



# Annual report 2023

Crelan Group

On 31 December 2021 the Crelan Group acquired AXA Bank Belgium. Since then, the Crelan Group has operated with three bank brands: Crelan, Europabank and AXA Bank Belgium.

The cooperation between these three banks will largely determine the group's success in the coming years. On the one hand, cooperation is important to prepare for the integration of Crelan and AXA Bank Belgium in the spring of 2024. On the other hand, we want to further optimise the synergies within the Crelan Group.

So in this annual report you will regularly see photographs illustrating this cooperation.





In accordance with Article 3:17 of the Code of Companies and Associations, the figures in this report are an abbreviated version of the officially published annual accounts of the Crelan Group, closed on 31 December 2023. These are the consolidated financial statements under IFRS. Our auditor issued an unqualified positive opinion on these published financial statements.

The figures presented in this annual report may relate to the whole of the Crelan Group as well as to the individual entities, namely Crelan, Europabank and AXA Bank Belgium.

The full consolidated financial statements can be requested from the General Office by e-mail: [general.office@crelan.be](mailto:general.office@crelan.be).



# Contents

<b>CEO's review of 2023</b>	<b>6</b>
<b>Who are we?</b>	<b>8</b>
Structure and shareholdings	12
<b>2023 at a glance</b>	<b>14</b>
The markets	15
In the spotlight	18
<b>Key Crelan Group figures 2023</b>	<b>22</b>
<b>What does the merger of Crelan and AXA Bank mean for customers?</b>	<b>25</b>
<b>Consolidated management report of the Crelan Group, financial year 2023</b>	<b>27</b>
<b>Results and synergies of the Group and its members</b>	<b>29</b>
Synergies	29
Crelan NV results	29
Results of Europabank	32
Results of AXA Bank Belgium	33
<b>Balance sheet and income statement</b>	<b>35</b>
<b>Corporate governance</b>	<b>42</b>
Boards of Directors and Management Committees	42
Auditor's report	52
Amendments to the Articles of Association	52
Corporate governance	52
Remuneration policy	52
Evaluation of governance	57
<b>Crelan, an evolving bank</b>	<b>58</b>
Brand identity and brand campaign	58
Staff initiatives	62
IT developments and projects in development	64
Portfolio management	65
<b>Crelan Group, a safe banking group</b>	<b>67</b>
General Risk Management	67
Compliance	70
Internal audit	70
Network inspection	70
<b>Crelan, a cooperative and sustainable bank</b>	<b>72</b>
Sustainability is in Crelan's genes	72
The heart of Crelan: our 283,629 cooperative members	72
A sustainable social commitment	73
Sustainable and climate-friendly banking	74
<b>Most important risks and uncertainties</b>	<b>76</b>
<b>Significant events after the reporting period</b>	<b>77</b>
<b>A word of thanks</b>	<b>78</b>



# CEO's review of 2023

# Being cooperative is part of our genetic make-up!

The year 2023 will be remembered as the year in which the war on Europe's doorstep dragged on and a new conflict broke out in the Middle East. It was also the hottest year on record, confronting us with the ever more tangible consequences of global warming.

As a cooperative, local and 100% Belgian bank, Crelan takes its responsibility towards its private individual, professional and agricultural customers seriously. By standing beside them in difficult times caused by the various current geopolitical tensions and the repercussions of the climate crisis. This support has taken the form of concrete measures aimed at helping them to face rising energy prices.

In 2023 Crelan intensified its ESG (environmental, social and governance) actions and decided to give even more prominence to its cooperative strategy by setting up a new department, the Cooperative Bank Office, which has been in operation since 1 September 2023.

In 2023 Crelan also presented itself to the outside world with a new brand identity. This includes a new logo, a new tone of voice and a new promise to customers: You're better off with Crelan! Following the merger with AXA Bank, Crelan is the fifth largest bank in Belgium, offering the same range of products as the other major banks but remaining a local bank with a personal service.

In 2023 our teams were of course busy preparing the integration with AXA Bank.

Despite the persistently difficult external environment, the enthusiasm and professionalism of all those involved with the Crelan Group enabled our cooperative group to post excellent results.

The group obtained **an excellent net result of €207 million** for 2023, €48.8 million or 31% up on 2022.

