC Ancora's object. That object is aimed at the maintenance and management of a participating interest in KBC Group, or every company and/or group of companies which is a continuation thereof in order, together with Cera, to achieve and maintain the anchoring of KBC Group as described in the KBC Ancora Articles of Association.

The Board of Directors carries out all tasks which are assigned to it by law and/or the Articles of Association. Decisions on the company's strategy, its values and the focus of its policy take account of the consultations between KBC Ancora and Cera.

The Board of Directors exercises these powers with regard both to the management of Almancora Société de gestion itself and in relation to the management of KBC Ancora, given the capacity of Almancora Société de gestion as statutory director of KBC Ancora, all in accordance with the respective provisions of the Articles of Association. Where relevant, the Board of Directors also takes account of the cost-sharing agreement between Cera and KBC Ancora (see Expenses).

The Board of Directors is also authorised, in view of the capacity of Almancora Société de gestion as statutory director of KBC Ancora, to consult and collaborate with Cera in the light of their parallel anchoring objective.

Almancora Société de gestion is bound to implement its mandate as statutory director personally. However, as permitted by KBC Ancora's Articles of Association, the Board of Directors of Almancora Société de gestion has delegated the day-to-day management of KBC Ancora and of Almancora Société de gestion, as well as the implementation of the decisions taken by the statutory director, to the A directors who together constitute the Day-to-Day Management Committee.

Functioning of the Board of Directors

The functioning of the Board of Directors is governed by the Articles of Association, supplemented by the relevant provisions of the Belgian Companies and Associations Code. Further details are contained in the 'Guidelines for Directors of Almancora Société de gestion for the exercise of their directorship', which form part of the Internal Addendum to the KBC Ancora Corporate Governance Charter.

The Board of Directors met eleven times in the year under review. Each of these meetings was attended by virtually all members. In addition to its traditional duties (adopting the annual and interim results, proposing the appropriation of the result, monitoring the activities of the Audit Committee, Appointments Committee and Remuneration Committee, approving the budgets, etc.), the Board of Directors also addressed the following topics among others in the financial year 2022/2023:

- Monitoring the strategy and results of the KBC group and the functioning of the shareholder syndicate;
- Valuation of KBC Ancora's financial fixed assets;
- Repurchase of shares to an amount of EUR 50 million;
- Attending to succession of directorships (reappointment of an A director, appointment of a part-time A director, appointment of a B director and a C director, appointment of the chair of the Board of Directors, appointment of a member and chair of the Appointments Committee and appointment of a member and chair of the Remuneration Committee);
- Decision to distribute an interim dividend of EUR 3.31 gross per KBC Ancora share on 8 June 2023 and to propose to the General Meeting of KBC Ancora shareholders not to declare a final dividend for the financial year 2022/2023;
- Partial early repayment of outstanding loan maturing on 31 May 2024 (EUR 70 million of a loan totalling EUR 143 million);
- Budgets for the financial year 2023/2024;
- Updating of KBC Ancora whistleblower policy;
- Start of procedure for the appointment of a new auditor of KBC Ancora and Almancora Société de gestion;
- Updating the KBC Ancora Corporate Governance Charter and internal addendum.

Committees appointed within the Board of Directors

Day-to-Day Management Committee

Composition:

The Day-to-Day Management Committee is a collegial body and comprises the A directors. The term of office of the members of the Day-to-Day Management Committee ends on expiry of their term of office as A directors on the Board of Directors.

Powers:

The Day-to-Day Management Committee prepares the meetings of the Board of Directors and forwards proposals for decisions to the Board.

The Committee exercises its powers autonomously, but always within the framework of the general strategy as adopted by the Board of Directors.

The Day-to-Day Management Committee is authorised to conduct the day-to-day management of both Almancora Société de gestion and KBC Ancora.

Functioning:

The Day-to-Day Management Committee has been charged by the Board of Directors with the day-to-day management of the company. In principle, the Day-to-Day Management Committee meets once a month. The Committee met eleven times in the year under review. In addition, there were of course ongoing informal contacts between the managing directors.

Audit Committee

Composition:

The Audit Committee comprises a minimum of three directors, other than A directors. More than half the members of the Audit Committee must be C directors.

C directors are independent directors, all of whom meet the independence criteria set in the Belgian Corporate Governance Code and in Section 7:87 of the Belgian Companies and Associations Code.

Philippe Vanclooster and Christiane Steegmans (permanent representative of VISIONALITY SRL) were designated as the Audit Committee members with specific experience in relation to accounting and audit.

Philippe Vanclooster holds a *licentiaat* degree in Law (University of Groningen), a *licentiaat* degree in Economic Law ((ULB Brussels) and a diploma in Fiscal Studies (Ehsal Institute). He was a Tax Partner at PwC from 2000 to 2020 and a member of the Board of Directors of IAB from 2016 to 2020. Since 2020 he has been a member of the Board of Directors of the institute Tax Advisors & Accountants (ITAA), chair of the ITAA Tax Unit, chair of the Professional Affairs Committee of CFE and a director of CFE -Tax Advisors.

Christiane Steegmans (permanent representative of VISIONALITY SRL) obtained a Master's degree in Commercial Engineering at Solvay Brussels School of Economics and Management at Université Libre de Bruxelles. After performing finance assignments in a variety of sectors, she joined IBM Consulting as an associate partner, working on financial advisory assignments and on setting up a system of shared services. She followed this with a variety of financial and strategic roles at Delhaize Group, at both Belgian and European level. When she left Delhaize in 2013, Christiane was Senior Vice President Corporate Development Belgium. She went on to fulfil a number of consultancy roles. Since 2016 she has been a partner at Innovity, a consultancy which advises company leaders on strategy, finance and governance. Christiane Steegmans has wide experience in finance and strategy in a variety of situations and sectors.

It is evident from the foregoing that a sufficient number of the independent directors who are members of the Audit Committee meet the independence and expertise criteria as laid down in Section 3:96, §1, 9° of the Belgian Companies and Associations Code, and that the Audit Committee therefore possesses sufficient relevant expertise in relation to accounting and audit.

The Audit Committee elects a chairman from among its members, who may not also be the Chairman of the Board of Directors, and appoints a secretary.

The Audit Committee is chaired by Philippe Vanclooster.

Powers:

The Audit Committee supports the Board of Directors in the performance of its supervisory tasks in respect of audit in the widest sense.

The Audit Committee's tasks relate in particular to:

- Financial reporting and communication;
- Internal control and risk management;
- Overseeing the effective functioning of the company's internal control system;
- The external audit function performed by the auditor;
- Additional audit duties.

Functioning:

The Audit Committee meets as often as necessary for its proper functioning, and at least four times a year.

The Audit Committee's activities are governed by the Internal Rules of the Audit Committee, which are incorporated in the Corporate Governance Charter.

The managing directors are not members of the Audit Committee, but are invited to attend meetings. This arrangement guarantees the necessary dialogue between the Board of Directors and the executive management.

The Audit Committee met six times during the year under review. Among the topics discussed by the Audit Committee in the financial year 2022/2023 were the following:

- Valuation of KBC Ancora's financial fixed assets;
- Repurchase of shares to an amount of EUR 50 million;
- Draft financial statements and draft annual report of KBC Ancora for the financial year 2021/2022;
- KBC Ancora remuneration report for the financial year 2021/2022;
- Annual discussion concerning the independence of the auditor;
- Audit planning by the auditor;
- Budgetary controls and cost-sharing agreement between Cera and KBC Ancora;
- Supervision of the administrative organisation/internal control and internal audit;
- Updating of KBC Ancora whistleblower policy;
- Start of procedure for the appointment of a new auditor of KBC Ancora and Almancora Société de gestion;
- Interim figures of KBC Ancora;
- Proposal to distribute an interim dividend on 8 June 2023 of EUR 3.31 gross per KBC Ancora share and to propose to the General Meeting of KBC Ancora shareholders not to declare a final dividend for the financial year 2022/2023;
- Partial early repayment of outstanding loan maturing on 31 May 2024 (EUR 70 million of a loan totalling EUR 143 million);
- KBC Ancora's budgets for the financial year 2023/2024;
- Evaluation of the effectiveness of the Audit Committee and the adequacy of the Internal Rules of the Audit Committee.

Whenever necessary or appropriate, joint meetings are organised with the Audit Committee of Cera Société de gestion.

Appointments Committee

Composition:

The Appointments Committee comprises a minimum of three directors. C directors form the majority of the Committee's members.

The Appointments Committee is chaired by the Chairman of the Board of Directors of Almancora Société de gestion, except where the choice of his or her successor is being discussed.

Powers:

The Appointments Committee submits proposals directly (i.e. without the intervention of the Board of Directors) to the General Meeting of Shareholders of Almancora Société de gestion as regards the appointment of A, B and C directors.

As the majority of the Appointments Committee consists of independent, non-executive directors (C directors), the direct nomination of candidate directors offers the best guarantee of an independent nominations policy, in which the focus is exclusively on KBC Ancora's interests.

No directors may be appointed who have not been nominated by the Appointments Committee.

Functioning:

The Appointments Committee meets as often as necessary for its proper functioning, and at least twice a year.

The Appointments Committee's activities are governed by the Internal Rules of the Appointments Committee, which are incorporated in the Corporate Governance Charter.

The Appointments Committee met eight times during the year under review. Among the matters discussed at these meetings were the following:

- Nomination for reappointment of one A director;
- Nomination for appointment of a part-time A director, a B director and a C director;
- Filling the vacant position of Chairman of the Board of Directors;
- Filling the vacant positions of member and chair of the Appointments Committee;
- Filling the vacant positions of member and chair of the Remuneration Committee;
- Start of procedure for the appointment of a new full-time A director;
- Evaluation of the activities of the Appointments Committee in 2022/2023;
- Evaluation of the composition and size of the Board of Directors and the Committees.

Whenever necessary or appropriate, joint meetings are organised with the Appointments Committee of Cera Société de gestion.

Remuneration Committee

Composition:

The Remuneration Committee comprises at least three directors, other than A directors, of whom the majority are C directors.

The Remuneration Committee is chaired by the Chairman of the Board of Directors of Almancora Société de gestion.

Powers:

The Remuneration Committee:

- Puts forward proposals regarding the remuneration policy at least every four years or whenever a material change makes this necessary (cf. Section 7:89/1 of the Belgian Companies and Associations Code) for B and C directors and for members of the Day-to-Day Management Committee (A directors);
- Puts forward proposals concerning the individual remuneration of B and C directors and of members of the Day-to-Day Management Committee in line with the approved remuneration policy (cf. Section 7:89/1 of the Belgian Companies and Associations Code);
- Prepares the remuneration report;

- Explains the remuneration report at the General Meeting of Shareholders.
Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

Functioning:

The Remuneration Committee meets as often as necessary for its proper functioning, and at least twice a year. The Remuneration Committee met four times in the year under review.

