

# Crelan

Investor Presentation – Credit Update H1 2024



# Agenda

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# 1. Crelan Group Overview

# Key Recent Developments

- Crelan maintained strong operating performance **in H1 2024 with €142.3mn of underlying earnings**
- The **data migration** and merger of AXA Bank with Crelan were successfully completed in accordance with the initial plan
  - On 8 and 9 June 2024, the data of 840,000 customers and 330 branches have been migrated from the AXA Bank systems to those of Crelan
- The **merger by absorption** between Crelan and AXA Bank Belgium has been officially completed on 10 June 2024
  - Following this merger, the bank's activities will be carried out under the Crelan brand.
  - Crelan has taken over all the assets and liabilities of AXA Bank Belgium and AXA Bank Belgium has ceased to exist
  - Crelan will now focus on synergies realization and improving financial services for customers, while respecting its cooperative values
- The maximum amount of **cooperative shares** an individual can purchase was increased to €7,502.
  - The outstanding amount of cooperative shares grew by €106mn in H1 2024, reaching a total of €1,046mn
- In its first **Climate Report**, published on 29 April 2024, Crelan outlines its ambitious sustainability goals, including:
  1. Setting an intermediate target for 2033 to reduce residential real estate emissions by 69.9% compared to 2023
  2. Providing voluntary reporting on Taxonomy-aligned activities
  3. Establishing climate-related and environmental key performance indicators (C&E KPIs)
- On 23 January 2024, Crelan successfully issued its **second Green Senior Non-Preferred** (€750mn 8NC7 instrument)
  - Following this SNP bond issuance, the Crelan Group is compliant with the MREL subordination requirement of 7.66% TEM to be met by 2 May 2026
- On 23 April 2024, Crelan issued its inaugural **public Tier 2 transaction** made of a €300mn 11NC6 instrument at a reoffer spread of MS+260 bps. The orderbook attracted around €3.1bn of demand
  - Following this Tier 2 bond issuance, on 2 May 2024, Senior Non-Preferred instruments issued by Crelan Group were **upgraded by Moody's to Baa2**
- On 8 July 2024, Crelan changed the name of its covered bond issuing vehicle from **AXA Bank Europe SCF to Crelan Home Loan SCF**, new Bloomberg ticker **CRLNCB**

# Crelan Group Key Figures

Leading cooperative Belgian banking group serving 1.7mn clients primarily through an exclusive<sup>(2)</sup> network of independent agents – After excellent 2023 financial results, Crelan successfully generated strong underlying earnings of €142.3mn in H1 2024



**1,701,582**  
Customers<sup>(3)</sup>



**289,519**  
Cooperative  
Shareholders



**770**  
Branches<sup>(4)</sup>

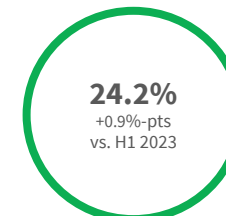


**1,694**  
Employees<sup>(5)</sup>

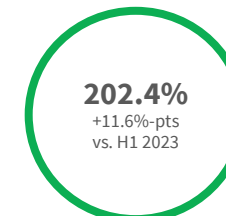
## ATTRACTIVE FINANCIAL PROFILE (H1 2024)

Consolidated IFRS Adjusted Net Income	<b>€98.8mn<sup>(1)</sup></b> +2.4% vs. H1 2023	Underlying Earnings	<b>€142.3mn<sup>(1)</sup></b> -5.3% vs. H1 2023
Underlying Net Banking Income	<b>€600.5mn<sup>(1)</sup></b> -5.2% vs. H1 2023	Underlying Fee & Other Income Contribution	<b>25.8%<sup>(1)</sup></b> +6.1%-pts vs. H1 2023
Underlying Cost Income Ratio	<b>68.3%<sup>(1)</sup></b> +3.3%-pts vs. H1 2023	RoA	<b>0.35%</b> -1bp vs. H1 2023
Cost of Risk	<b>7.4bps</b> -2.2bps vs. H1 2023	Underlying RoE	<b>10.8%<sup>(1)</sup></b> -2%-pts vs. H1 2023
Loans and Advances	<b>€49.5bn</b> +2.4% vs. H1 2023	Deposits	<b>€43.7bn</b> +1.2% vs. H1 2023

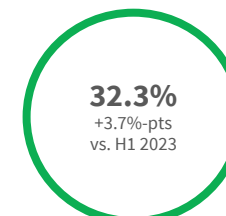
## ROBUST BALANCE SHEET (H1 2024)



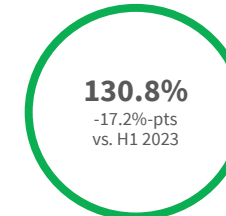
**CET1 Ratio**



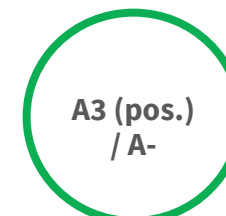
**LCR**



**Total Capital**

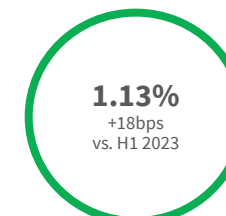


**NSFR**



**Issuer Ratings**

Moody's / S&P



**NPL Ratio**

Sources: Group H1 2024 financial report (reviewed by the auditor except for the below)

(1) Alternative Performance Measure data (Crelan own computation)

(2) Agents are exclusive to the Issuer / AXA Bank Belgium for the provision of banking services and acting as brokers of insurance products

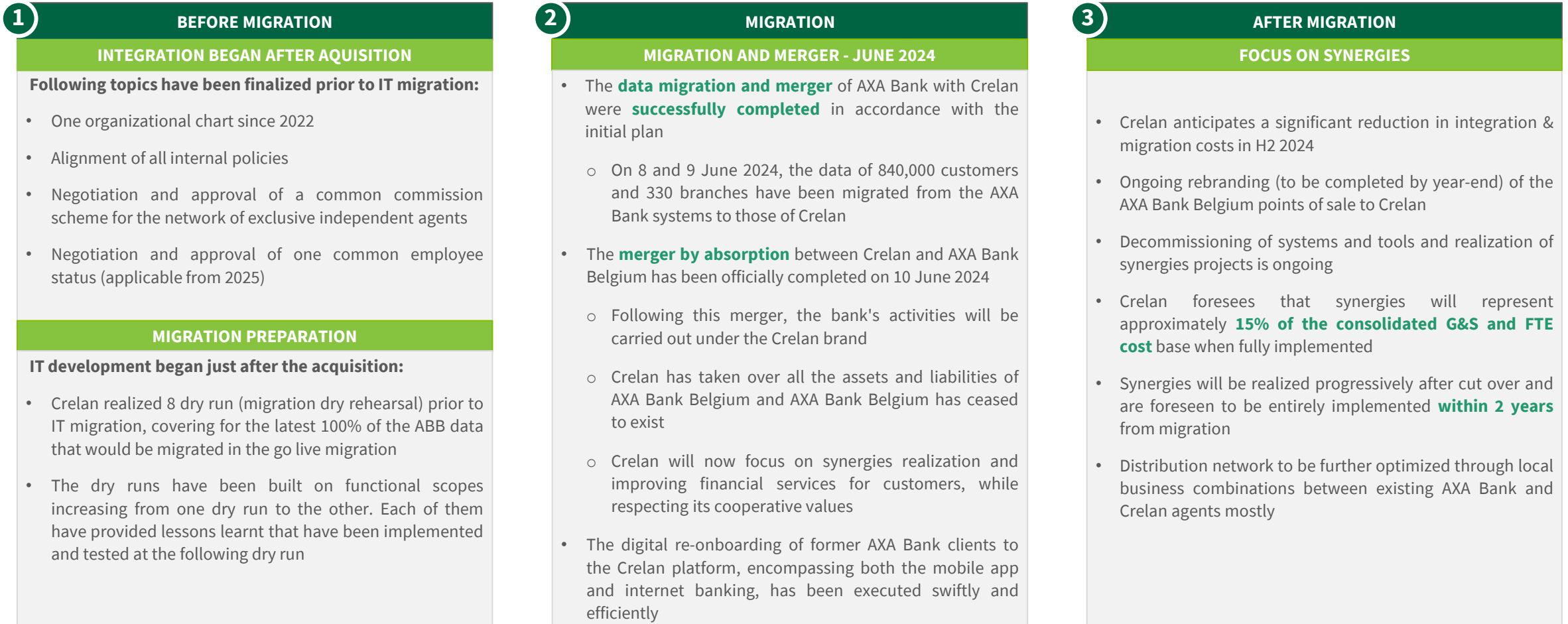
(3) Including 1,508,334 Crelan customers and 193,248 Europabank customers, as of H1 2024

(4) Including 723 Crelan branches operated by independent agents and 47 Europabank proprietary branches, as of H1 2024

(5) Including 1,315 Crelan employees and 379 Europabank employees (excluding 2,682 independent agents and employees thereof), as of H1 2024