The financial structure of the Crelan Group remains very solid, with a high total solvency ratio of 30.8%, well above the legal requirement.

From a commercial point of view, loans granted by the group totalled €6.3 billion, bringing total loan outstandings to €49 billion, despite the difficult market circumstances for both private individual and business customers.

These fine results come from the daily efforts of our agents and employees in the head office. They are also supported by the trust of our 284,000 cooperative shareholders and our 1.8 million customers. We thank them sincerely.

We can be proud of the appropriateness of our cooperative model: a model that protects customers, serves the country's economy and supports social change.

In 2023 we continued to make progress on our integration programme and to apply all our dynamism and efforts to preparing for this crucial moment. These efforts will bear fruit in 2024, which will undoubtedly be an extraordinary year for Crelan.

**Philippe Voisin,**  
*CEO of Crelan and AXA Bank Belgium*

# Who are we?







**The Crelan Group comprises 4,456 enthusiastic collaborators - both staff members and independent bank agents with their employees - who give their all every day for almost 1.8 million customers.**

**The financial group is formed by the cooperative society CrelanCo, the public limited company Crelan, the public limited company Europabank and the public limited company AXA Bank Belgium.** Based on the balance sheet total, it is in fifth position among Belgium's retail banks.

Visually, then, the Crelan group is represented by three bank logos: Crelan, AXA Bank and Europabank.



CrelanCo CV is **the sole and therefore 100% shareholder** of the Crelan Group. The authorised capital of this recognised cooperative society is formed by the participation of **nearly 284,000 cooperative shareholders**. The latter are thus all part-owners of our banking group.

Crelan's cooperative roots date back to the 1960s and have their origins in the bank's strong ties with the Belgian agriculture and horticulture sectors. The first cooperative societies collected the savings of farmers, which in turn enabled the bank to grant agricultural loans. From the 1990s onwards, these cooperative societies joined Crelan's shareholder structure and thus played an important role in the privatisation of the originally state-owned financial institution. In November 2015, all the former cooperative societies merged and CrelanCo became the sole shareholder.

The Crelan Group, therefore, is not only a cooperative but also a 100% Belgian banking group whose decision-making centre is in its own country and with a range of products and services that are exclusively aimed at the Belgian market.



Crelan Bank is a **federation of credit unions**, formed by Crelan NV and its shareholder, CV CrelanCo. Full solidarity exists between the two.

**Crelan offers a wide range of banking and insurance products for private individuals, entrepreneurs and SMEs.** Crelan seeks to offer its customers total solutions rather than just products, with payment formulas, savings and investment products, various forms of credit and insurance policies. Crelan uses its own product range that it completes with products from a number of partners who are all references in their fields. This includes non-life insurance policies from AXA Belgium, life insurance policies from Allianz and investment formulas from Amundi, Econopolis Wealth Management and AXA Invest Managers.

Furthermore, with a specialised range of products, the bank is the privileged partner of farmers and large companies in the agricultural and horticultural sector.

If you ask our customers why they chose Crelan, **they invariably mention the close relationship they have** with their Crelan bank agent. We therefore boast of offering financial advice close to customers. Not just via digital banking channels, but also via our network of independent bank agents who know local communities and their customers well.

More than 450 office doors are open for our customers each and every day.

The only way to achieve satisfied customers is through satisfied employees. Crelan therefore pays constant attention to well-being at work and was awarded the Top Employer label for the eighth time in a row in 2023.

Sustainable decisions and social commitment, including through the Crelan Foundation, are self-evident to us.





## europabank

Contrary to what its name might suggest, Europabank is a Belgian bank, based in Ghent, and has been part of the Crelan group since 2004.

As a **subsidiary of Crelan** Europabank offers a specific range of products and services for individuals and entrepreneurs. It is known in particular for its **specialisation in consumer credit** for private individuals and entrepreneurs.

Merchants and entrepreneurs also know the bank as a **processor of transactions carried out with debit cards and Visa and MasterCard credit cards** and as a provider of **finance leasing and renting**.

The bank has 47 branches.

Unlike Crelan and AXA Bank Belgium, Europabank does not work with a network of independent banking agents, but exclusively with employees.

AXA Bank Belgium is the youngest and also the largest entity of the Crelan Group. AXA Bank became **Crelan's sister-bank** on 31/12/2021, when the Crelan Group acquired it from the French international insurer AXA Group.