The Remuneration Committee has sufficient relevant expertise in the field of remuneration policy. Among the members of the Remuneration Committee, Johan Massy possesses specific experience in the field of HR management and remuneration of company directors.

Johan Massy (b. 1958) obtained a degree in Commerce and Business Economics from K.U. Leuven (Catholic University of Leuven) in 1981 and went on to follow the Compensation & Benefits Management programme at Vlerick Leuven Gent Management School (2007). After a short spell at Klynveld Kraayenhof & Co, from 1984 he held a number of different positions at AB InBev, in addition to positions within the HR department. Since November 2019 he has worked at Arvesta as Process Owner Master Data.

The Remuneration Committee's activities are governed by the Internal Rules of the Remuneration Committee, which are incorporated in the KBC Ancora Corporate Governance Charter.

Among the matters discussed in the Remuneration Committee in the year under review were the remuneration of A, B and C directors, the job descriptions schedule and an evaluation of the functioning of the Remuneration Committee.

Auditor

The General Meeting of Shareholders held on 30 October 2020 reappointed KPMG Réviseurs d'entreprises BV (KPMG) as auditor of the company for a further period of three years. KPMG Réviseurs d'entreprises appointed Kenneth Vermeire as its permanent representative.

KPMG Réviseurs d'entreprises received a fee of EUR 30,740 (excluding VAT) for the performance of its normal auditing duties in respect of the financial year 2022/2023 (including EUR 5,950 (excluding VAT) for the audit of the ESEF reporting on the preceding financial year), plus an additional fee of EUR 6,400 (excluding VAT) for extra activities in connection with the payment of the interim dividend on 8 June 2023.

Main features of the evaluation process for the Board of Directors, its committees and its individual members

The Board of Directors discusses and evaluates its size, composition and activities on a regular basis, and at least once every three years, as well as the functioning of the Board and its committees and the interaction between the Board of Directors and the Day-to-Day Management Committee. This evaluation is performed by the Board of Directors on the initiative of the chairman and assisted by the Appointments Committee. In addition, each committee tests and assesses its effectiveness regularly, and at least every three years, and submits a report on this to the Board of Directors. Where necessary, the committee in question proposes changes to the Board of Directors.

The contribution of each member of the Board of Directors is periodically evaluated in order to be able to adapt the composition of the Board of Directors to take account of changing circumstances. The evaluation takes into account their general role as directors as well as their specific roles as chairman or member/chairman of a committee, respectively. In the event of a reappointment, the commitment and effectiveness of the director are assessed in accordance with a predetermined and transparent procedure.

The Board of Directors acts on the basis of the results of the evaluation by further developing its strengths and addressing its weaknesses. Where appropriate this means that new members are proposed for appointment, that a proposal is made that existing members should not be reappointed or that measures are taken that are deemed conducive to the effective functioning of the Board of Directors.

B and C directors meet at least once a year in the absence of the A directors in order to evaluate their interaction with the Day-to-Day Management Committee.

Diversity policy

KBC applies the following diversity policy:

The Board of Directors of Almancora Société de gestion must comprise at least nine members and be made up as follows:

- At least two A directors (executive directors);
- At least four B directors (non-executive directors who are members of the consultative bodies operating within Cera Ancora ASBL).
These directors personify the institutional link between KBC Ancora and Cera, as also enshrined in the description of KBC Ancora's object as set out in its Articles of Association;
- At least three C directors (independent non-executive directors).

The Board of Directors is comprised in such a way as to ensure that there is sufficient expertise concerning the various activities of the company, as well as sufficient diversity in terms of competences, background, age and gender (as described in Section IV of the KBC Ancora Corporate Governance Charter). In nominating candidates, the Appointments Committee pays attention to diversity in background, age and gender, as well as to complementarity in terms of expertise, competencies and experience.

The gender composition of the Board of Directors meets the requirements of Article 7:86 of the Belgian Companies and Associations Code. The present Board of Directors contains four female members (36%) and seven male members (64%). At 30 June 2023, two directors were aged 50 years or younger (18%) and nine directors were aged over 50 years (82%).

Remuneration report for the financial year

Introduction

The remuneration policy of the company with limited liability KBC Ancora was approved by the General Meeting of Shareholders on 30 October 2020. The remuneration policy is intended to promote sustainable value creation for the company, taking into account the particular structure of the company and its final object, which in essence is aimed at maintaining and managing its participating interest in the company with limited liability KBC Group, with a view to the continuation within the KBC group of the former banking activities of the CERA group, or of any company and/or group of companies which may succeed it, in order, together with the cooperative company Cera, to realise and maintain the anchoring of KBC Group.

In an adopting the remuneration package, the following principles were characterised as crucial: internal fairness, external competitiveness, a balanced overall package, transparency and simplicity. The market conformity of the packages tested periodically using methodologies developed by external experts.

In the event of any material change, and at least every four years, the remuneration policy is submitted for approval to the General Meeting of Shareholders. There were no material changes in the remuneration policy in the year under review.

Description of the procedures for the development of the remuneration policy and for setting the remuneration of individual directors and members of the Day-to-Day Management Committee

Almancora Société de gestion receives no remuneration for performing its mandate as statutory director. It does receive reimbursement of the costs it incurs in respect of the remuneration paid to the directors and for the reimbursement of expenses paid to B and C directors.⁸

As KBC Ancora is managed by a statutory director, the legal provisions concerning remuneration policy and the relevant provisions of the Belgian Corporate Governance Code are applied transparently at the level of the Board of Directors of Almancora Société de gestion SA. The Board of Directors of Almancora Société de gestion has appointed a Remuneration Committee which formulates proposals in respect of the remuneration policy for B and C directors, members of the Day-to-Day Management Committee (A directors) and the other Board members, and makes recommendations concerning their individual remuneration. The Remuneration Committee has an advisory function.

The Remuneration Committee monitors trends in legislation, the Corporate Governance Code and market practices, paying particular attention to developments in the remuneration policy at KBC Group SA, and may seek external advice where necessary. The Board of Directors may also instruct the Remuneration Committee on its own initiative or at the proposal of the Day-to-Day Management Committee to investigate possible changes to the remuneration policy and to advise the Board of Directors accordingly.

Whenever necessary or appropriate, joint meetings are organised between the Remuneration Committee of Almancora Société de gestion and the Remuneration Committee of Cera Société de gestion.

⁸ In addition to the payments to directors, which account for the majority of the total expenses incurred by Almancora Société de gestion in the performance of its mandate as director, Almancora Société de gestion's other operating costs are also charged in full to KBC Ancora (see Expenses).

Declaration concerning the remuneration policy pursued during the year under review with respect to directors and members of the Day-to-Day Management Committee

A directors:

A directors exercise their mandate within Almancora Société de gestion without remuneration. They are reimbursed for their duties as members of the Day-to-Day Management Committees of KBC Ancora (see below).

B and C directors:

As a basic principle, non-executive directors (B and C directors) of Almancora Société de gestion receive a fair level of remuneration which is proportionate to their contribution to the policy of KBC Ancora and which is based on the following principles:

- The remuneration of B and C directors takes into account their responsibilities and time investment.
- B and C directors receive a fixed remuneration and an attendance fee for each meeting of the Board of Directors attended. The remuneration of B directors also takes into account the remuneration they receive for their membership of the Board of Directors of Cera Société de gestion.
- Given the large amount of time he/she invests in KBC Ancora, the Chairman of the Board of Directors enjoys a deviating remuneration regime. He or she receives a higher fixed remuneration, but no attendance fees.
- B and C directors who are members of the Audit Committee also receive an attendance fee for each meeting of the Committee they attend. The chairman of the Audit Committee receives a fixed remuneration.
- The members of the Appointments Committee and the Remuneration Committee do not receive attendance fees, but merely reimbursement of travel expenses incurred.
- Finally, B and C directors are entitled to reimbursement of expenses incurred in exercising their function as directors.

Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

B and C directors receive no remuneration in the form of shares in the company. Since KBC Ancora is a single-asset holding company, the company's result is very largely determined by the results of KBC Group. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is moreover predicated on a very broad long-term vision. In view of this, the statutory director is of the opinion that reimbursing B and C directors partly in the form of shares in the company offers insufficient added value. For this reason, the director has chosen to deviate from Provision 7.6 of the Corporate Governance Code, which recommends that part of the remuneration of non-executive directors should be awarded in the form of shares in the company.

The members of the Day-to-Day Management Committee of KBC Ancora:

The Day-to-Day Management Committee, a collegial body comprising the a directors of the statutory director, is charged with the day-to-day management of KBC Ancora.

Their remuneration package is fixed contractually by Cera. With the exception of any variable remuneration of the chairman of the Day-to-Day Management Committee (which is paid in full by Cera), 20% of their total reimbursement is charged on to KBC Ancora in the context of the cost-sharing agreement between Cera and KBC Ancora (see Expenses). Where relevant, consultation takes place with the Remuneration Committee of Cera Société de gestion.

All decisions concerning the remuneration of members of the Day-to-Day Management Committee of KBC Ancora require the consent of both the management body of Cera and the Board of Directors of the statutory director of KBC Ancora, where the costs of that remuneration are born in part by KBC Ancora.

The remuneration of the members of the Day-to-Day Management Committee, 20% of which is paid by KBC Ancora, consists of a fixed remuneration, the use of a company car or travel allowance and a competitive insurance package, which among other things includes a supplementary retirement or survivor's pension, disability insurance, hospitalisation insurance and emergency assistance insurance.

The amount of the fixed remuneration is determined on the basis of the individual responsibilities and powers of the A directors, taking into account the remuneration paid for comparable functions in the marketplace.

Franky Depickere's employment contract is of indefinite duration and commenced on 1 September 2006. It provides for severance pay amounting to 24 months' fixed remuneration. The employment contract agreed with Marc De Ceuster took effect on 18 May 2023 and provides for a severance package equivalent to 12 months' fixed remuneration. The company is bound to contribute to the observance of this contractual undertaking if the situation should arise.

Any variable remuneration of the members of the Day-to-Day Management Committee within Cera is not passed on via the cost-sharing agreement. The members of the Day-to-Day Management Committee also receive no variable remuneration from KBC Ancora. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is predicated on a very broad long-term vision. In the light of this, it is not entirely appropriate to formulate performance criteria, the assessment of which will inevitably be based on a relatively short-term perspective. Moreover, variable remuneration which is based solely on individual performance criteria pertaining to one member of the Day-to-Day Management Committee within KBC Ancora will inevitably be limited in scope compared with the fixed remuneration. Bearing in mind the modest share taken by KBC Ancora in the fixed remuneration (20%), the benefits of this limited variable remuneration are not sufficient to justify the administrative complexity it involves, because it would bring the personal financial interests of the members of the Day-to-Day Management Committee and the interests of KBC Ancora into line to only a limited extent. For this reason, KBC Ancora has opted to deviate from Provisions 7.7 and 7.8 of the Corporate Governance Code, which recommend that an appropriate portion of the remuneration package of the executive management be linked to the performance of the company and to the performance of the individuals concerned.