# Integration

Integration successfully completed in accordance with the initial plan



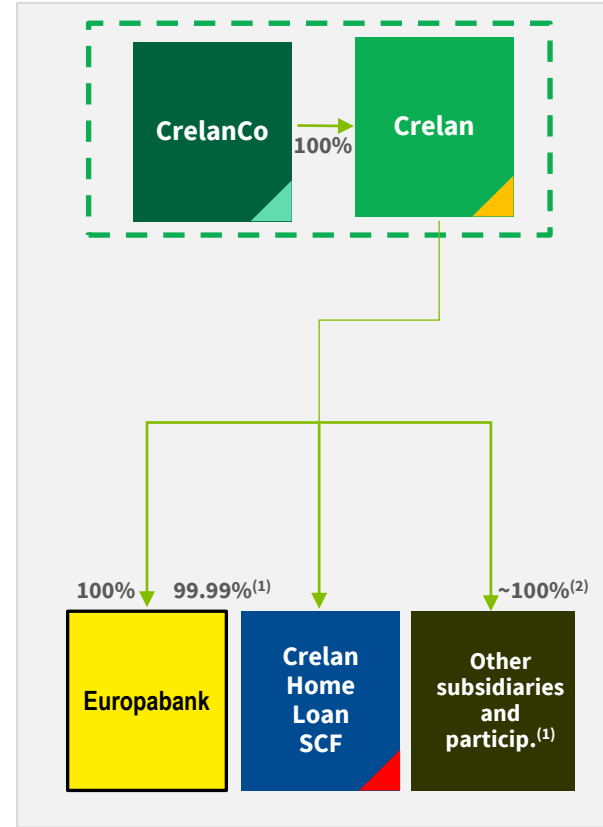
# Crelan Group Organisational Structure

Unique model among Belgian banks combining a stable shareholder base with cooperative values and robust internal support mechanisms

## DETAILS ON THE INTEGRATION

- **On 31 December 2021:** CrelanCo acquired 100% of the shares of AXA Bank Belgium SA
- **On 10 June 2024:** The merger by absorption between Crelan and AXA Bank Belgium has been officially completed
- The merger has **no direct impact on the IFRS** balance sheet or income statement, as the companies involved were already fully consolidated
- Crelan has taken over **all the assets and liabilities** of AXA Bank Belgium and AXA Bank Belgium has ceased to exist
- All banking activities of AXA Bank Belgium integrated within the Federation Crelan – CrelanCo
- Following this merger, the bank's activities will be carried out under the **Crelan brand**
- The main objectives of the reorganization of the Crelan group were:
  - Simplify the structure and rationalization
  - Centralization of complementary activities and achieve economies of scale

## STRUCTURE FOLLOWING LEGAL INTEGRATION (2024)



## FEDERATION OF CREDIT INSTITUTIONS UNDER BELGIAN LAW

Crelan Central Institution	CrelanCo Cooperative Company
<ul style="list-style-type: none"> <li>• Crelan acts as the central institution and central bank of the Federation:</li> <li>• Responsible for the supervision of the Federation</li> <li>• Responsible for the compliance with regulatory solvency and liquidity requirements</li> <li>• Central bank of the Federation in charge of refinancing and access to capital markets</li> </ul>	<ul style="list-style-type: none"> <li>• Cooperative bank 100% owned by ~278k cooperative shareholders</li> <li>• Affiliated to the Crelan Federation</li> <li>• Cooperative shares are offered on a continuous basis</li> <li>• Crelan is planning to continue developing its cooperative shareholder base and extend it to ex-AXA Bank Belgium's customers</li> </ul>
<ul style="list-style-type: none"> <li>• <b>CrelanCo and Crelan constitute a federation of credit institutions under Belgian law</b> creating <b>joint and several obligations</b> between the two legal entities</li> <li>• The day-to-day management of CrelanCo is delegated to the ExCo of Crelan</li> <li>• Solvency and liquidity of both legal entities are supervised and monitored on a consolidated basis</li> </ul>	

Federation of credit institutions under Belgian law  
 Cooperative shares issuing entity

Primary issuer for the Crelan Group  
 Covered bonds issuing entity



(1) 1 share held by CrelanCo  
 (2) Including 10% of Royal Street (RMBS), 100% of AXA Belgium Finance (issuer of retail notes), ~100% of Beran (Berchem building) and 10% stake in Bancontact Payconic

# Crelan Group Retail and Commercial Banking Offering

Full-service retail and commercial banking offering to individuals and SME

## 1 RETAIL BANKING

- Loan production has slowed down amid contraction in credit markets
- Crelan has managed to maintain its market share and increased slightly the loan portfolio
- Increase in client deposits (decrease in H2 2023 due to state bond issuance)
- Continuous improvement of the digital platforms for agents and clients

### INDIVIDUALS

- Broad range of banking products and services offered to individuals including mortgages, consumer loans, payment solutions, wealth and investment solutions
- Customer deposits increased to €43.7bn

**Retail loans (production, €mn)**

H1 2024	2,121
FY 2023	4,605
H1 2023	2,243
FY 2022	6,154

**Clients' deposits (outstanding, €mn)**

H1 2024	43,742
FY 2023	42,391
H1 2023	43,209
FY 2022	42,405

## 2 COMMERCIAL BANKING

- Well established position on professional loans demonstrated by stable market share
- Uncertainty related to nitrogen regulations in the north of the country continues to weigh heavily on the willingness of Flemish farmers to invest

### ENTREPRENEURS & SMEs

- Commercial banking products and services tailored to the self-employed and small and medium enterprises

**Professional loans<sup>(1)</sup> (production, €mn)**

H1 2024	721
FY 2023	1,421
H1 2023	729
FY 2022	1,575

### AGRI & FOOD

- Specialized products and services to agricultural and horticultural companies

**Agricultural loans (production, €mn)**

H1 2024	195
FY 2023	323
H1 2023	163
FY 2022	389

## 3 INSURANCE AND ASSET MANAGEMENT

- Positive performance in H1 2024 with assets under management reaching €16.5bn (+€1.0bn or 6.5% vs. FY 2023), thanks to net new money of €0.3bn (2.1%) and positive market impact

### INSURANCE<sup>(2)</sup>

- Broad range of life and P&C insurance products offered in partnership with leading insurance companies (AXA and Allianz)

### ASSET MANAGEMENT

- Asset management products offered on an open-architecture basis in partnership with leading asset managers including AXA IM, Amundi and Econopolis

**Assets under Management (€mn)**

H1 2024	16,505
FY 2023	15,496
H1 2023	14,009
FY 2022	13,069

**Funds and notes production (€mn)**

H1 2024	1,144
FY 2023	2,821
H1 2023	1,107
FY 2022	2,336



Sources: Group 2022, 2023 & H1 2024 Company information unaudited

(1) Excluding agricultural & food

(2) Distributed via brokers



## 2. Business & Financial Profile

# Executive Summary H1 2024 Results

Stable financial results H1 2024 with adjusted net income increasing to €98.8mn (+2.4% vs. H1 2023)

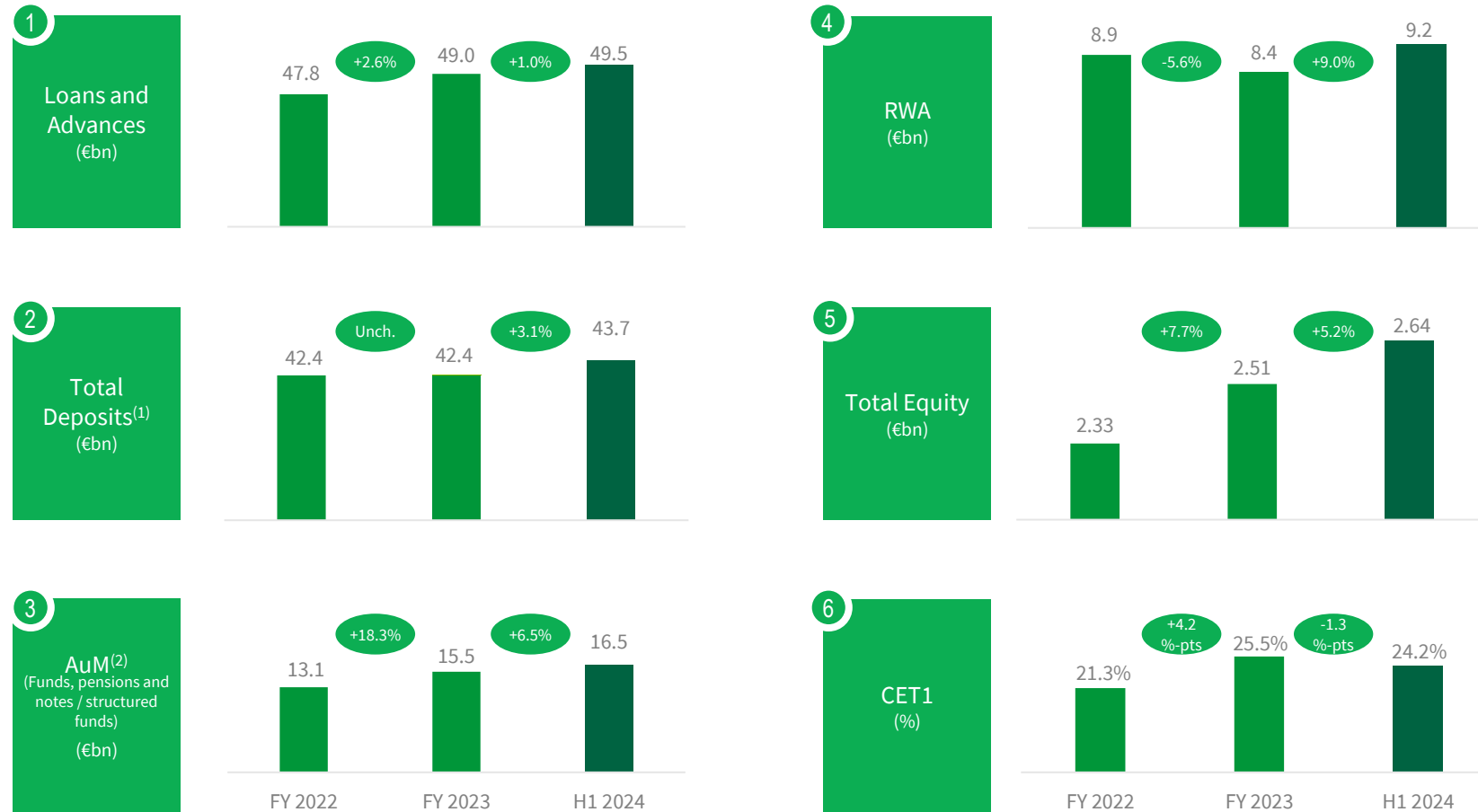
Excellent financial results		Balance Sheet evolution	
<b>Underlying NII<sup>(1)</sup></b> <b>€445.5mn</b> -12.4% vs. H1 2023	<ul style="list-style-type: none"> <li>The underlying Net Interest Income (NII) is slightly lower compared to H1 2023                             <ul style="list-style-type: none"> <li>Commercial margin is remaining fairly stable</li> <li>Impact of SNP and T2 bond issuance (c. -€20mn), monetary reserve at 0% (c. -€8mn) and of temporary negative impact MtM of swaps (c. -€10mn)</li> </ul> </li> <li>The decrease in NII has been partly offset by an increase in fees</li> </ul>	<b>Total Loans<sup>(3)</sup></b> <b>€49.5bn</b> +1.0% vs. FY 2023	<ul style="list-style-type: none"> <li>Achieved moderate growth even in a subdued credit market environment</li> <li>Creilan successfully maintained its market share</li> </ul>
<b>Underlying Operating Expenses<sup>(1)</sup></b> <b>€410.0mn</b> -0.6% vs. H1 2023	<ul style="list-style-type: none"> <li>Stable Operating Expenses - moderate increase of goods and services (4.6%) compensated by bank levies (SRF reached its target volume &amp; lower contribution to DGS due to state bond impact)</li> <li>Cost synergies anticipated following the successful integration and migration</li> <li>Agent commissions and staff costs remained stable</li> </ul>	<b>Total Deposits<sup>(3)</sup></b> <b>€43.7bn</b> +3.1% vs. FY 2023	<ul style="list-style-type: none"> <li>Increase in client deposits (+€1.35bn in 6 months)</li> <li>Stabilization of outstanding volumes of term accounts in 2024 after an increase in 2023</li> </ul>
<b>Underlying CoR<sup>(1)(2)</sup></b> <b>-€10.8mn</b> vs. -€16.5mn in H1 2023	<ul style="list-style-type: none"> <li>Cost of Risk remains low, supported by the strong quality of our credit portfolio and improved recoveries on previously written-off files</li> <li>The merger's harmonization of default definitions led to a one-time expense of -€7.8mn</li> <li>Management buffers remain unchanged compared to FY 2023</li> </ul>	<b>AuM<sup>(4)</sup></b> <b>€16.5bn</b> +6.5% vs. FY 2023 <small>Funds, pensions and notes / structured funds</small>	<ul style="list-style-type: none"> <li>AuM increase by €1.0bn in 6 months, driven by:                             <ul style="list-style-type: none"> <li>Continuous positive net inflow (€323mn in H1 2024)</li> <li>Favourable market effect (4.4%)</li> </ul> </li> </ul>
<b>Underlying Earnings<sup>(1)</sup></b> <b>€142.3mn</b> -5.3% vs. H1 2023	<ul style="list-style-type: none"> <li>Underlying Earnings are slightly lower, primarily due to lower NII</li> <li>Underlying Earnings allows to easily absorb non-recurring costs of integration and migration</li> </ul>	<b>CET1 Ratio<sup>(3)</sup></b> <b>24.2%</b> -1.3%-pts vs. FY 2023	<ul style="list-style-type: none"> <li>Total capital ratio rose to 32.3%, supported by the Tier 2 issuance</li> <li>Net growth of €106mn in cooperative shares in H1 2024</li> <li>Interim result not included in CET1</li> <li>RWA increased by 9% in H1 2024 due to data quality issues linked to the migration</li> </ul>