**AXA Bank strengthens its customers, Belgian families and entrepreneurs, by pro-actively guiding them in building up and managing their assets, through tailor-made advice on home loans for families and entrepreneurs and investments.** The bank is embedded locally thanks to its network of independent bank agents. User-friendly digital tools and personal contact go hand-in-hand. The bank was awarded several awards during the past five years including the one for being considered the most innovative bank in 2021 by its customers.

The group cooperates on commercial, technical and financial matters.



### Figures at 31/12/2023

Company	Number of employees	Number of branches	Number of customers	Number of cooperative shareholders	Operating in
Crelan	2.189*	426	762.095	271.363	Belgium
Europabank	379	47	187.772	-	Belgium
AXA Bank Belgium	1.968**	319	848.506	12.266	Belgium

\*740 members of staff and 1,449 collaborators in the network of independent agents

\*\*674 members of staff and 1,294 collaborators in the network of independent agents

For more information on the history of Crelan and the Crelan Group, please visit [www.crelan.be](http://www.crelan.be).

## Structure and shareholdings

**NV Crelan and the official cooperative company, CV CrelanCo, together form a federation of credit institutions, with NV Crelan as its central institution. There is full solidarity between the two and the results of NV Crelan and CV CrelanCo are therefore consolidated.**

The CV CrelanCo owns 100% of the shares and voting rights in NV Crelan. At 31 December 2023, the cooperative capital of CrelanCo was held by 283,629 cooperative shareholders. As such, Crelan is a 100% Belgian bank with 100% cooperative roots.

The Management Committee of NV Crelan is responsible for the operational policy of NV Crelan, CV CrelanCo and NV AXA Bank Belgium.

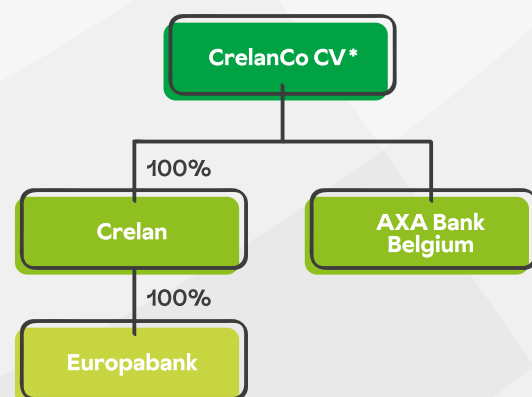
The entity formed by NV Crelan and CV CrelanCo is referred to in this report as “Crelan” or “the Bank”, while the broader name “Crelan Group” or “the Group” refers to all the entities or subsidiaries listed below that are included in the consolidation through full integration.

Europabank’s accounts and those of AXA Bank Belgium are included in the consolidation scope of the Crelan Group according to the Royal Decree of 23 September 1992 on the consolidated financial statements of credit institutions.

The Crelan Group does not have any branches.

The diagram below gives a simplified overview of the structure of the Crelan Group.

### Simplified overview of the structure of the Crelan Group



\*NV Crelan and the official cooperative company, CV CrelanCo, together form a federation of credit institutions, with NV Crelan as its central institution. In accordance with Article 239 of the Act of 25 April 2014 on the status and supervision of credit institutions



## **Crelan and AXA Bank Belgium embark on a common future**

The strong similarities between Crelan and AXA Bank in terms of product range, service with independent banking agents, customer approach are immediately apparent.

This also explains why Crelan and AXA Bank are currently preparing an integration for June 2024.

By combining our know-how, experience and resources, we want to improve even more and create added value for our customers, our bank agents and employees and for the bank itself. After the integration, the bank will continue its activities under the Crelan banner.



# 2023 at a glance

# The markets

## Context

**The year 2023 began** rather gloomily, **with an inflation rate well above the European Central Bank's target.** The European Central Bank (ECB) had already started to apply interest rate hikes in 2022 in an attempt to regain control of the cost of living, which had risen substantially due to the huge increase in energy prices. At the start of 2023 the rate for the ECB's deposit facility stood at 2.00%, and euro zone inflation at 9.2%.