Members of the Day-to-Day Management Committee receive no remuneration in the form of shares in the company. Since KBC Ancora is a single-asset holding company, the company's result is very largely determined by the results of KBC Group. The ultimate object of KBC Ancora, namely the anchoring of KBC Group, is moreover predicated on a very broad long-term vision. In view of this, KBC Ancora is of the opinion that imposing an obligation on the members of the Day-to-Day Management Committee to hold shares in the company offers insufficient added value. For this reason, KBC Ancora has chosen to deviate from Provision 7.9 of the Corporate Governance Code, which recommends setting a minimum threshold for the number of shares in the company that must be held by the members of the executive management.

Relative weight of the different remuneration components

During the year under review, the fixed portion of the remuneration and the pension contributions were the most important components.

Features of the performance bonuses in the form of shares, options or other rights to acquire shares
Not applicable.

Information on the remuneration policy for the next two financial years

The Remuneration Committee periodically evaluates the remuneration policy, and at the present time has no intention of materially amending the principles on which that policy is based.

Remuneration of individual non-executive directors of Almancora Société de gestion SA

Table 7: Remuneration of non-executive directors of Almancora Société de gestion

	Board of Directors fixed	Board of Directors attendance fee	Audit Committee fixed	Audit Committee attendance fee	Total
Paul Demyttenaere	6,305	-	-	-	6,305
Johan Massy	6,402	5,566	-	2,823	14,791
Liesbet Okkerse	4,268	5,145	-	-	9,413
Joseph Peeters	3,521	4,724	-	-	8,245
Mathilde Remy	747	842			1,589
Luc Vandecatseye	4,268	5,566	-	-	9,834
Henri Vandermeulen	4,268	5,566	-	-	9,834
BODA SCS (with Rita Van kerckhoven as permanent representative)	8,500	9,606	-	2,822	20,928
FINTRAC SRL (with Marc De Ceuster as permanent representative)	39,774	-	-	-	39,774
Philippe Vanclooster	8,500	9,606	8,536	-	26,642
Visionality SRL (with Christiane Steegmans as permanent representative)	10,285	10,606	-	2,906	23,797
Total	96,838	57,227	8,536	8,551	171,152

Remuneration paid to individual members of the Day-to-Day Management Committee

The Day-to-Day Management Committee is a collegial body and comprises (at least) two members. The company is therefore not led by a CEO in the sense of a sole operational and responsible representative of the enterprise. Nonetheless, there is a material difference in the amounts of remuneration received by the managing directors. On the one hand this difference reflects the difference in employment percentage (100% for Franky Depickere, 20% for Katelijn Callewaert (until 17 May 2023) and 30% for Marc De Ceuster (from 18 May 2023)), and on the other the additional responsibilities held by Franky Depickere (including as permanent representative of Almancora Société de gestion and Cera Société de gestion, Chairman of the Day-to-Day Management Committees of KBC Ancora and Cera, Chairman of the Risk and Compliance Committee of KBC Group, KBC Bank and KBC Insurance, and numerous other mandates within the KBC group). The figures shown in Table 8 are the amounts actually charged by Cera to KBC Ancora.

Table 8: Remuneration of Day-to-Day Management Committee of KBC Ancora (in EUR)

	fixed	pension**	other***
Franky Depickere*	152,357	31,298	801
Katelijan Callewaert*	14,175	-	548
Marc De Ceuster*	4,304	-	-

* Mandate exercised on the basis of a self-employment contract.

** The pension contributions take the form of fixed contributions to fund a supplementary retirement or survivor's pension.

*** Other remuneration comprises the use of a company car or travel allowance, hospitalisation insurance and emergency assistance insurance package.

Ratio of highest remuneration of the members of the Day to Day Management Committee to lowest remuneration of employees

Not applicable since KBC Ancora has no employees.

Shares, share options and other rights to acquire KBC Ancora shares granted, exercised or lapsed during the year under review, on an individual basis

No shares, share options or other rights to acquire KBC Ancora shares were granted or exercised during or before the year under review.

Annual change in the remuneration of KBC Ancora in the last five financial years

Table 9: Trend in remuneration of B and C directors and of members of the Day to Day Management Committee of KBC Ancora (in EUR)

	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Franky Depickere	184,456	169,884	164,667	163,599	160,818
Katelijan Callewaert	14,723	15,194	14,272	14,481	12,837
Marc De Ceuster	4,304	-	-	-	-
Total remuneration paid to B and C directors	171,152	162,897	150,455	148,473	137,793

As KBC Ancora has no employees, it is not possible to present a summary of the annual change in the average remuneration of employees.

The total amount of remuneration is in line with the remuneration policy as approved by the Ordinary General Meeting of Shareholders. In view of the limited operational activity of the company, it is not considered helpful to link the remuneration to the long-term trend in its performance. That long-term performance has to be judged in the light of the ultimate object of the company and its statutory director, which in essence is focused on realising and maintaining the anchoring of KBC Group, together with the Cera cooperative. Since the long-term performance

of the company is not linked to its financial performance, it does not regard a comparison between the trend in annual remuneration and the trend in the (financial) performance of the company to be a useful exercise.

Miscellaneous information

Information as referred to in Article 14, paragraph 4 of the Law of 2 May 2007 concerning the disclosure of major shareholdings in issuers whose shares have been admitted for trading on a regulated market

Shareholder structure as at 30 June 2023

There is a statutory requirement to disclose participating interests in listed companies of (multiples of) 5%. In addition, KBC Ancora's Articles of Association stipulate a disclosure threshold of 3%.

An Extraordinary General Meeting of KBC Ancora decided at the end of October 2020 to introduce a system of loyalty voting rights, in accordance with Section 7:53 of the Belgian Companies and Associations Code. Since then, paid-up shares which have been entered in the shareholders' register in the name of the same shareholder for a minimum of two years have conferred the right to two votes. The other shares confer the right to one vote.

On 30 October 2020 Cera Investment announced that it had exceeded the disclosure threshold of 65% as set in the Articles of Association. This was a passive exceeding of the threshold which was the direct result of the decision by KBC Ancora to introduce a system of loyalty voting rights. At that time, Cera held 79,819,045 of the 118,657,091 voting rights (or 67.27% of the total number of voting rights). KBC Ancora did not receive any further transparency reports from Cera. This implies that at the date of this Annual Report, Cera still held between 65% and 70% of the total number of voting rights in KBC Ancora.

KBC Ancora also received no further notifications during the year under review from shareholders who had exceeded or fallen short of a notification thresholds set by law or the Articles of Association.

Table 10 summarises the shareholder structure of KBC Ancora based on all notifications received up to and including 30 June 2023.

A complete list of the participating interest disclosures received in previous financial years can be found on the KBC Ancora website.

Table 10: Shareholder structure of KBC Ancora (situation up to 30 June 2023)

Informant	Date	Total number of voting rights at time of notification	Number of votes	Voting rights
Cera SC	30 October 2020	118,657,091	79,819,045	67.27%

Information as referred to in Article 34 of the Royal Decree of 14 November 2007 concerning the obligations of issuers of financial instruments that are admitted for trading on a regulated market

On 30 June 2023 the capital of KBC Ancora was represented by 78,301,314 shares without nominal value, each representing an equal portion of the capital.

On 23 August 2023 Cera reported (pursuant to Article 74 §8 of the Law of 1 April 2007 on public takeover bids) that as at 30 June 2023 it (still) held more than 30% of the shares with voting rights in KBC Ancora. Specifically, Cera reported that it held 38,630,366 KBC Ancora shares. As KBC Ancora

held 1,289,470 treasury shares at that time, and as Cera controls KBC Ancora, this implies that, in the context of the duty of disclosure pursuant to the Law on public takeover bids (OBA), Cera held 39,919,836 of the total of 78,301,314 KBC Ancora shares, or 50.98% of the shares with voting rights.

KBC Ancora is managed by a statutory director appointed pursuant to the Articles of Association. At the Extraordinary General Meeting of Shareholders held on 12 January 2001, Almancora Société de gestion was appointed as statutory director for the duration of the company. The mandate of the statutory director may only be terminated with its agreement or by the courts, if there are lawful reasons for doing so. Decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director may only⁹ take effect when and on the condition that the statutory director consents to them.

Holders of securities in which special control rights are vested

None.

Limitations to the exercise of the voting right imposed by the law or the Articles of Association

There are no limitations on the exercise of the voting right.

Each paid-up share which has been entered in the shareholders' register in the name of the same shareholder for a minimum of two years confers the right to two votes. Each other share confers the right to one vote.

As statutory director, Almancora Société de gestion does have a right of veto over decisions to amend the Articles of Association, decisions to make distributions to shareholders and decisions to dismiss the statutory director.

Rules governing the appointment and replacement of members of the management body and amendment of the Articles of Association

When the company was established in 2001, Almancora Société de gestion was appointed as the statutory director by the Articles of Association for an indefinite period. Its mandate may only be terminated on 'legitimate grounds'.

The attendance and majority requirements as set by the law apply for amendments of the Articles of Association. Pursuant to Article 29 of the Articles of Association, a resolution to amend the Articles of Association takes effect only when and if the statutory director agrees to it.

Powers of the statutory director in relation to the issue or repurchase of shares

Within the limits and on the conditions as set out in Article 8 of the Articles of Association, Almancora Société de gestion may decide to increase the authorised capital of KBC Ancora without seeking the prior authorisation of the General Meeting of Shareholders.

Almancora Société de gestion is also authorised to acquire or dispose of shares in the company within the limits and on the conditions as set out in Article 9 of the Articles of Association.

⁹ The statutory attendance and majority requirements as set out in Section 7:153 ff. of the Belgian Companies and Associations Code also apply.

Internal control and risk management

Since KBC Ancora is a single-asset holding company whose assets consist almost entirely of a substantial participating interest in KBC Group, the operational activities of KBC Ancora are fairly limited. KBC Ancora employs no staff. The operational activities are in the hands of staff of Cera (with costs being charged by Cera to KBC Ancora via the cost-sharing agreement; see Expenses). The budgets are prepared by the Day-to-Day Management Committee and are explained and discussed in the Audit Committee before being submitted for approval to the Board of Directors. The Day-to-Day Management Committee periodically monitors the budgets and submits a report on them to the Audit Committee and the Board of Directors.

The system of internal control and risk management is characterised by the following elements:

- Sufficient information is made available to the Audit Committee to enable the cost of debt as well as the direct operating costs of KBC Ancora to be discussed and monitored in depth;
- The other operating costs are shared costs of KBC Ancora and Cera, which are borne by Cera and which to the extent that they relate to KBC Ancora are subsequently charged on to KBC Ancora. The Audit Committee of Almancora Société de gestion is closely involved in the following aspects of the discussion and monitoring of the budgets relating to the shared costs:
 - Organisation of an annual joint meeting of the Audit Committees of Cera Société de gestion and Almancora Société de gestion to discuss the budgets and cost-sharing agreement between Cera and KBC Ancora;
 - Discussion of the audit cycle during this joint annual meeting;
- The provision of transparent and regular information to the Audit Committee of Almancora Société de gestion concerning the operational activities and controls in place at Cera, in so far as these are relevant for the cost-sharing agreement between Cera and KBC Ancora;
- Taking cognisance and discussion of the annual audit report by the auditor and of the specific activities of the auditor.