(1) Alternative Performance Measure data (Creilan own computation)  
 (2) Positive CoR indicates a net release of loan loss provision in H1 2024  
 (3) H1 2024 Financial report (reviewed by the auditor)  
 (4) H1 2024 Company information

# Business and Financial Performance Evolution

Continuous commercial development reflected by growth in loans, deposits and AuM. One-off impact on RWA

## CRELAN GROUP BALANCE SHEET EVOLUTION (Consolidated)



## COMMENTS ON H1 2024 RESULTS

- 1 The loan portfolio showed continued growth in H1 2024 (+€0.5bn), despite a challenging credit market environment
- 2 Client deposits increase after stabilization driven by the state bond issuance of 2023. Stabilization of the volume of term accounts in 2024
- 3 Increase of AuM in H1 2024 (+€1bn vs. FY 2023) driven by continuous positive net inflow in funds and favourable market valuation impact
- 4 RWA increased by 9% over six months, primarily due to data migration involving more conservative parameters (reclassification to standardized, overlays,...). Crelan anticipates that this is a temporary impact that will diminish in the upcoming periods
- 5 Equity continued to rise, with an increase of €0.13bn in H1 2024, despite the seasonal effects of dividend payments and bank levies. This growth was largely driven by the issuance of cooperative shares (€0.1 billion)
- 6 CET1 ratio decreased slightly in line with the temporary increase of RWA. The CET1 ratio remains comfortably high and well above regulatory minimum requirements. Interim result not included in CET1

Sources: Group 2022 & 2023 Annual reports (audited), and H1 2024 Financial report (reviewed by the auditor)

(1) Excluding deposits from credit institutions

(2) H1 2024 Company information (unaudited)



# Business and Financial Performance in H1 2023 and H1 2024

Strong financial performance as Crelan Group generated €142.3mn of underlying earnings in H1 2024 (-5.3% vs. H1 2023)

## CRELAN INCOME STATEMENT EVOLUTION (Consolidated – APM)



## COMMENTS ON H1 2024 RESULTS

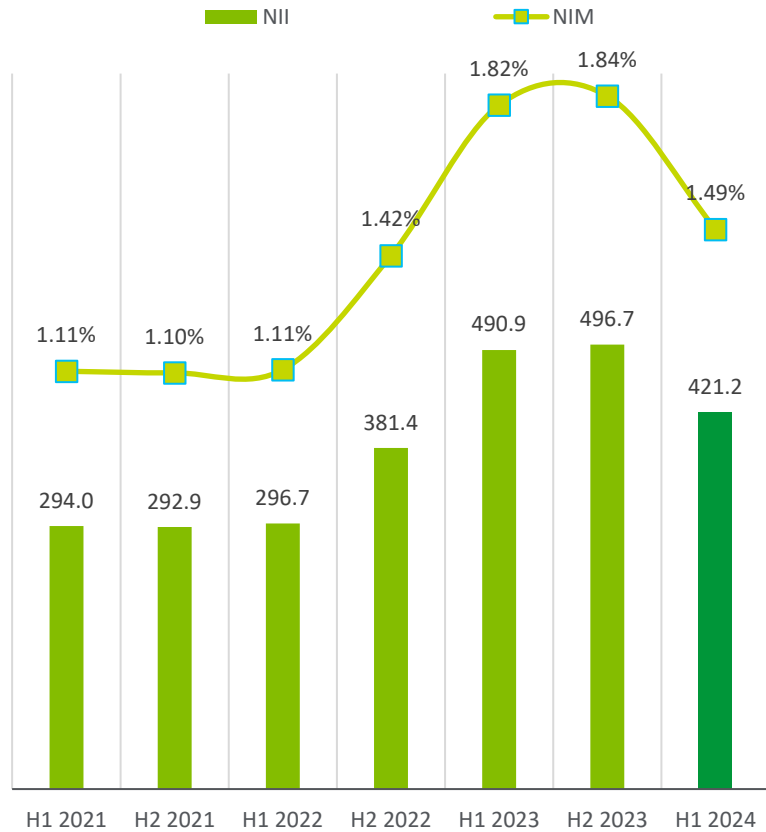
- The NBI saw a slight decrease, due to the impact on NII of bond issuance (SNP and Tier 2), the remuneration of monetary reserve and a one-off impact of MtM of swaps. While the commercial margin remained stable compared to H1 2024, fees continued to grow, reflecting the development of commercial activities. In addition, H1 2023 NBI was affected by a one-off capital loss on the bond portfolio (-€19.4mn)
- Opex remained stable, with a modest 4.6% rise in goods and services due to inflation, ICT, and marketing spending. This impact is offset by lower bank levies, with the SRF reaching its target volume and a lower contribution to the DGS thanks to the impact of state bonds. Cost synergies from the merger will take place post-integration and migration
- CoR remains low, supported by the strong quality of our credit portfolio and improved recoveries on previously written-off files. The merger's harmonization of default definition led to a one-time accounting expense of -€7.8mn
- Underlying earnings experienced a slight decrease due to net interest income (Bond issuance, Remuneration of monetary reserve and on off impact of MtM on the swaps)
- Stable operational results have easily absorbed the substantial one-off investment in IT migration. We anticipate a significant reduction in Integration & Migration costs in H2 2024 and beyond
- Stable net income: IFRS net income, adjusted for bank levies, shows an increase of €2.4mn compared to H1 2023



# Crelan Group Net Interest Income

NIM is normalizing in H1 2024 at its expected level of 1.4%-1.5%

SEMI-ANNUAL NET INTEREST INCOME (€mn)  
& ANNUALIZED MARGIN (%) – (Accounting data)