A similar scenario was being played out in the United States. There, inflation at the beginning of the year was over 6%, following a series of interest rate hikes to 4.5% by the US Federal Reserve (the "Fed", effectively the central bank).

Throughout the first half of the year inflation remained stubbornly high and above expectations. **This led to jitters in the bond market,** as investors saw their hopes of a rapid suppression of inflation fade away. There were concerns that the slow fall in inflation would force European and US central banks to keep interest rates high for quite some time. And indeed both central banks continued their policy of monetary tightening in 2023: the ECB increased its deposit rate to 4.00% and the Fed raised its key rate to between 5.25% and 5.50%.

**The sharp fall in energy prices,** which form the most volatile component of inflation, **had a positive effect in the second half of the year.** However, the fall in headline inflation conceals a stubbornly high core inflation rate in which prices of services and processed foodstuffs in particular continued to rise considerably. Nonetheless, the dynamic of weakening price pressure opened the way for both the ECB and the Fed to reduce their key rates over the course of 2024. In the last few months of 2023 this prospect gave rise to **a substantial turnaround on the bond market,** as described later.

As well as the high inflation rate, **weak economic growth** further sapped confidence. Although growth had been given a considerable boost by the re-opening after the COVID period, by the beginning of 2023 this effect had largely faded. There was some feeling of relief in Europe at the beginning of the year in that, thanks to the mild winter, the economy had escaped energy shortages. Gradually however

**pessimistic expectations of a hard landing or even a recession** came to dominate. In Europe these fears crystallised in particular around the weak German economy, which did indeed contract slightly in the first and third quarters of the year. The flagging German growth engine was only partly offset by relatively better growth figures in France and Spain.

There was no such feeling of stagnation in the **US economy.** Although there too expectations were pitched low, the actual figures dispelled pessimism practically across the board. **Own consumption,** which accounts for 70% of US GDP, remained high and **significantly boosted economic growth.** The robust propensity to consume was due above all to the strong labour market. Furthermore, US citizens spent a large part of the savings they had accumulated during the COVID period through the government's direct income support measures.

Weak growth prospects seemed to be further confirmed by the **spluttering Chinese economy.** As a result of its government's rigid zero-COVID policy, it was not until the end of 2022, much later than other major economies, that China's economy finally exited the COVID phase. **And the boost** that was expected to give not just China and its trading partners but, by extension, the entire global economy a much needed stimulus after the re-opening, **failed to materialise.** Chinese consumer spending was largely confined to the domestic market, so there was very little positive knock-on effect. This, plus the acute crisis suffered by the gigantic Chinese real estate sector, weighed on economic growth.

For the first time since the great financial crisis of 2008-2009, the spring of 2023 saw **stress factors in the banking system** appearing once again. In the US, niche player Silicon Valley Bank got into difficulties. The sharp increase in interest rates and the corresponding price fall in the bonds in its portfolio led to a mismatch between the interest rate sensitivity of its assets and liabilities. The bank succumbed to the crisis. A few mid-sized US banks with similar profiles also had problems.

Fortunately, fears that these bank failures would cause a chain reaction leading to considerable stress in the banking system proved unfounded. The problem remained relatively isolated. The same was true of the systemic Swiss bank Credit Suisse, which lost its customers' trust following a long history of incidents. On 19 March 2023, under pressure from

the Swiss supervisor, the bank was acquired by its rival UBS. In this case too **the problem remained isolated and peace was quickly restored in the banking sector.**

## Impact on the markets

**The bond market got off to a good start at the beginning of the year**, following the heavy losses that characterised 2022. As the inflation figures fuelled concerns about the stubbornly high core inflation, gradually pushing hopes of a rapid reversal of major central banks' policy further and further away, **sentiment turned**, and **until the summer** prices moved rather sideways. **Volatility** in the bond market remained **high**.

**From the summer the interest rate environment became even more challenging.** Whereas in 2022 and H1 2023 the most marked interest rate movements had been above all in the shorter maturities, from summer 2023 on we saw a pronounced increase in long-term interest rates. The inflection point was the Fitch rating agency's downgrading of the US government. It lost its AAA rating (the highest possible). Fitch referred to the recent deterioration of the US budget, the country's mounting indebtedness and the weakening of policy. This **wake-up call** led to a change in the dynamic on the bond market, particularly in the US, but also in Europe, where long-term interest rates rose sharply.