The Audit Committee of Almancora Société de gestion periodically evaluates the adequacy of the existing internal control and risk management systems. In making these evaluations, the Audit Committee judged that there was no need to put in place additional control measures or to initiate an internal audit function.

Code of conduct in respect of conflicts of interest

In addition to the legal provisions concerning potential conflicts of interest with a director or key shareholder (Section 7:96 in conjunction with Sections 7:102 and 7:103 and Section 7:97 of the Belgian Companies and Associations Code), the Board of Directors of Almancora Société de gestion has drawn up rules governing potential conflicts of interest between directors/members of the Day-to-Day Management Committee of Almancora Société de gestion and KBC Ancora. These rules are incorporated in the KBC Ancora Corporate Governance Charter.

No incidents occurred in the year under review for which the rules on conflicts of interest with the statutory director or the rules on conflicts of interest with a major shareholder needed to be applied. There were also no conflicts of interest between directors/members of the Day-to-Day Management Committee of Almancora Société de gestion and KBC Ancora.

Code of conduct to prevent market abuse

The Board of Directors of Almancora Société de gestion has drawn up a code of conduct intended to prevent market abuse. The principles of the code of conduct have been incorporated in the KBC Ancora Corporate Governance Charter.

The code of conduct to prevent market abuse provides among other things for the drawing up of a list of insiders, the setting of annual blackout periods, the reporting of trades by directors and employees involved to the Compliance Officer and the reporting of trades by management to the Belgian Financial Services and Markets Authority (FSMA).

Annual notification pursuant to Article 74, §8 of the Law of 1 April 2007 on public takeover bids

The majority of the shares are held by Cera SC. On 23 August 2023 Cera reported (pursuant to Article 74 §8 of the Law of 1 April 2007 on public takeover bids) that as at 30 June 2023 it (still) held more than 30% of the shares with voting rights in KBC Ancora.

Specifically, Cera reported that it held 38,630,366 KBC Ancora shares. As KBC Ancora held 1,289,470 treasury shares at that time, and as Cera controls KBC Ancora, this implies that, in the context of the duty of disclosure pursuant to the Law on public takeover bids (OBA), Cera held 39,919,836 of the total of 78,301,314 KBC Ancora shares, or 50.98% of the shares with voting rights.

This notification was made with a view to retaining the exemption from the obligation to issue a bid for the entire body of securities with voting rights of KBC Ancora SA.

Guidelines for the exercise of directorships

The 'Guidelines for directors of Almancora Société de gestion for the exercise of their directorship mandates' form part of the 'Internal Addendum to the KBC Ancora Corporate Governance Charter'. They were most recently updated on 23 June 2023.

The Audit Committee oversees compliance with the 'Guidelines for directors of Almancora Société de gestion for the exercise of their directorship mandates'.

Openness in investor communication

In fulfilling its duty to inform, KBC Ancora focuses on natural communication opportunities at which it not only provides accurate information but also strives to convey that information in a clear, straightforward manner.

KBC Ancora publishes its periodic financial reports, annual reports and all other information that it is required to make public as a listed company on its website www.kbcancora.be.

This information is disseminated using the usual European media and the KBC Ancora website. In addition, every interested party has the opportunity to subscribe to the KBC Ancora electronic mailing list free of charge via the website.

Since KBC Ancora's principal asset is a major participating interest in KBC Group, specific information – which frequently relates to the underlying group results – can also be found in the KBC Group annual report and website and those of its subsidiaries.

Declaration concerning results and other information

Balance sheet as at 30 June 2023

KBC Ancora's balance sheet total stood at EUR 3,654.1 million on 30 June 2023, EUR 26.2 million less than on 30 June 2022.

Assets

Financial fixed assets

The assets consist in very large part of financial fixed assets, and more specifically a substantial participating interest in KBC Group.

The number of KBC Group shares held by KBC Ancora remained unchanged in the year under review. At the balance sheet date, KBC Ancora held 77,516,380 KBC Group shares. These shares are valued at the historical book value of EUR 46.44 per share.

KBC Ancora had a participating interest of 18.58% in KBC Group at the balance sheet date. This qualifies as a participating interest within the meaning of Section 1:22 of the Belgian Companies and Associations Code.

Current assets

KBC Ancora held current assets of EUR 54.1 million on the balance sheet date:

- The 1,289,470 KBC Ancora treasury shares, in addition to term investments totalling EUR 3.9 million, are disclosed under Investments for an amount of EUR 50.0 million. The purpose of the share repurchase programme was to reduce the number of shares in issue with dividend entitlement. The available reserves required to finance the repurchase programme were accrued under the dividend policy that came into effect in August 2019. The 1,289,470 repurchased shares represent EUR 33.3 million (1.65%) of the total issued capital of EUR 2,021.9 million.
- Cash reserves stood at EUR 0.2 million on the balance sheet date, a decrease of EUR 75.7 million compared with the same date in the previous financial year.

As regards the liquidity position of KBC Ancora, it should be noted that KBC Ancora's recurring income consists principally of dividend it receives from its participating interest in KBC Group.

In the event that KBC Ancora does not receive a dividend from its participating interest in KBC Group in any given financial year, KBC Ancora will itself not pay a dividend in that year. If KBC Ancora once again receives KBC Group dividend in a subsequent financial year, its carried-forward result will be taken into account when determining the profit available for distribution.

In its press release of 10 August 2023, KBC Group reaffirmed its intention, in line with its dividend policy, to distribute an interim dividend of EUR 1.00 per share in November 2023, as an advance payment on the total dividend in respect of the financial year 2023.

Liabilities

Capital and reserves amounted to EUR 3,480.3 million, an increase of EUR 44.0 million, or 1.3%, compared with the previous financial year.

The issued capital amounts to EUR 2,021.9 million.

The unavailable reserves comprise the legal reserve, an unavailable reserve for the repurchase of shares and the other unavailable reserves.

- The legal reserve amounted to EUR 156.8 million at year-end, an increase of EUR 14.9 million.
- The unavailable reserve for the repurchase of shares amounts to EUR 50.0 million. This amount represents the acquisition cost of the KBC Ancora shares which were repurchased in the financial years 2021/2022 and 2022/2023. This amount was transferred from the available reserves to the unavailable reserve.
- The 'other unavailable reserves' (EUR 1,136.3 million) were formed in the context of the reversal of impairments on the participating interest in KBC Group (cf. neutralisation of non-recurring results in determining the dividend to be distributed).

The available reserve amounted to EUR 114.4 million at year-end, a reduction of EUR 17.3 million. This reserve was formed for the first time in the financial year 2019/2020 following the decision not to distribute a dividend in respect of the financial year 2019/2020. Since then, an amount has been added to this reserve each year corresponding to 10% of the recurring result available for distribution, after formation of the legal reserve. It constitutes that portion of the recurring result after formation of the legal reserve which is not distributed in the form of dividend.

In the financial year 2022/2023, EUR 28.4 million was added to this reserve. A further EUR 45.7 million was transferred from this reserve to the unavailable reserve for the repurchase of KBC Ancora shares. This reserve stood at EUR 4.3 million at the end of the previous financial year, which means that a total of EUR 50.0 million was transferred to the unavailable reserve for the repurchase of shares. This amount corresponds to the total amount for which treasury shares were purchased under the share repurchase programme in the period June 2022 to March 2023.

The result to be carried forward to the next financial year totals EUR 0.9 million.

Amounts owed to credit institutions totalled EUR 173 million. This represents a fall of EUR 70 million compared with the balance sheet date in the previous financial year, as a result of the partial early repayment at the end of May 2023 of a loan which matures in May 2024. These financial liabilities concern long-term loans at fixed rates of interest, and are scheduled to be repaid in full on the respective maturity dates (bullet loans).

The amounts owed mature in May 2024 (EUR 73 million) and in May 2027 (EUR 100 million).

Collateral was provided in the form of a pledge on KBC Group shares. In total, KBC Ancora pledged 30.7 million KBC Group shares. The pledge relates to the long-term liabilities totalling EUR 173 million.

Other amounts falling due within one year amounted to EUR 0.2 million.

Accrued expense and deferred income (EUR 0.6 million) relates to interest charges recognised on a pro rata basis. These charges were lower than a year earlier, owing to loan repayments totalling EUR 70 million in May 2023, as noted above.

Profit and loss account for the financial year 2022/2023

KBC Ancora recorded a profit for the financial year 2022/2023 of EUR 298.9 million, equivalent to EUR 3.88 per dividend-entitled share in issue (and EUR 3.82 per share in issue). The result in the previous financial year 2021/2022 amounted to EUR 804.8 million.

Income

KBC Ancora generated income of EUR 311.0 million in the year under review.

Table 11 summarises the movements in the various income categories within KBC Ancora in recent financial years.

Table 11: Trend in KBC Ancora income

(x EUR million)	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
Income from financial fixed assets	310.1	821.7	34.1
Other income	0.9	0.0	0.1
Non-recurring income	0.0	0.0	511.7
Total	311.0	821.7	545.9

Income from financial fixed assets

During KBC Ancora's financial year 2022/2023, KBC Group distributed a total dividend of EUR 4.00 per share. This comprised both an interim dividend of EUR 1.00 per share, which was distributed in November 2022, and a final dividend of EUR 3.00 per share paid in May 2023. KBC Ancora consequently received total dividend income of EUR 310.1 million. In the previous financial year, KBC Ancora received dividends totalling EUR 821.7 million from its participating interest in KBC Group. This took the form of a very substantial dividend totalling EUR 10.60 euro per KBC Group share.

Other income

Other income amounted to EUR 0.9 million, principally interest income on term deposits.

Expenses

KBC Ancora's total costs in the year under review amounted to EUR 12.1 million, EUR 4.8 million less than in the previous financial year.

Table 12 summarises the movements in the various cost categories in recent financial years.

Table 12: Trend in KBC Ancora costs

(x EUR million)	Financial year 2022/2023	Financial year 2021/2022	Financial year 2020/2021
Costs of cost-sharing agreement	2.0	1.9	1.8
Cost of debt	9.0	13.6	13.8
Other operating costs	0.8	0.9	0.5
Tax on securities accounts	0.3	0.4	0.0
Total	12.1	16.9	16.2

Costs within the cost-sharing agreement with Cera

KBC Ancora entered into a cost-sharing agreement with Cera in 2001 in order to enhance the cost-efficiency of both parties' operations. A budget is drawn up annually, setting out the different costs

within the cost-sharing agreement. KBC Ancora reimburses Cera for a quarter of these budgeted costs every quarter on a pro rata basis. Settlement then occurs at the end of each calendar year based on the actual costs.