NII vs. H1 2023

-14.2%

-€69.8mn

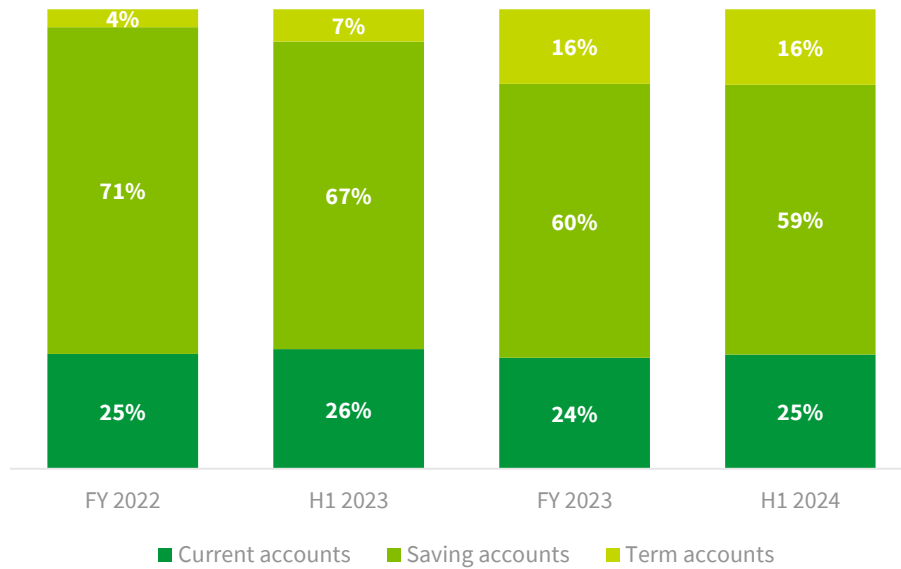
## NET INTEREST MARGIN

- NII normalizing in H1 2024 compared to the elevated level of H1 2023:
  - Commercial margin is remaining fairly stable
  - Impact of recent SNP and T2 bond issuances: c. -€20mn
  - Impact of the monetary reserve measures whereby the remuneration rate was put to 0%: c. -€8mn
  - A temporary negative impact from the MtM adjustments on swaps used for economically hedging the short end of liabilities: c. -€10mn
- The negative rate environment had previously a large negative impact on the profitability of retail banks
- Crelan's NII continued to benefit from positive interest rates
- Crelan is benefitting from its large stable retail deposit base and prudent Balance Sheet management

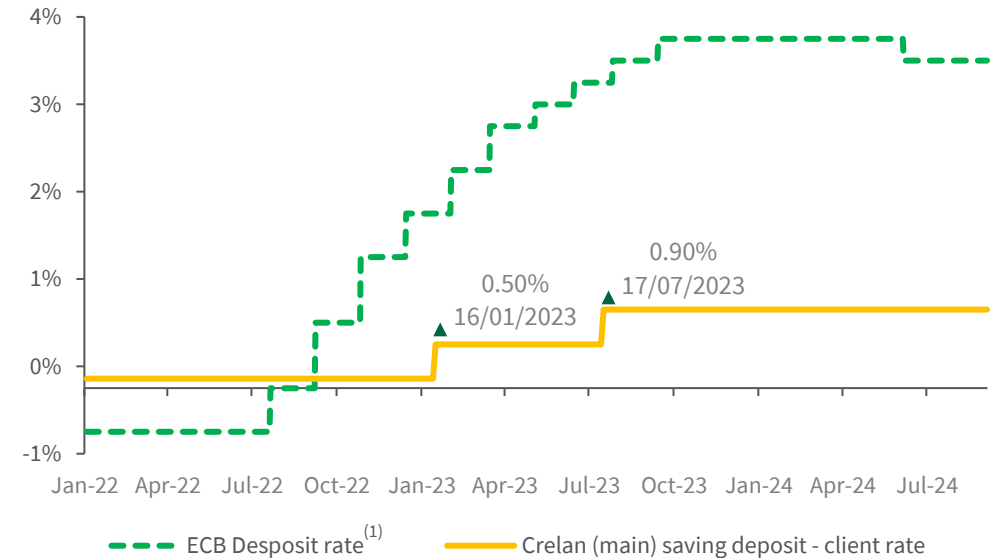
# Structure of Crelan's Deposits

Deposits remain very stable

## STRUCTURE OF DEPOSITS



## EVOLUTION OF SAVING DEPOSIT RATE



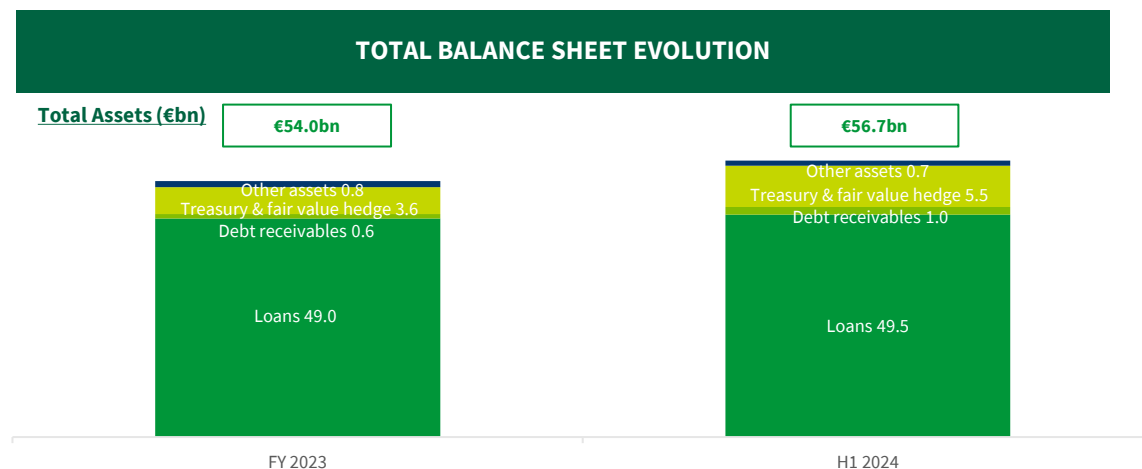
- After a period of growth in 2023, the level of term accounts has now stabilized
- Crelan's deposit base primarily consists of savings accounts and non-remunerated current accounts, ensuring a strong, stable and low-cost funding
- Crelan benefits from a low deposit beta on deposits given the structural excess of deposits in the Belgian market
- The bank's strategy focuses on maintaining a balanced mix of products, supported by a large and stable retail deposit base
- Crelan continues to monitor market trends and adjust its pricing and product offerings to maintain a competitive positioning



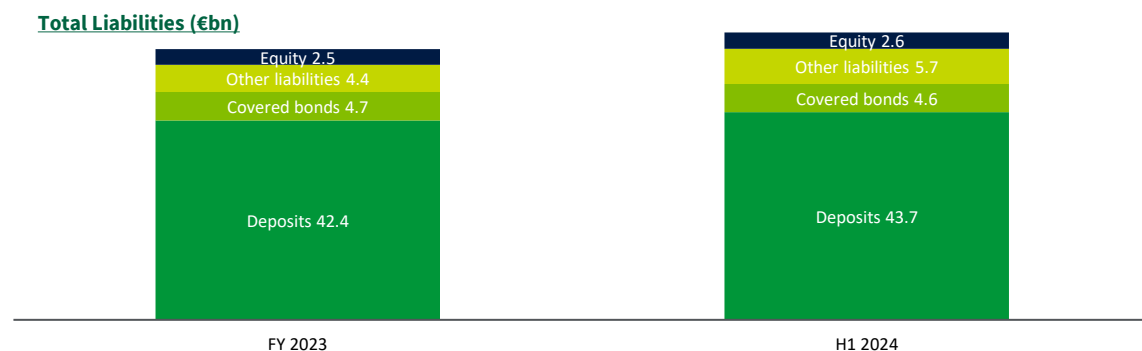
# 3. Financial Structure Considerations

# Crelan Group Balance Sheet

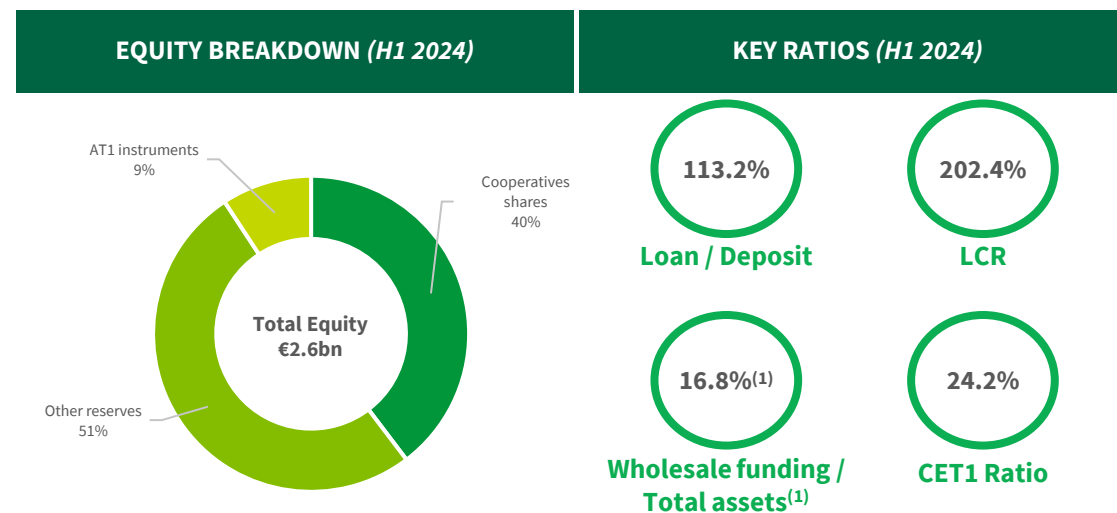
Simple balance sheet with robust funding, liquidity and solvency metrics



- Increase in cash at the ECB (+€2.2bn, reflecting higher excess liquidity), growth in the securities portfolio (+€0.4bn, primarily in covered bonds), and an increase in loans (+€0.5bn thanks to the commercial development)



- Increase in deposits (+€1.3 bn) and securities issued (+€0.75bn SNP and +€0.3bn Tier 2)