The costs in connection with the cost-sharing agreement amounted to EUR 2.0 million in the year under review, EUR 0.1 million more than in the previous financial year.

Table 13 summarises the various cost categories within the cost-sharing agreement with Cera and the cost allocation percentage as this has been applied since 1 January 2018.

Table 13: Costs within the cost-sharing agreement with Cera

Cost-sharing agreement	Cost allocation percentage	Amount (x EUR million)
Administration/management/advice	20%	0.59
Communications	20%	0.14
Financial Unit	50%	0.52
Membership and capital administration	5%	0.07
Support	15%	0.67
Total		2.00

Cost of debt

The cost of debt is determined in very large part by the interest payable on the long-term loans taken out with credit institutions. The cost of debt amounted to EUR 9.0 million in the year under review, EUR 4.7 million less than in the previous financial year.

(Bullet) loans amounting to EUR 100 million were repaid on the scheduled maturity date in early May 2022. Following the repayment of debt to an amount of EUR 100 million in May 2022 and - to a lesser extent - the partial early repayment of debt to an amount of EUR 70 million in May 2023, KBC Ancora's interest liability reduced by EUR 4.2 million in the year under review to EUR 8.9 million.

On the other hand, KBC Ancora paid less than EUR 0.1 million in negative interest on its cash position, compared with negative interest in the previous financial year amounting to EUR 0.5 million.

Other operating costs

Other operating costs amounted to EUR 0.8 million, EUR 0.1 million less than in the previous financial year.

This decrease was due in very large part to the substantially lower KBC Ancora dividend; this led to proportionately lower costs for financial services, which totalled EUR 0.2 million in the year under review.

There were also the usual costs related to listing fees and management costs associated with the statutory director.

Income tax expense

KBC Ancora has no corporation tax liability in respect of the year under review. However, tax on securities accounts amounted to EUR 0.3 million.

Result and proposed profit appropriation

After addition of the result carried forward from the previous financial year (EUR 0.2 million), the result available for appropriation amounted to EUR 299.1 million.

The following appropriation of profit will be proposed to the General Meeting of Shareholders to be held on 27 October 2023:

- Addition of EUR 14.9 million (5% of the profit for the financial year) to the legal reserve;
- Addition of EUR 28.4 million to the available reserves; This amount represents 10% of the recurring result, after formation of the legal reserve;
- Dividend amounting to EUR 254.9 million. This represents the interim dividend of EUR 3.31 per dividend-entitled share that was distributed to shareholders on 8 June 2023. This equates to 90% of the recurring result available for distribution, after formation of the legal reserve;
- Carry-forward of the balance of EUR 0.9 million, or EUR 0.01 per share, to the next financial year.

Additional information

No material events occurred after the balance sheet date.

No activities were carried out in the area of research and development.

The company has no branch offices.

KBC Ancora's principal asset is a participating interest in KBC Group. The value of KBC Ancora's assets, as well as its holdings of cash instruments and its results, are dependent on developments relating to the KBC group.

No consolidated financial statements for KBC Ancora

KBC Ancora has only one equity holding in another company, namely its participating interest in KBC Group. KBC Ancora has no control over that company, either in law or in practice. Consequently, KBC Ancora is not obliged to produce consolidated financial statements.

KBC Ancora shareholders who are interested can however find additional useful information in KBC Group's consolidated annual report, which may be found on the KBC Group website (www.kbc.com). The annual report may also be requested from: KBC Group SA, Investor Relations, Havenlaan 2 SEE, 1080 Brussels, or by e-mail from IR4U@kbc.be.

Financial year 2022 and available information for 2023 on KBC Group

Past financial year of KBC Group

KBC Group's most recent financial year (2022) was discussed in the financial press release on the financial year 2022 and in its most recent annual report. The main financial highlights are set out below.

The net result for the financial year 2022 amounted to EUR 2,743 million, compared with a net profit of EUR 2,614 million in 2021.

Net interest income

Net interest income amounted to EUR 5,161 million in 2022, up 16% on the year-earlier figure. This was mainly attributable to improved reinvestment yields in all core countries, growth in the loan and deposit volumes, higher income from funding, the consolidation of Raiffeisenbank Bulgaria (now renamed KBC Bank Bulgaria) since the third quarter of 2022 and a positive exchange rate effect, partly offset by the negative impact of factors including pressure on credit margins in nearly all core countries, the cancellation in the third quarter of negative interest charged on corporate and SME current accounts and the loss of a positive effect of ECB tiering at the end of July 2022.

Loans and advances to customers (excluding reverse repos) stood at EUR 178 billion and, at first sight, increased by 11% in 2022. This entailed organic growth of 7%, with an 8% increase at the Belgium Business Unit, 5% at the Czech Republic Business Unit and 17% at the International Markets Business Unit (with solid growth in all three countries).

The total deposit volume (deposits from clients, excluding debt securities and repos) stood at EUR 224 billion and, at first sight, increased by 12% in 2022. This entailed organic growth of 8%, with 11% growth at the Belgium Business Unit (6% if the volatile deposit development at the branches abroad is excluded), 7% at the Czech Republic Business Unit and 8% at the International Markets Business Unit (with growth in all three countries).

The net interest margin for the banking activities came to 1.96% compared to 1.81% in 2021. It amounted to 1.68% in Belgium, 2.55% in the Czech Republic and 3.00% at the International Markets Business Unit.

Net fee and commission income

Net fee and commission income came to EUR 1,847 million in 2022, a slight growth of 1% on the year-earlier figure. The positive impact of the consolidation of Raiffeisenbank Bulgaria and higher fees for banking services (especially for payments) was largely offset by lower fees for asset management services (lower entry fees) and higher distribution fees, mainly related to higher sales of insurance products.

At the end of 2022, total assets under management came to approximately EUR 206 billion, 13% less than a year earlier, due to lower asset prices (-15%), combined with limited net inflow (2%). Most of these assets at year-end 2022 were managed at the Belgium Business Unit (EUR 184 billion) and the Czech Republic Business Unit (EUR 15 billion).

Insurance premiums and technical charges

The technical insurance result (earned premiums less technical charges plus the ceded reinsurance result) amounted to EUR 970 million.

Non-life insurance contributed EUR 881 million to this result. This is a 9% increase on the year-earlier level thanks to higher premium income (+8%), which more than offset the negative impact of a lower ceded reinsurance result and higher technical charges (+4%, positively impacted by a release of technical provisions in the Czech Republic resulting from a reassessment of the confidence level of technical provisions). The combined ratio at group level amounted to an excellent 89%, maintaining the year-earlier level.

Life insurance accounted for EUR 89 million of the technical insurance result, compared to the year-earlier figure of EUR 43 million. This is partly the result of the aforementioned release of technical

provisions in the Czech Republic. In compliance with IFRS, certain types of life insurance (most unit-linked products) have been excluded from the figures for premiums and technical charges in the life insurance business. If the premium income from such products is included, premium income from the life insurance business totalled EUR 2,085 million, 6% more than in 2021. This growth was fully attributable to unit-linked life-insurance products in Belgium. For the group as a whole, products offering guaranteed rates accounted for 48% of premium income from the life insurance business in 2022, and unit-linked products for 52%.

Other income

Other income came to an aggregate EUR 483 million, well above the year-earlier figure of EUR 419 million.

The 2022 figure includes EUR 406 million in trading and fair value income, a strong increase compared to the year-earlier figure of EUR 145 million, which is mainly attributable to the positive change in the market value of derivatives used for asset/liability management purposes and higher dealing room income.

The remaining other income included EUR 59 million in dividend income, EUR -22 million in the net realised result from debt instruments at fair value through other comprehensive income and EUR 40 million in other net income. The latter is a EUR 183-million drop on the year-earlier figure, mainly on account of losses on the sale of bonds, and a negative impact relating to the arbitral award delivered in the arbitration proceedings against ICEC-Holding in the Czech Republic in February 2023, despite an – overall – higher amount of other one-off items (for 2022, mainly the EUR 68-million gain on the sale of a real estate subsidiary).

Operating expenses

At first sight, costs rose by 10% to EUR 4,818 million in 2022. They comprise bank taxes totalling EUR 646 million, an increase of no less than 23% in one year's time that is partly due to an extraordinary payment into the deposit guarantee fund on account of Sberbank Hungary and a new bank and insurance tax in Hungary in the reporting period. Excluding the exceptional bank taxes, the impact of the consolidation of Raiffeisenbank Bulgaria (including the associated integration expenses and euro adoption costs), exchange rate effects and several one-off items (see below), operating expenses rose by roughly 7%. This increase is primarily due to the inflation-related wage drift, higher ICT expenses, facility and marketing costs and higher professional fees. The main one-off items in 2022 not mentioned above were an additional profit bonus for staff (compared to a smaller coronavirus-related bonus in the reference period) and one-off expenses related to the sale of the Irish portfolios (compared to a larger impact in the reference period).

The cost/income ratio came to 57% in 2022. If the exceptional and/or non-operating items are excluded from the calculation, the ratio came to 54%, compared to 55% in 2021. If the bank taxes are left out altogether, the cost/income ratio for 2022 came to just 49%, compared to 51% in 2021.

Impairment

There was a net increase in loan loss impairment charges totalling EUR 154 million in 2022, compared to a net reversal of EUR 334 million in 2021. The 2022 figure comprises the full reversal of the remaining provision for the coronavirus crisis (EUR -255 million) and a net reversal of impairment on individual loans (EUR -21 million), which was more than offset by additional one-off impairment charges related to the sale transactions in Ireland (EUR 17 million) and especially by a new reserve set-aside to cover geopolitical and emerging risks (EUR 413 million; partly to absorb the direct and indirect consequences of the war in Ukraine and the impact on the loan portfolio). Taking into account the effect of the acquisition of Raiffeisenbank Bulgaria, the reserve set aside to cover geopolitical and emerging risks amounted to EUR 429 million at year-end 2022. The net reversal in the reference period was mainly attributable to the partial reversal of the reserve set aside for the coronavirus crisis, partly offset by one-off impairment charges related to the sale transactions in Ireland.

The total net increase of EUR 154 million in 2022 breaks down as follows: EUR 35 million for Belgium, EUR 46 million for the Czech Republic, EUR 19 million for Slovakia, EUR 29 million for Hungary, EUR 30 million for Bulgaria and a net reversal of EUR 5 million for the Group Centre (related primarily to Ireland).

For the group as a whole, the credit cost ratio amounted to 0.08% for 2022 (0.00% excluding the amounts set aside for geopolitical and emerging risks and the reversal of the remaining reserve set aside for the coronavirus crisis), as opposed to -0.18% for 2021 as a whole (0.09% excluding the partial reversal of the reserve set aside for the coronavirus crisis). A negative figure represents a positive impact on the result.

The proportion of (stage 3) impaired loans in THE loan portfolio was 2.1% at year-end 2022, compared to 2.9% for 2021. The impaired loans ratio for 2022 amounted to 1.9% in Belgium, 1.7% in the Czech Republic and 1.9% at the International Markets Business Unit. For the group as a whole, the proportion of impaired loans more than 90 days past due came to 1.1%, compared to the year-earlier figure of 1.5%. A substantial part of the drop in impaired loans is related to the sale of KBC Bank Ireland's non-performing loan portfolio in February 2022.

Other impairment charges came to an aggregate EUR 130 million in 2022, as opposed to EUR 72 million in 2021; these were mostly impairments of real estate, the impact of the interest rate cap in Hungary and one-off impairment charges on non-current assets in Ireland related to the sale transaction.

Income tax expense

Income tax expense came to EUR 608 million in 2022, compared to a year-earlier figure of EUR 804 million. Despite a slightly higher result before tax, the decrease is partly due to one-off items related to the sale transactions in Ireland in both years. Besides income tax, special bank taxes were also paid. These amounted to EUR 646 million compared to EUR 525 million in 2021 and are included under 'Operating expenses'.

Equity

On 31 December 2022, total equity came to EUR 20.8 billion. This figure included EUR 19.3 billion in parent shareholders' equity and EUR 1.5 billion in additional tier-1 instruments. Total equity fell by EUR 2.3 billion in 2022, attributable to the combined effect of a number of items, including the profit for the financial year (EUR +2.7 billion), the distribution of the final dividend in May and the interim dividend in November (EUR 7.60 and EUR 1.00 euro per share, respectively, or EUR -3.6 billion in total), a drop in the revaluation reserves (EUR -1.4 billion) and a number of minor items. On 31 December 2022, the common equity ratio (Basel III, under the Danish compromise method) stood at 15.3% (fully loaded), compared to 15.5% in 2021. In 2022, the acquisition of Raiffeisenbank Bulgaria accounted for a decrease of approximately 0.9 percentage points; it should be noted that, upon completion, the sale transaction in Ireland which had not yet been finalised at year-end 2022 will ultimately have a positive impact on the common equity ratio of around 0.9 percentage points. The leverage ratio came to 5.3% (fully loaded). The group's liquidity position also remained excellent, as reflected in an LCR ratio of 152% and an NSFR ratio of 136%.

The profit figures and key ratios in Table 14 give an impression of the result of KBC Group in the financial year 2022 and a comparison with the financial year 2021.

Table 14: Profit figures and key ratios of KBC Group for the financial years 2022 and 2021

	2022	2021
Net group profit (x EUR million)	2,743	2,614
<i>Belgium</i>	1,759	1,997
<i>Czech Republic</i>	679	697
<i>International Markets</i>	441	127
<i>Group Centre</i>	-135	-207
Shareholders' equity per share (in EUR)	46.3	51.8
Net earnings per share (in EUR)	6.46	6.15
Dividend per share (in EUR)	4.0	8.60
Return on equity	13%	13%
Cost/income ratio, banking activities	57%	58%
Credit cost ratio, banking activities	0.08%	-0.18%
Combined ratio, non-life insurance	89%	89%
Common equity ratio of the group (CET1; Basel III, Danish compromise method), fully loaded	15.3%	15.5%
Leverage ratio (Basel III, Danish compromise method), fully loaded	5.3%	5.4%
Liquidity coverage ratio (LCR)	152%	167%
Net stable funding ratio (NSFR)	136%	148%

First half of KBC Group's financial year 2023

KBC Group published its results for the first half of 2023 on 10 August 2023. The financial highlights are presented below.

The net result for the first half of 2023 amounted to EUR 1,848 million, compared to EUR 1,339 million in the first half of 2022.

Highlights (compared to the first six months of 2022):

- Net interest income rose 12% to EUR 2,731 million. This was attributable in part to the much higher commercial transformation result, the consolidation of Raiffeisenbank Bulgaria and increased term deposits at better margins, partly offset by lower lending income (as lower margins in most core markets more than offset volume growth), the absence of a TLTRO and ECB tiering impact, the sale of the remaining Irish portfolio in February 2023, the higher funding cost of participations & MREL and the higher cost related to the minimum required reserves held with the central banks in Hungary and Bulgaria. On an organic basis (excluding changes in the scope of consolidation and forex effects), the volume of customer loans rose by 4% while deposits excluding debt certificates were more or less stable year-on-year (but up 2% when also excluding KBC Bank's foreign branches). The net interest margin in the first six months of 2023 came to 2.08%, up 17 basis points year-on-year.
- The insurance service result (insurance revenues before reinsurance - insurance service expenses before reinsurance + net result from reinsurance contracts held) went down 9% to EUR 233 million. The non-life combined ratio for the first six months of 2023 amounted to an excellent 84%, compared to 87% for full-year 2022. Non-life insurance sales were up 12% to EUR 1,244 million, while life insurance sales were up by 26% to EUR 1,205 million, due mainly to higher unit-linked insurance sales in Belgium.
- Net fee and commission income went up 4% to EUR 1,160 million. This was attributable primarily to higher fees for banking services (including the effect from the consolidation of Raiffeisenbank Bulgaria). At the end of June 2023, total assets under management were up 7% to EUR 225 billion due to a combination of net inflows (+4 percentage points and a positive price effect (+3 percentage points)).
- Trading & fair value income climbed 62% to EUR 206 million. This was due mainly to a higher result from investments backing unit-linked insurance contracts under IFRS 17.
- All other income items combined went up 194% to EUR 441 million. This came about mainly because of higher net other income, which included a EUR 405 million gain on the sale of the loan and deposit portfolios of KBC Bank Ireland in February 2023.
- Operating expenses without bank and insurance taxes were up 10% to EUR 2,167 million. This was due in part to the consolidation of the former Raiffeisenbank Bulgaria, wage drift and inflation/indexation (despite fewer FTEs), higher expenses for ICT and facilities, and partly offset by the extraordinary profit bonus for staff in the reference period and the impact of the sale of the Irish portfolios in February 2023, among other factors. The year-to-date cost/income ratio amounted to 49% when certain non-operating items are excluded and bank and insurance taxes evenly spread throughout the year (also 49% for full-year 2022). When bank and insurance taxes are fully excluded, the cost-income ratio for the period under review amounted to 40% (45% for full-year 2022).
- Loan loss impairment: a net release of EUR 47 million, compared to a net release of EUR 6 million in the reference period. The first six months of 2023 included a net charge of EUR 14 million for individual loans and a net release of EUR 61 million in the reserve for geopolitical and emerging risks. As a result, the credit cost ratio amounted to -0.04%, compared to 0.08% for full-year 2022 (a negative figure implies a positive impact on the result). Impairment on assets other than loans amounted to EUR 29 million, compared to EUR 54 million in the reference period.

- The EUR 1,848 million net result for the first six months of 2023 breaks down as follows: EUR 875 million for the Belgium Business Unit (down EUR 9 million on its year-earlier level), EUR 461 million for the Czech Republic Business Unit (up EUR 18 million), EUR 298 million for the International Markets Business Unit (up EUR 176 million) and EUR 215 million for the Group Centre (up EUR 324 million, owing to the gain realised on the sale of the loan and deposit portfolios of KBC Bank Ireland in February 2023).

Table 15 compares the trend in profits in the various KBC Group Business Units in the first half of 2023 with the same period in 2022.

Table 15: KBC Group profits in the first half of the financial years 2023 and 2022

	1H2023	1H2022
Net group profit (x EUR million)	1,848	1,339
<i>Belgium</i>	875	884
<i>Czech Republic</i>	461	443
<i>International Markets</i>	298	122
<i>Group Centre</i>	215	-109
Equity per share (in EUR)	51.2	46.5
Net earnings per share (in EUR)	4.37	3.15
Return on equity	18%	13%
Cost/income ratio, banking activities	49%	48%
Credit cost ratio, banking activities	-0.04%	-0.01%
Combined ratio, non-life insurance	84%	87%
Common equity ratio according to Basel III (CET1; Basel III, Danish compromise method), fully loaded)	16.5%	15.9%
Leverage ratio (Basel III, Danish compromise method), fully loaded	5.4%	5.1%
Liquidity coverage ratio (LCR)	152%	158%
Net stable funding ratio (NSFR)	145%	142%

Outlook for the financial year 2023/2024

Cancellation of treasury shares

An Extraordinary General Meeting of Shareholders to be held on 27 October 2023 will be invited among other things to approve a proposal to cancel the 1,289,470 repurchased shares. Approval of this proposal would reduce the number of shares in issue from 78,301,314 to 77,011,844.

Loan with a remaining total outstanding of EUR 73 million maturing in May 2024

During the course of the financial year 2023/2024, KBC Ancora will make the necessary preparations and take the requisite decisions in relation to a loan totalling EUR 73 million which matures in May 2024. The cash position accrued at that time will be addressed for this purpose, with due observance of the usual dividend policy.

Income

KBC Ancora's income consists of the dividend it receives from its participating interest in KBC Group. Forecasts of KBC Group's future dividend rely heavily on factors such as the projection of KBC Group's future earnings.

KBC Group published its interim results on 10 August 2023, showing a net result of EUR 1,848 million in the first six months of 2023, compared with EUR 1,339 million in the same period a year earlier. The interim result is discussed in more detail in the previous section of this Annual Report.

In its press release of 10 August 2023, KBC Group confirmed its intention, in line with its dividend policy, to distribute an interim dividend of EUR 1.00 per share in November 2023, 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. In normal circumstances, an interim dividend of EUR 1.00 per share will be distributed in November each year, followed by a final dividend after the Annual General Meeting of Shareholders.

Expenses

The total expenses for the financial year 2023/2024 are estimated at EUR 10.0 million.

- Costs within the cost-sharing agreement with Cera are expected to amount to approximately EUR 2.2 million.
- The total costs of debt for the financial year 2023/2024 are estimated at approximately EUR 6.8 million.
- Other costs are expected to be around EUR 1.0 million.
- It is likely that KBC Ancora will have no corporation tax liability in the financial year 2023/2024.

Result

Based on all the projected income and expenditure highlighted above, it is likely that KBC Ancora will close the financial year 2023/2024 with a positive recurring result available for appropriation and, barring unforeseen circumstances, will be able to distribute an interim dividend in June 2024, in line with its dividend policy.