- ### KEY TAKEAWAYS
- Simple balance sheet composed primarily of loans (87% of total assets) and customer deposits (81% of total liabilities)
  - Diversified funding structure including customer deposits, covered bonds, repos, retail notes / certificates and Senior Unsecured bonds
  - Very limited and high-quality Treasury portfolio mainly composed of sovereign, supranational and covered bonds
  - Sizeable stock of highly liquid assets contributing to a strong LCR (202.4%)
  - Robust financial position and a conservative risk profile: the consolidated CET1 ratio and total capital ratio of the Group stood at 24.2% and 32.3% as of H1 2024





# Loan Portfolio Quality

Loan portfolio remains very healthy

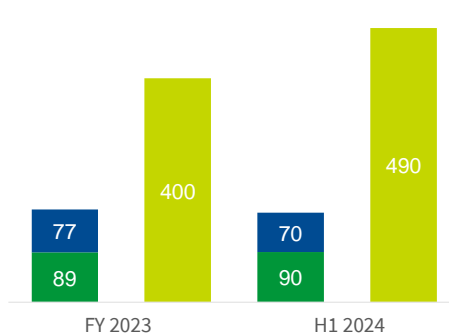
## LOANS AND ADVANCES PORTFOLIO COMPOSITION BY IFRS 9 STAGE (based on gross loan outstanding)

	FY 2022	FY 2023	H1 2024
Stage 1	89.39%	90.86%	90.90%
Stage 2	9.49%	7.99%	7.79%
Stage 3	0.72%	0.81%	0.99%
POCI	0.40%	0.34%	0.32%

## CRELAN STAGE 3 LOANS COVERAGE RATIO AND STAGE 3/POCI (gross amount)

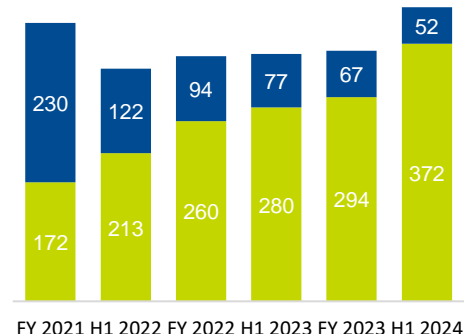
Coverage Ratio: 26.32%

Coverage Ratio: 24.25%



■ Non-performing POCI (€mn)  
■ Performing POCI (€mn)  
■ Stage 3 loans (€mn)

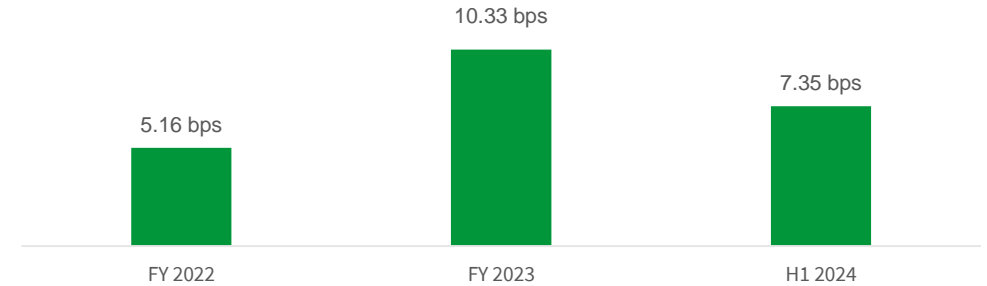
## CRELAN STAGE 3 & POCI's NON-PERFORMING (net amount)



■ POCI's Non-performing  
■ Stage 3 Non-performing

Sources: Group 2022 & 2023 Financial reports (audited) and H1 2024 Financial report (reviewed by the auditor)  
POCI = Purchased or originated credit-impaired  
(1) Negative CoR indicates a net release of loan loss provision

## COST OF RISK RATIO<sup>(1)</sup>



## LOAN PORTFOLIO – KEY CONSIDERATIONS

- CoR remains low, the loan book remains healthy
- Improved recoveries on previously written-off files
- The merger's harmonization of default definition led to a one-time expense of -€7.8mn at cut over, due to an increase of Stage 3 loans (alongside IFRS3 impact)
- The total overlays amount to €33mn (Crelan & AXA Bank) + €9mn (Europabank). The specific overlays linked to the data migration have been removed
- Crelan's mortgage clients have limited interest rate risk as it is predominantly a fixed rate mortgage book. Clients with floating rate mortgages benefit from legal caps in their contract
- Most of Crelan's retail clients will benefit from automatic wage indexation as foreseen in Belgian law and are hence partially hedged against inflation

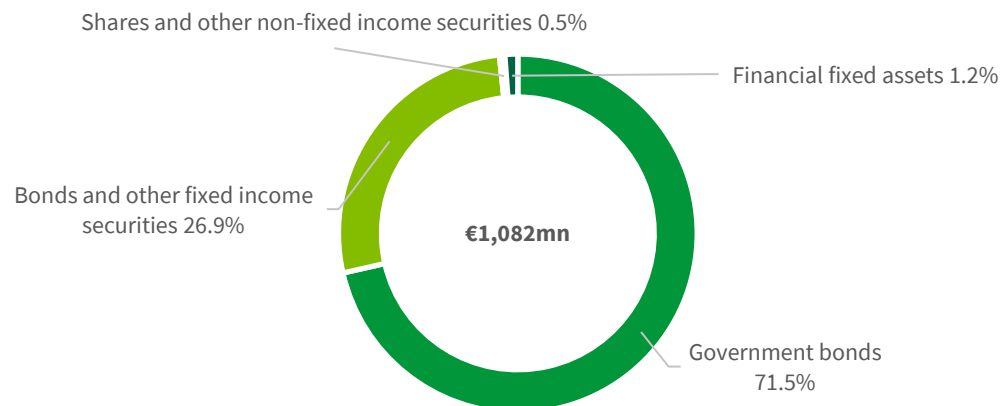


# Investment Portfolio

Limited High Quality Investment portfolio (€1,082mn as of H1 2024)

CRELAN GROUP INVESTMENT PORTFOLIO (€1,081.6mn carrying value, H1 2024)

Investment portfolio by nature



Recent Evolution of Investment portfolio composition

By Nature	FY 2023	H1 2024	H1 2024 vs. FY 2023
Government bonds	€712.3mn	€772.9mn	+€60.6mn (+8.5%)
Bonds and other fixed income securities	€46.8mn	€291.0mn	+€244.2mn (+521.8%)
Shares and other non-fixed income securities	€6.6mn	€5.2mn	-€1.4mn (-21.1%)
Financial fixed assets	€13.5mn	€12.5mn	-€1.0mn (-7.3%)

- Increase of Investment portfolio to €1,082mn as of H1 2024 (compared to €779mn as of FY 2023)
- Investment in HQLA L1 French and German covered bonds for liquidity purposes in H1 2024
- The investment portfolio is mainly composed of government bonds (€772mn) and covered bonds (€280mn) at amortized cost

- Crelan investment policy follows both a liquidity and credit spread strategy:
  - Analysis and management of the liquidity cost
  - Ensure the autonomy under stress
  - Trading activities are not authorized
  - Willingness to invest in low risk “local” debt securities
- Investment scope is based on Norges Bank exclusion list

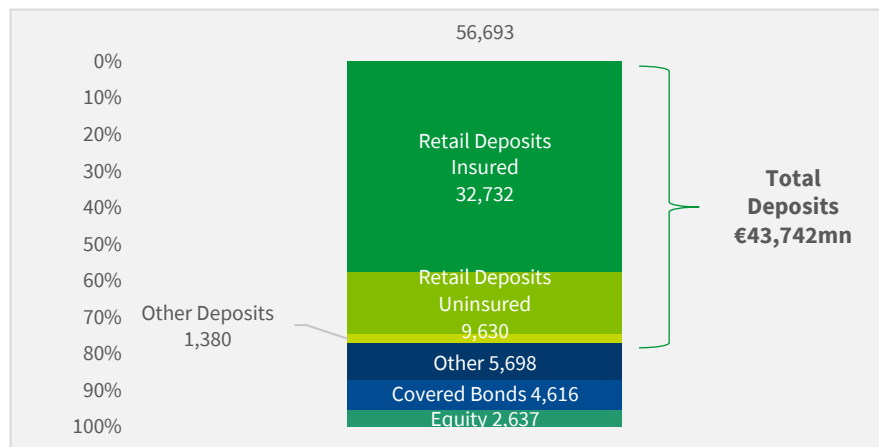
# Liquidity Management

## Ample liquidity buffer

### LCR DETAILS (H1 2024)

	€mn	%
Cash and central bank deposits	7,092	83.8%
Government Bonds & SSA's	919	10.9%
Others	448	5.3%
<b>Total HQLA</b>	<b>8,459</b>	
<b>Net outflows</b>	<b>4,179</b>	
<b>LCR</b>	<b>202.4%</b>	

### LIABILITY STRUCTURE (H1 2024) (€mn)



### KEY RATIOS (H1 2024)

<b>LCR</b>	<b>202.4%</b>	+14.0%-pts vs. FY 2023
<b>NSFR</b>	<b>130.8%</b>	-11.2%-pts vs. FY 2023
<b>Wholesale funding / Total assets</b>	<b>16.8%<sup>(1)</sup></b>	+1.7%-pts vs. FY 2023
<b>Loan / Deposits</b>	<b>113.2%</b>	-2.4%-pts vs. FY 2023