Financial report

Balance sheet after appropriation of result

ASSETS (in EUR)	Notes	30 June 2023	30 June 2022
Fixed assets		3,599,978,772	3,599,978,772
Financial fixed assets	6.4.2/ 6.5.1	3,599,978,772	3,599,978,772
Affiliated companies	6.15	3,599,978,772	3,599,978,772
Participating interests		3,599,978,772	3,599,978,772
Current assets		54,105,833	80,286,659
Amounts receivable within one year		1,769	6,130
Trade debtors		1,769	6,130
Current investments	6.6	53,899,967	4,335,938
Own shares		49,999,967	4,335,938
Other investments		3,900,000	0
Cash at bank and in hand		196,895	75,939,182
Accruals and deferred income	6.6	7,201	5,409
TOTAL ASSETS		3,654,084,605	3,680,265,432

LIABILITIES (in EUR)	Notes	30 June 2023	30 June 2022
Equity		3,480,278,813	3,436,318,733
Contribution	6.7.1	2,021,871,293	2,021,871,293
Capital		2,021,871,293	2,021,871,293
Issued capital		2,021,871,293	2,021,871,293
Reserves		1,457,540,677	1,414,204,631
Reserves not available		1,343,101,004	1,282,493,512
Legal reserve		156,843,875	141,900,411
Purchase of own shares		49,999,967	4,335,938
Other		1,136,257,162	1,136,257,162
Available reserves		114,439,673	131,711,119
Accumulated profits (losses)		866,842	242,809
Amounts payable		173,805,792	243,946,699
Amounts payable after more than one year	6.9	100,000,000	243,000,000
Financial debts		100,000,000	243,000,000
Credit institutions		100,000,000	243,000,000
Amounts payable within one year	6.9	73,223,292	190,449
Current portion of amounts payable after more than one year falling due within one year		73,000,000	0
Trade debts		182,134	155,359
Suppliers		182,134	155,359
Taxes, remuneration and social security	6.9	206	72
Taxes		206	72
Other amounts payable		40,952	35,018
Accrued expense and deferred income	6.9	582,500	756,250
TOTAL LIABILITIES		3,654,084,605	3,680,265,432

Profit and loss account

(in EUR)	Notes	30 June 2023	30 June 2022
Operating income		18,164	38,916
Other operating income		18,164	38,916
Operating charges		3,043,112	3,264,860
Services and other goods		2,737,366	2,863,416
Other operating charges	6.10	305,746	401,445
Operating profit (loss)		-3,024,948	-3,225,944
Financial income		310,932,485	821,673,628
Recurring financial income		310,932,485	821,673,628
Income from financial fixed assets		310,065,520	821,673,628
Income from current assets		866,965	0
Financial charges		9,038,254	13,619,273
Recurring financial charges		9,038,254	13,619,273
Debt charges		8,958,865	13,611,612
Other financial charges		79,389	7,661
Profit (loss) for the year before tax	6.13	298,869,283	804,828,411
Profit (loss) for the year		298,869,283	804,828,411
Profit (loss) for the year available for appropriation		298,869,283	804,828,411
Appropriation Account			
Profit (loss) to be appropriated		299,112,092	805,211,478
Profit (loss) to be appropriated for the year		298,869,283	804,828,411
Profit (loss) brought forward from previous financial year		242,809	383,068
Appropriations to equity		43,336,046	116,700,120
to legal reserve		14,943,464	40,241,421
to other reserves		28,392,582	76,458,699
Profit (loss) to be carried forward		866,842	242,809
Profit to be distributed		254,909,204	688,268,550
Compensation for contributions		254,909,204	688,268,550

Notes

STATEMENT OF ASSETS

COMPANIES LINKED BY PARTICIPATING INTERESTS – PARTICIPATING INTERESTS AND SHARES (6.4.2)

Acquisition value at end of previous year	3,599,978,772
Acquisition value at end of year	3,599,978,772
Amounts written down at end of previous year	0
written back	0
Amounts written down at end of financial year	0
NET BOOK VALUE AT END OF FINANCIAL YEAR	3.599.978.772

PARTICIPATING INTERESTS INFORMATION (6.5.1)

PARTICIPATING INTERESTS AND OTHER RIGHTS IN OTHER COMPANIES FOR AN AMOUNT OF AT LEAST 10% OF THE CAPITAL

Name, address and company number	Rights held by				Data drawn from most recently available financial statements		
	Nature	Directly		Subsidiaries	Annual accounts as at	Equity	Net result
		Number	%	%		(+) OR (-) (in EUR)	
KBC Groep SA (consolidated) Havenlaan 2 1080 Brussels 8 Belgium BE 0403.227.515	Ordinary shares	77,516,380	18.58	0.00	31.12.2022	19,306,947,843	2,743,193,089

CURRENT INVESTMENTS AND ACCRUALS AND DEFERRED INCOME (6.6)

OTHER INVESTMENTS

Term accounts with credit institutions	3,900,000
With a remaining term between one month and one year	3,900,000

STATEMENT OF CAPITAL AND SHAREHOLDERS' STRUCTURE (6.7.1)

STATEMENT OF CAPITAL

Capital

Issued capital at end of previous financial year	2,021,871,293
Issued capital at end of year	2,021,871,293

	Amount	Number of shares
Capital composition		
Types of shares		
Ordinary shares	2,021,871,293	78,301,314
<i>Registered</i>		40,618,164
<i>Dematerialised shares</i>		37,683,150
Treasury shares		
Held by the company itself		
<i>Amount of capital held</i>		33,296,279
<i>Number of shares</i>		1,289,470

SHAREHOLDERS' STRUCTURE OF THE COMPANY AT YEAR-END CLOSING DATE AS REFLECTED IN THE NOTIFICATIONS RECEIVED BY THE COMPANY

Cera SC: 67.27%

Cera CV, Muntstraat 1, 3000 Leuven Belgium, company number BE 0403.581.960.
 Transparency report of 2 November 2020 concerning shareholding as at 30 October 2020:
 these were ordinary shares with 79,891,045 voting rights out of the total number of voting rights at that time of 118,657,091.

STATEMENT OF AMOUNTS PAYABLE AND ACCRUALS AND DEFERRED INCOME (6.9)

BREAKDOWN OF AMOUNTS PAYABLE WITH AN ORIGINAL TERM OF MORE THAN ONE YEAR, ACCORDING TO RESIDUAL MATURITY

	Financial year
Amounts payable over more than one year falling due within the year	
Financial debts	73,000,000
Credit institutions	73,000,000
Total amounts payable over more than one year falling due within the year	73,000,000
Amounts payable with a remaining term of between one and five years	
Financial debts	100,000,000
Credit institutions	100,000,000
Total amounts payable with a remaining term of between one and five years	100,000,000

AMOUNTS PAYABLE GUARANTEED

Amounts payable guarantees by real securities given or irrevocably promised by the company on its own assets¹⁰

Financial debts	173,000,000
Credit institutions	173,000,000
Total amounts payable guaranteed by real securities given or irrevocably promised by the company on its own assets	173,000,000

ACCRUALS AND DEFERRED INCOME

Analysis of heading 492/3 of liabilities, if the amount is significant

	Financial year
Attributable interest	582,500

OPERATING RESULTS (6.10)

OPERATING CHARGES

Other operating charges	Financial year	Previous financial year
Taxes related to operation	304,209	400,115
Other	1,537	1,330

TAXES (6.13)

INCOME TAXES

Main reasons for the differences between the pre-tax profit, as it results from the annual accounts, and estimated taxable profit

	Financial year
Dividends Received Deduction	-310,065,520

VALUE ADDED TAXES AND TAXES BORN BY THIRD PARTIES

	Financial year	Previous financial year
Value added taxes charged		
By the company	2,530	4,142
Amounts withheld on behalf of third parties by way of		
Withholding tax on investment income	34,251,850	90,840,264

¹⁰ Collateral was provided in the form of a pledge on KBC Group shares. In total, KBC Ancora pledged 30.7 million KBC Group shares. The pledge relates to long-term liabilities totalling EUR 173 million.

RIGHTS AND COMMITMENTS NOT REFLECTED IN THE BALANCE SHEET

REAL GUARANTEES

Real guarantees provided or irrevocably promised by the company on its own assets as security of debts and commitments of the company

	Financial year
Pledging of other assets – Book value of encumbered assets	1,424,882,502
Maximum secured amount	173,000,000

The collateral provided consists of a pledge by KBC Ancora on 30.7 million KBC Group shares. The pledge relates to long-term liabilities totalling EUR 173 million.

NATURE, COMMERCIAL OBJECTIVE AND FINANCIAL CONSEQUENCES OF TRANSACTIONS NOT REFLECTED IN THE BALANCE SHEET

If the risks and benefits resulting from such transactions are of any meaning and if publishing such risks and benefits is necessary to appreciate the financial situation of the company

KBC Ancora is a member of a VAT group.

RELATIONSHIPS WITH AFFILIATED COMPANIES, ASSOCIATED COMPANIES AND OTHER COMPANIES LINKED BY PARTICIPATING INTERESTS (6.15)

COMPANIES LINKED BY PARTICIPATING INTERETS

	Financial year	Previous financial year
Financial fixed assets	3,599,978,772	3,599,978,772
Participating interests	3,599,978,772	3,599,978,772

FINANCIAL RELATIONSHIPS WITH

THE AUDITOR(S) AND THE PERSONS WITH WHOM THEY ARE COLLABORATING WITH

	Financial year
Auditor's fees	30,740
Fees for exceptional services or special assignments executed by the auditor(s) within the company	
Other audit assignments	6,400

VALUATION PRINCIPLES

The valuation principles are established in accordance with the provisions of the Belgian Royal Decree of 29 April 2019 implementing the Belgian Companies and Associations Code (superseding the Royal Decree of 30 January 2001 implementing the Belgian Companies Code).

The financial year runs from 1 July to 30 June inclusive.

Financial fixed assets consist of ownership rights (shares) held in other companies with a view to creating lasting and specific ties with those companies, so as to enable the company to influence their orientation and policy.

Financial fixed assets are stated at acquisition value, applying the weighted average prices method. Additional acquisition costs are charged directly to the results.

Financial fixed assets may be revalued in the event that their value, determined in accordance with their utility to the company, comes to exceed their book value in a clear and lasting manner.

Impairments may be applied in the event of a lasting decrease in value or depreciation, justified by the circumstances, profitability or prospects of the company in which the shares are held. If the position, profitability and outlook of the company (to be assessed by the Board of Directors) justifies this, impairments will be reversed. In the event that the Board of Directors deems the application/reversal of impairments to be appropriate, it will in principle apply the IFRS equity value per KBC Group share as a reference point.

Amounts receivable and creditors are stated at nominal value.

Impairments are applied if uncertainty exists as to the payment of all or part of an amount receivable on the due date.

Current investments are stated at acquisition value, applying the weighted average prices method. Impairments are recognised if the realisable value at the balance sheet date is lower than the acquisition value.

Cash at bank and in hand is stated at nominal value.

Capital and reserves are stated at nominal value.

Other asset or liability components are stated at acquisition value.

OTHER INFORMATION TO BE INCLUDED IN THE NOTES

KBC Ancora's principal asset is a participating interest in KBC Group. The value of KBC Ancora's assets, as well as its holdings of cash instruments and its results, are dependent on developments in the KBC group.

Auditor's report

Auditor's report on the financial year

"Statutory auditor's report to the general meeting of KBC Ancora NV on the annual accounts as of and for the year ended June 30, 2023"

FREE TRANSLATION OF UNQUALIFIED STATUTORY AUDITOR'S REPORT ORIGINALLY PREPARED IN DUTCH

In the context of the statutory audit of the annual accounts of KBC Ancora NV ("the Company"), we provide you with our statutory auditor's report. This includes our report on the annual accounts for the year ended June 30, 2023, as well as other legal and regulatory requirements. Our report is one and indivisible.

We were appointed as statutory auditor by the general meeting of October 30, 2020, in accordance with the proposal of the governing body issued on the recommendation of the audit committee. Our mandate will expire on the date of the general meeting deliberating on the annual accounts for the year ended June 30, 2023. We have performed the statutory audit of the annual accounts of KBC Ancora NV for 24 consecutive financial years.

Report on the annual accounts

Unqualified opinion

We have audited the annual accounts of the Company as of and for the year ended June 30, 2023, prepared in accordance with the financial reporting framework applicable in Belgium. These annual accounts comprise the balance sheet as at June 30, 2023, the income statement for the year then ended and notes. The balance sheet total amounts to EUR 3.654.084.604,97 and the income statement shows a profit for the year of EUR 298.869.283,28.

In our opinion, the annual accounts give a true and fair view of the Company's equity and financial position as at June 30, 2023 and of its financial performance for the year then ended in accordance with the financial reporting framework applicable in Belgium.

Basis for our unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as adopted in Belgium. In addition, we have applied the ISAs as issued by the IAASB and applicable for the current accounting year while these have not been adopted in Belgium yet. Our responsibilities under those standards are further described in the "Statutory auditors' responsibility for the audit of the annual accounts" section of our report. We have complied with the ethical requirements that are relevant to our audit of the annual accounts in Belgium, including the independence requirements.

We have obtained from the governing body and the Company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of the investment in KBC Group

We refer to notes VOL-cap 6.5.1 and VOL-cap 6.19 of the annual accounts.

— Description

The Company has an 18,6% shareholding in KBC Group. The book value of the participation amounts to EUR 3,6 billion on June 30, 2023 and comprises 98,52% of the total assets.

For the valuation of the shares in KBC Group, the governing body considers that the IFRS equity value of the KBC Group share provides a good reference point in case it considers an impairment or a reversal of impairments to be appropriate.

The valuation of the investment in KBC Group is a key matter for our audit because of:

- The size of the investment in relation to the balance sheet total and the equity value, and
- The Company's required assessment process regarding the potential permanent character of impairments, which is subjective to a certain extent as it is influenced by the long-term performance of KBC Group, the industry in which KBC Group operates and the uncertainties KBC Group and its industry are confronted with.

— Our audit procedures

We have evaluated the assessment process of the governing body and discussed with management, the audit committee and the governing body.

We verified the accuracy of the valuation and the key parameters used by management and reconciled them with underlying documents, in particular the IFRS equity value of KBC Group, the ownership percentage and other (financial) information.

We verified whether the governing body has provided appropriate and sufficient disclosures in the annual accounts and the Report of the Statutory director and the other information included in the Annual report 2022/2023 (hereafter "annual report").

Governing body responsibilities for the preparation of the annual accounts

The governing body is responsible for the preparation of these annual accounts that give a true and fair view in accordance with the financial reporting framework applicable in Belgium, and for such internal control as the governing body determines, is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the governing body is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the governing body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Statutory auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance as to whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of these annual accounts.

When performing our audit we comply with the legal, regulatory and professional requirements applicable to audits of the annual accounts in Belgium. The scope of the statutory audit of the annual accounts does not extend to providing assurance on the future viability of the Company nor on the efficiency or effectivity of how the governing body has conducted or will conduct the business of the Company. Our responsibilities regarding the going concern basis of accounting applied by the governing body are described below.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also perform the following procedures:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the governing body;
- Conclude on the appropriateness of the governing body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

For the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the

key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the governing body

The governing body is responsible for the preparation and the content of the annual report, for maintaining the Company's accounting records in compliance with the applicable legal and regulatory requirements, as well as for the Company's compliance with the Companies' and Associations' Code and the Company's articles of association.

Statutory auditor's responsibilities

In the context of our engagement and in accordance with the Belgian standard which is complementary to the International Standards on Auditing as applicable in Belgium, our responsibility is to verify, in all material respects, the annual report, certain documents to be filed in accordance with legal and regulatory requirements and compliance with certain requirements of the Companies' and Associations' Code and with the Company's articles of association, and to report on these matters.

Aspects concerning the annual report

Based on specific work performed on the Report of the Statutory director, we are of the opinion that the Report of the Statutory director is consistent with the annual accounts for the same period and has been prepared in accordance with articles 3:5 and 3:6 of the Companies' and Associations' Code.

In the context of our audit of the annual accounts, we are also responsible for considering, in particular based on the knowledge gained throughout the audit, whether the annual report, including the other information being:

- the letter from the Chairman and the Managing Directors, and
- the shareholder information

contain material misstatements, or information that is incorrectly stated or misleading. In the context of the procedures carried out, we did not identify any material misstatements that we have to report to you.

Information about the independence

- Our audit firm and our network have not performed any engagement which is incompatible with the statutory audit of the annual accounts and our audit firm remained independent of the Company during the term of our mandate.
- The fees for the additional engagements which are compatible with the statutory audit of the annual accounts referred to in article 3:65 of the Companies' and Associations' Code were correctly stated and disclosed in the notes to the annual accounts.

European uniform electronic format (ESEF)

In accordance with the draft standard on the audit of compliance of the Financial Statements with the European Single Electronic Format (hereafter "ESEF"), we have audited as well whether the ESEF-format is in accordance with the regulatory technical standards as laid down in the EU Delegated Regulation nr. 2019/815 of 17 December 2018 (hereafter "Delegated Regulation").

The governing body is responsible for the preparation, in accordance with the ESEF requirements, of the financial statements in the form of an electronic file in ESEF format (hereafter “digital financial statements”) included in the annual financial report.

It is our responsibility to obtain sufficient and appropriate information to conclude whether the format of the digital financial statements comply, in all material respects, with the ESEF requirements under the Delegated Regulation.

In our opinion, based on our work performed, the format of information in the official Dutch version of the digital financial statements as per June 30, 2023, included in the annual financial report of the Company, are, in all material respects, prepared in compliance with the ESEF requirements under the Delegated Regulation.

Other aspects

- Without prejudice to formal aspects of minor importance, the accounting records were maintained in accordance with the legal and regulatory requirements applicable in Belgium.
- The appropriation of results proposed to the general meeting complies with the legal provisions and the provisions of the articles of association.
- We do not have to inform you of any transactions undertaken or decisions taken in breach of the Company’s articles of association or the Companies’ and Associations’ Code.
- This report is consistent with our additional report to the audit committee on the basis of article 11 of Regulation (EU) No 537/2014.
- In accordance with article 7:213 of the Companies’ and Associations’ Code, an interim dividend was distributed during the financial year over which we prepared the accompanying report in accordance with the legal requirements.

Zaventem, September 22, 2023

KPMG Bedrijfsrevisoren - Réviseurs d’Entreprises
Statutory Auditor
represented by

Kenneth Vermeire
Bedrijfsrevisor / Réviseur d’Entreprises”

Auditor's report on the interim dividend of June 2023

"Report to the governing body of the company KBC Ancora NV on the assessment of the statement of assets and liabilities in connection with the benefit of an interim dividend"

FREE TRANSLATION OF THE REPORT ORIGINALLY PREPARED IN DUTCH

Pursuant to article 7:213 of the Companies and Associations Code and in accordance with the articles of association of the company KBC Ancora NV ("the Company"), we hereby submit to the governing body, in our capacity as statutory auditor, a review report on the statement of assets and liabilities closed on May 4, 2023.

We have performed the review of the attached statement of assets and liabilities as of May 4, 2023 of the Company prepared in accordance with the financial reporting framework applicable in Belgium.

Responsibility of the governing body for the preparation of the statement of assets and liabilities

The governing body is responsible for preparing this statement of assets and liabilities as of May 4, 2023 in accordance with the financial reporting framework applicable in Belgium according to the principles of article 3:1 §1, first paragraph of the Companies and Associations Code, as well as for complying with the conditions required by article 7:213, second paragraph of the Companies and Associations Code.

Responsibility of the statutory auditor

Our responsibility is to express a conclusion on the statement of assets and liabilities based on the assessment we have performed.

We conducted our review in accordance with ISRE 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Such a review consists of making inquiries, primarily of financial and accounting officers, as well as performing numerical analysis and other review procedures. The scope of a review is significantly less than that of an audit conducted in accordance with International Standards on Auditing. For this reason, the review 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 on this statement of assets and liabilities.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying statement of assets and liabilities of the Company, closed as of May 4, 2023 with a balance sheet total of EUR 3.988.057.152,49 and with a profit for the current period of EUR 300.038.822,69, is not prepared, in all material respects, in accordance with the financial reporting framework applicable in Belgium.

Restrictions on the use of our report

This report was prepared solely pursuant to article 7:213 of the Companies and Associations Code in connection with the distribution of an interim dividend and may not be used for any other purpose.

Zaventem, May 26, 2023

KPMG Bedrijfsrevisoren - Réviseurs d'Entreprises
Statutory Auditor
represented by

Kenneth Vermeire
Bedrijfsrevisor / Réviseur d'Entreprises"

Other information

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KBC Ancora's annual report is available at no cost in Dutch, French and English from the company's registered office or its website www.kbcancora.be. Conformity between the translations and the original annual report has been checked by KBC Ancora, which assumes responsibility in this regard. In the event of discrepancies or differences of interpretation, the Dutch version alone shall be legally binding.

PRESS RELEASES IN THE FINANCIAL YEAR 2022/2023

26.08.2022	KBC Ancora closes financial year 2021/2022 with a profit of EUR 804.8 million
27.09.2022	Convocation of the Ordinary General Meeting of Shareholders and publication of the Annual Report
27.01.2023	Interim Financial Report 2022/2023
13.03.2023	KBC Ancora completes share repurchase programme
02.05.2023	Changes at the statutory director of KBC Ancora
26.05.2023	KBC Ancora distributes an interim dividend of EUR 3.31 per share on 8 June 2023

20.06.2022 – 13.03.2023: weekly press release with updates on share repurchase programme

Press releases concerning total number of voting rights as at 01.07.2022, 01.09.2022, 03.10.2022, 01.12.2022, 02.01.2023, 01.02.2023, 01.03.2023, 02.05.2023, 01.06.2023

FINANCIAL CALENDAR 2023/2024

26.09.2023	Annual Report 2022/2023 available and convocation of Annual General Meeting of Shareholders
27.10.2023	Ordinary and Extraordinary General Meeting of Shareholders
26.01.2024	Interim financial report (1H) 2023/2024
30.08.2024	Annual press release for the financial year 2023/2024



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