- Very high LCR of 202.4%
- Large amount of cash available at central bank
- Funding mainly via retail deposits and covered bonds
- Liquidity Coverage Ratio remain stable at a comfortable level
- Government bonds & SSA's amount in HQLA of €919mn is higher than government bonds in bond portfolio thanks to collateral received in collateral swaps
- In addition to the €8.5bn HQLA, €3.4bn retained covered bonds are immediately available (as of H1 2024)
- Crelan's clients bought an amount of €1.2bn of the 1Y-Belgian Government Bond Retail Issuance in September 2023
- Crelan does not anticipate a material impact of the maturity of the 1Y Belgian Government retail bond on liquidity or NII
- With regards to the 2023 Belgian Government retail bond sale that took place in August/September 2023, Crelan sold an amount of €1.2bn within the Crelan Group in line with its market share on deposits
- The 2023 Retail 1-Year Belgian Government Bond issuance matured on 4 September 2024
- In 2023, in parallel to the bond issuance, Crelan attracted approximately €2.1 bn in Alternative 1-Year Crelan Term Accounts, which have also recently matured
- The new 2024 Retail Belgian Government Bond issuance, with a lower interest rate than last year's (2.75% - subject to a 30% withholding tax), attracted significantly less interest from customers
- In 2024, Crelan also successfully commercialized alternative short-term term accounts
- As a result, some of these amounts have returned to Crelan's balance sheet, positively impacting its liquidity position



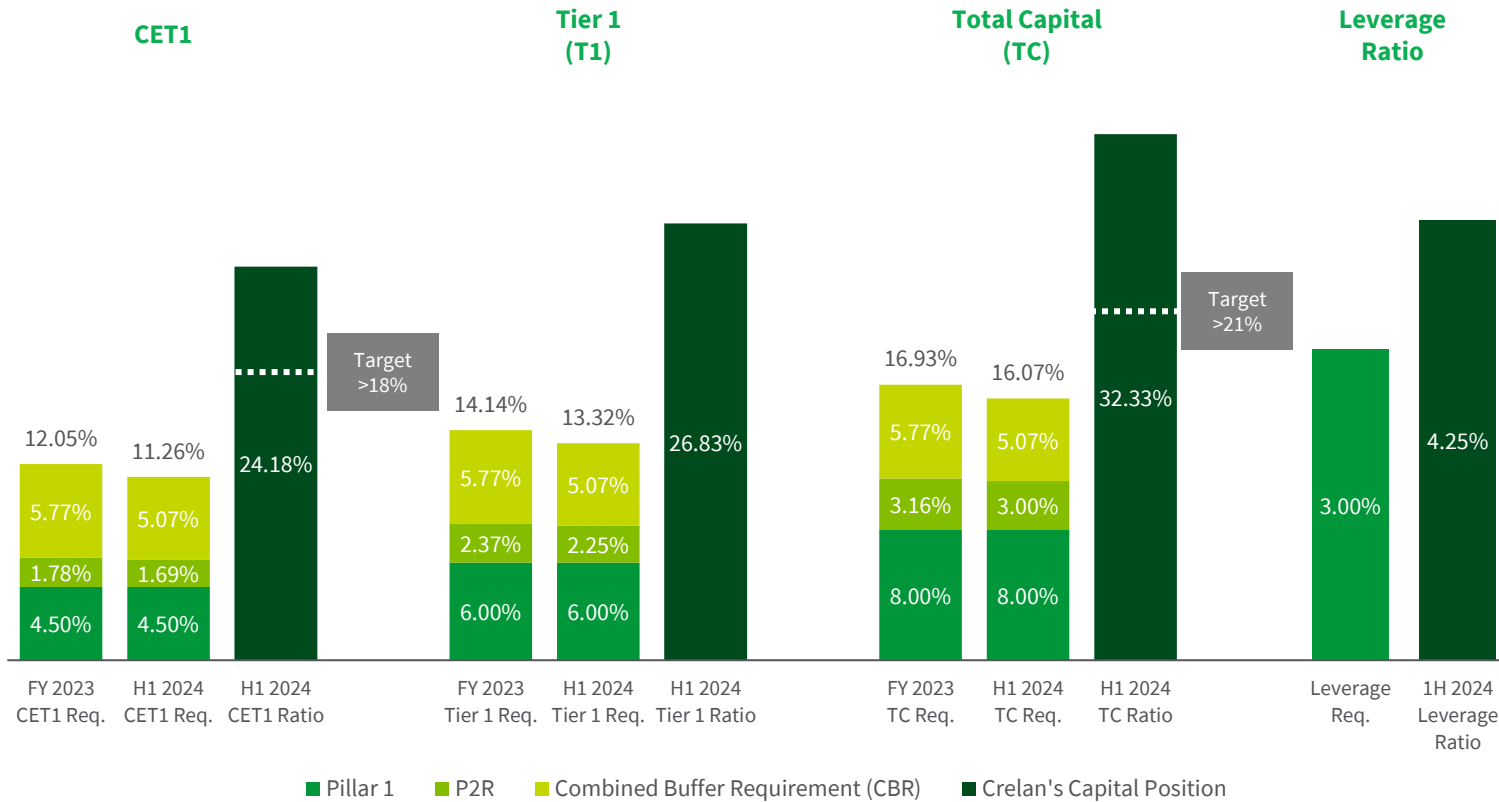
Source: H1 2024 Financial report (reviewed by the auditor)

(1) Includes €7.0bn debt securities, €1.1bn Deposits from Credit institutions, €0.5bn Subordinated liabilities & €0.9bn Other financial liabilities

# Crelan Group Capital, Leverage Position & Requirements

Significant and increased buffers above requirements

CRELAN GROUP CAPITAL AND LEVERAGE REQUIREMENTS vs. POSITION AND TARGETS (H1 2024)



- The capital requirements have slightly decreased vs. FY 2023
- The NBB has decided to reactivate the CCyB and to revise the sectoral SyRB for the Belgian mortgage downwards
- Macro-prudential policy changes entail:
  - From 1 April 2024: a CCyB rate for Belgium of 0.5% (previously 0%) and a sectoral SyRB of 6% (previously 9%)
  - From 1 October 2024: a CCyB rate for Belgium of 1%
- Crelan must meet the 3% Leverage ratio requirement. As of H1 2024, Crelan's Leverage ratio stood at 4.25% (representing a buffer of €723mn vs requirements). Crelan intends to continue to increase the leverage ratio over time

## EVOLUTION OF CRELAN GROUP CAPITAL REQUIREMENTS

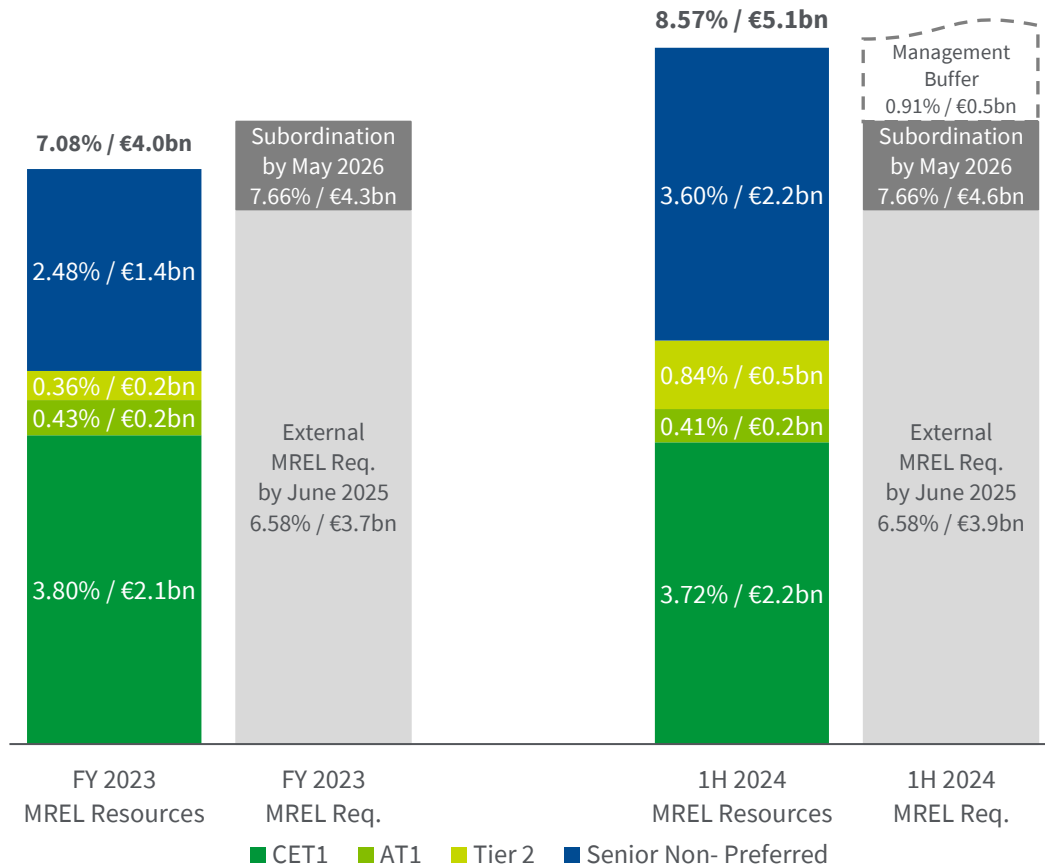
	FY 2023	H1 2024
<b>P2R</b>	<b>3.16%</b>	<b>3.00%</b>
<b>CBR</b>	<b>5.77%</b>	<b>5.07%</b>
<i>o/w Capital Conservation Buffer</i>	2.50%	2.50%
<i>o/w Other Syst. Institution Buffer</i>	0.75%	0.75%
<i>o/w Countercyclical Capital Buffer</i>	0.01%	0.52%
<i>o/w Systemic Risk Buffer</i>	2.51%	1.30%



# Crelan Group MREL Position and Expected Requirements

Crelan already complies with the subordination requirement of 7.66% Total Exposure Measure to be met by May 2026

## MREL RESOURCES & REQUIREMENTS (% TEM)



## HIGHLIGHTS

- On 22 August 2023, the SRB communicated the MREL requirements applicable to Crelan which is now calculated following the BRRD2 regulation
- The external MREL requirement has been set at 6.58% of Total Exposure Measure (TEM), the most binding measure, which is to be met by 30 June 2025
- On top of the external MREL requirement, Crelan Group also received a subordination requirement of 7.66% TEM to be met by 2 May 2026
- Following the January 2024 SNP issue, Crelan already complied with the above requirements, further strengthening the MREL position by issuing a Tier 2 transaction in April 2024
- Crelan will remain a regular issuer as Crelan intends to keep a material buffer above MREL requirements to manage refinancing risk, regulatory eligibility, balance sheet evolution and comfort its ratings

## MREL COMPOSITION

- CET1 capital of Crelan on a consolidated basis
- AT1 equity securities issued by Crelan to AXA (€0.25bn issued amount)
- Tier 2 subordinated loan issued by Crelan to AMUNDI and ALLIANZ (€0.2bn issued amount)
- Tier 2 issued in the public bond markets as of H1 2024 (€0.3bn)
  - €0.3bn due 23 April 2035 non call 2030 - 11NC6 Tier 2 priced at MS+260 bps (April 2024)
- Senior Non-Preferred: issued in the public bond markets as of H1 2024 (€2.15bn)
  - €0.3bn due 31 October 2025 - 3y bullet priced at MS+310bps (September 2022)
  - €0.5bn due 26 January 2028 - 5y bullet priced at MS+315bps (January 2023)
  - €0.6bn due 28 February 2030 non call 2029 - long 6NC5 callable Green Bond priced at MS+285bps (September 2023)
  - €0.75bn due 23 January 2032 non call 2031 - 8NC7 callable Green Bond priced at MS+275bps (January 2024)

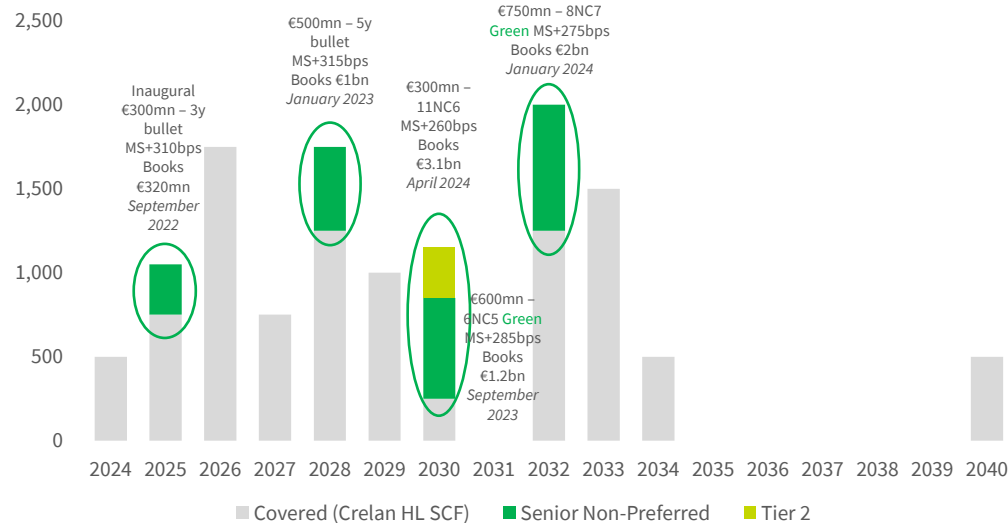


# Crelan in the Capital Markets (1/3)

Crelan is present in the public capital markets with three different types of instruments

- Crelan Group has already issued four SNP transactions since September 2022 for a total amount €2.15bn
- Crelan issued a Tier 2 in the public bond markets in April 2024 (€0.3bn)
- Build up a layer of bail-inable instruments to contribute towards S&P additional loss absorbing capital (ALAC) buffer and Moody's loss given failure (LGF)
  - S&P upgraded Crelan rating to A- in September 2023 to take into account the SNP issuances
  - Moody's upgraded Crelan SNP rating to Baa2 in May 2024 to take into account the Tier 2 issuance
- Diversification of existing investor base, notably on top of cooperative shares issuance and of the covered bond EMTN programme of Crelan Home Loan SCF
- Issuance of Aaa residential mortgage-backed covered bonds through its well established subsidiary Crelan Home Loan SCF

**CRELAN GROUP Redemption profile (€mn)**



This does not take into account:

- AT1 issued by Crelan to AXA (€245mn issued amount) callable on 31 December 2027
- Tier 2 subordinated securities issued by Crelan to Amundi and Allianz (€200mn total amount issued in the form of €125mn & €15mn notes callable on 31 December 2026 and maturing on 31 December 2031, and €60mn note callable on 31 December 2028 and maturing on 31 December 2033)

**CRELAN GROUP Primary transaction list**

Name	Pricing date	Coupon (%)	Spread at reoffer	Maturity	Reset Date	Ratings (M/S&P/Fitch)	Collateral Type	Issued Amount (mn)
Crelan SA	23-Apr-2024	5.375	MS+260bps	30-Apr-2035	30-Apr-2030	Baa3 / - / -	Tier 2	€300
Crelan SA	16-Jan-2024	5.250	MS+275bps	23-Jan-2032	23-Jan-2031	Baa2 / - / -	Sr Non-Preferred Green	€750
Crelan SA	11-Sep-2023	6.000	MS+285bps	28-Feb-2030	28-Feb-2029	Baa2 / - / -	Sr Non-Preferred Green	€600
Crelan SA	19-Jan-2023	5.750	MS+315bps	26-Jan-2028	-	Baa2 / - / -	Sr Non-Preferred	€500
Crelan SA	13-Sep-2022	5.375	MS+310bps	31-Oct-2025	-	Baa2 / - / -	Sr Non-Preferred	€300
Crelan HL SCF*	25-Oct-2022	3.000	MS+16bps	3-Nov-2026	-	Aaa / - / -	Secured	€750
Crelan HL SCF	9-Feb-2022	0.625	MS+4bps	16-Feb-2028	-	Aaa / - / -	Secured	€500
Crelan HL SCF	28-May-2020	0.250	MS+24bps	9-Jun-2040	-	Aaa / - / -	Secured	€500
Crelan HL SCF	19-Mar-2020	0.125	MS+38bps	1-Oct-2024	-	Aaa / - / -	Secured	€500
Crelan HL SCF	14-Jan-2020	0.010	MS+7bps	22-Jan-2027	-	Aaa / - / -	Secured	€500
Crelan HL SCF	26-Feb-2019	0.750	MS+14bps	6-Mar-2029	-	Aaa / - / -	Secured	€500
Crelan HL SCF	10-Apr-2018	0.500	MS-3bps	18-Apr-2025	-	Aaa / - / -	Secured	€750
Crelan HL SCF	10-Apr-2018	1.375	MS+10bps	18-Apr-2033	-	Aaa / - / -	Secured	€750
Crelan HL SCF	17-Jan-2017	1.250	MS+25bps	26-Jan-2032	-	Aaa / - / -	Secured	€250

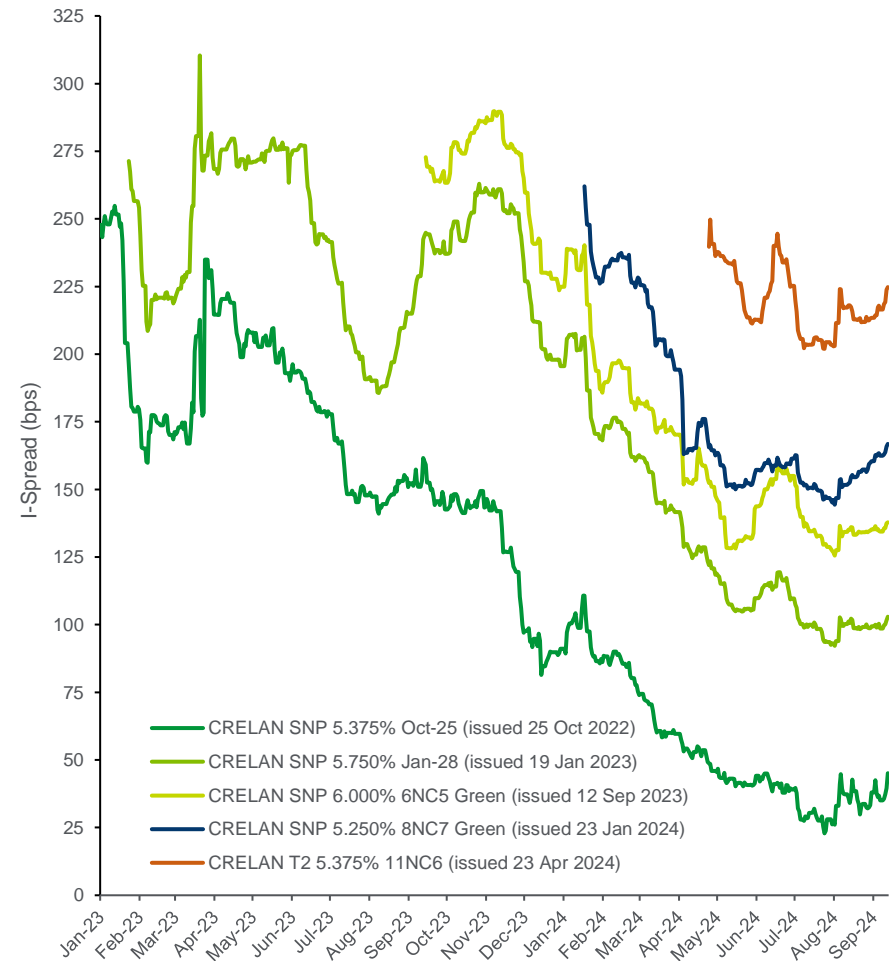
\*ticker is now CRLNCB



# Crelan in the Capital Markets (2/3)

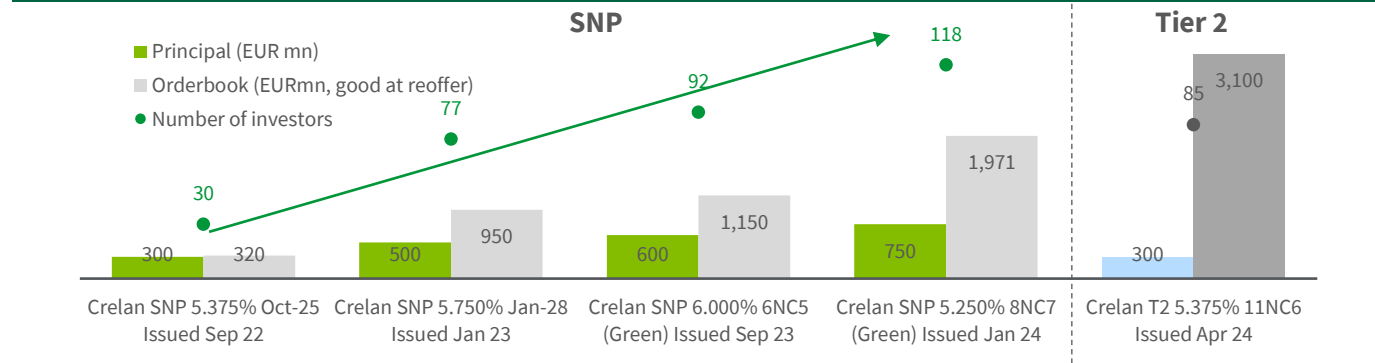
Since September 2022, Crelan has considerably increased its footprint in the capital markets allowing Crelan bonds to outperform in secondary

**CRELAN GROUP Historical Secondary Performance of SNP and T2 Bonds**

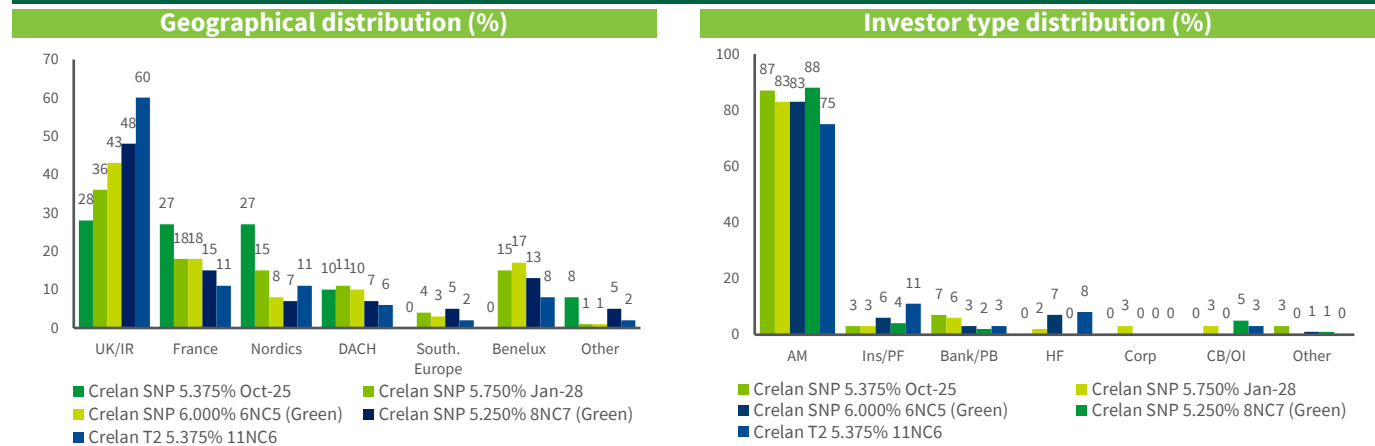


Source: Bloomberg as of 13<sup>th</sup> September 2024

**CRELAN GROUP Orderbook Statistics of the SNP and Tier 2 transactions**



**CRELAN GROUP Distribution Statistics of the SNP and Tier 2 transactions**



# Crelan in the Capital Markets (3/3)

With several bond redemptions in the next three years, Crelan is expected to remain a frequent issuer in the capital markets

	Ratings	Outstanding	Next Redemptions/Calls	Key Considerations
Public Covered Bonds <sup>(1)</sup>	Aaa	€5,000mn		<ul style="list-style-type: none"> <li>Covered bonds are issued to efficiently address funding needs</li> <li>The total outstanding amount is anticipated to remain fairly stable</li> <li>The name change to 'Crelan Home Loan SCF' was completed on 8 July 2024</li> </ul>
Senior Non-Preferred	Baa2	€2,150mn		<ul style="list-style-type: none"> <li>Senior Non-Preferred (SNP) notes are issued to meet MREL requirements and management buffer</li> <li>The management buffer is expected to experience a modest increase, reflecting prudent management</li> <li>Requirements evolving currently with balance sheet growth</li> </ul>
Tier 2	Baa3	€500mn		<ul style="list-style-type: none"> <li>The Tier 2 layer is already calibrated for the Basel IV framework</li> <li>Tier 2 supports the ratings of Senior Non-Preferred instruments</li> <li>The total outstanding amount is expected to be stable, currently at €500mn of which: €300mn issued publicly and €200mn under the form of private placements (sold to Allianz and Amundi)</li> </ul>
Additional Tier 1	NR	€245mn		<ul style="list-style-type: none"> <li>AT1 instrument privately placed during the acquisition of AXA Bank Belgium SA</li> <li>Contributes positively to leverage and capital ratios under the Basel IV framework</li> </ul>

2024 2025 2026 2027



(1) Public covered bonds, Crelan also has €5bn of retained covered bonds



# Additional Information

## Investor relations

<https://www.crelan.be/fr/corporate/investor-relations>

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# Glossary

Adjusted Pro-Forma	Pro Forma financial information excluding certain specific items related to the acquisition of AXA Bank Belgium and the sale of Crelan Insurance
ALAC	Additional Loss Absorbing Capacity. Bank hybrid capital instruments that can absorb losses of a bank at or near non-viability
AM	Asset Manager
AT1	Additional Tier 1
Available Distributable Items (ADI)	[Amount of profits at the end of the period + profits brought forward + reserves available to holders of own funds instruments - any losses brought forward - profits which are non-distributable]
Crelan Group	CrelanCo, the Issuer and their respective subsidiaries and affiliated entities (including AXA Bank Belgium NV) which form part of the scope of accounting and regulatory consolidation
Common Equity Tier 1 ratio or CET1 ratio	[common equity tier 1 capital] / [total risk weighted assets]
[H1 21 Comparable figures]	Comparable figures that have been prepared according to the principles that have been used in order to prepare the pro forma figures included in the (base) prospectus
Cost Income Ratio	[operating expenses] / [net banking income]
Cost of Risk or CoR	Impairment losses on financial assets not measured at fair value through profit or loss
Cost of risk ratio or CoR ratio	[impairment losses on financial assets not measured at fair value through profit or loss] / [loans and advances at the end of period]
CVA	Credit Valuation Adjustment
Distance to AT1 trigger	The distance between an AT1 trigger point (5.125% CET1 for the proposed CET1) and a bank's reported CET1 ratio
F&C	Fee and commission income
Fee & other income contribution	[Net banking income excluding net interest income] / [Net banking income]
Liquidity Coverage Ratio or LCR	[stock of high-quality liquid assets] / [total net cash outflow over the next 30 calendar days]
Loans and advances portfolio composition by IFRS 9 stage (FY 2021, based on amount outstanding net on loan loss provision)	[Maximum exposure to credit risk for loans and advances (carrying amounts) by stage] / [loans and advances (carrying amounts)]
Loan-to-deposit ratio or Loan / deposit	[loans and receivables] / [customer deposits]
Maximum Distributable Amount (MDA)	The maximum Distributable Amount Crelan are allowed to pay (calculated according to a pre-defined regulatory formula) in the form of dividends, discretionary coupons and new obligations to pay bonuses and pension rights if they fail to meet their combined buffer requirements
MREL	Minimum requirement for own funds and eligible liabilities
Net interest income or NII	[interest income] - [interest expense]
Net banking income or NBI	Net banking income include net interest income, dividend income, fee and commission income, net realised gains (losses) on financial assets & liabilities not measured at fair value through profit or loss, net gains (losses) on financial assets and liabilities held for trading, net gains (losses) on financial assets and liabilities designated at fair value through profit or loss, gains (losses) from hedge accounting, net exchange differences, net gains (losses) on derecognition of assets other than held for sale, other operating net income.
Net income	Net profit or loss
Net stable funding ratio or NSFR	[available amount of stable funding] / [required amount of stable funding]
Non-performing loans ratio or NPL ratio	[gross outstanding non-performing loans] / [total gross outstanding loans]
Operating expenses or OPEX	Operating expenses include administration costs, fee and commission expenses, depreciation minus net modification gains or (-) losses
Proportion of stage 3 loans and advances (FY 2021, based on amount outstanding net on loan loss provision)	[Maximum exposure to credit risk for stage 3 loans and advances (carrying amounts)] / [Loans and advances (carrying amounts)]
Return on equity or RoE	[net profit of the period] / [equity at the end of the period]
Return on assets or RoA	[net profit of the period] / [total assets at the end of the period]
RWA	Risk weighted assets
Tier 1 ratio	[common equity tier 1 capital + additional tier 1 instruments] / [total risk weighted assets]
TLOF	Total Liabilities and Own Funds
Total Capital ratio or TCR	[common equity tier 1 capital + additional tier 1 instruments + tier 2 instruments] / [total risk weighted assets]

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