This episode of tightening long-term rates came to an end in the autumn. The **fast-falling inflation rate and the prospect of cooling growth** led to the belief that the central bank would no longer find it necessary to hold its key rates high for a long time. The market received confirmation of this hoped-for

“volte-face” in interest rate policy in mid-December when Fed Chairman Powell and ECB President Lagarde dropped strong hints that both central banks were indeed approaching **peak policy interest rates** and that the next step would **probably be a rate reduction. This led to an excellent fourth quarter for the bond markets**, and took the Bloomberg Global Aggregate Bond Index (EUR-hedged) to +4.56% for 2023.

Despite the lack of support from the interest rate environment and uncertainty about economic growth, **equity markets had an excellent year.** The strongest driver of this stock exchange activity was the **breakthrough of generative artificial intelligence** in the first half of the year. This led to reinforcement of market domination by a small group of technology stocks. The broad global MSCI World Index (in USD) ended the year with a return of +24.42%. Just as with the bond markets, sentiment in equity markets **was given a significant boost in Q4 by hopes of a forthcoming turnaround in interest rates.** Furthermore stock price increases extended to ‘forgotten’ market segments, as a result of which the revaluation took place over a broad front.

**Gold prices** also had a **strikingly strong year** (+12% in USD), despite the metal's traditional interest rate sensitivity. Prices were partly underpinned by **substantial central bank purchases.**

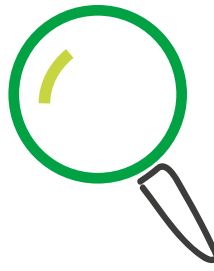
**The price of oil moved sideways**, in a range of about US\$65 to US\$87 per barrel (West Texas Intermediate). Although demand for oil is at an all-time high, and there is no shortage of geopolitical tensions that might upset supply, **the price was stabilised by increased production**, notably in the US, Brazil and Iran.







# In the spotlight



Hereunder you can see a summary of the most important events that took place in 2023 in the Crelan Group. Events of a specifically sustainable nature are reported in the Crelan Group's 2023 Sustainability Report.

9 January



## Welcome to colleagues from AXA Bank's Crédit Sud team

On 9 January colleagues from AXA Bank's Crédit Sud team moved into Crelan's head office in Anderlecht. They had previously been working from the centre of Brussels. Their move to Anderlecht makes it possible to rationalise the use of office space, and above all to promote cohesion between colleagues from AXA Bank and Crelan.

19 January



## Crelan closes a second issue in the form of senior debt notes under its EMTN programme

The bank launched a second issue in the form of a Senior Non Preferred Unsecured Note (SNP) for an amount of €500 million at five years, maturing 26 January 2028 with an annual coupon of 5.75%.

23 and 24 January



## Workshops on our brand identity

At the end of January 2023 various workshops were organised for colleagues of Crelan and AXA Bank, to give them the opportunity of thinking about our brand identity and expressing their opinions.

2 February



## Econopolis passes the €1 billion milestone

Crelan and Econopolis have been working together on funds management for more than ten years, and this collaboration is bearing fruit. In February 2023 the value of the Crelan funds managed by our partner Econopolis passed the €1 billion mark.

23 February



## 'Come together' event

For the first time employees of Crelan and AXA Bank came together for a staff party. The evening's menu featured an academic session and a festive part. It was an opportunity to present current and future projects in a convivial atmosphere before enjoying a festive dinner and evening. A great success!

6 March



### Announcement of annual results

The Crelan Group can announce solid results for 2022

9 March



### Keynote address by Elke Jeurissen

Inspired by International Women's Day, Crelan organises a Diversity and Inclusion Week. It closed with a very interesting keynote address by Elke Jeurissen.

22 March



### New CFO for Europabank

Grete Schaekers, Director, Financial Accounting & Reporting named new CFO of Europabank

27 April



### 4% dividend

On 27 April 2023 the general shareholders' meeting of CrelanCo approved a 4% dividend. A way of thanking cooperative shareholders for their engagement with the Crelan Group.

6 June



### investment webinar 'Your money in 2023: calm after the storm?'

On 6 June Crelan and AXA Bank organised an online investment event for customers.

The main guest in this Dutch-language webinar was Geert Noels, founder and chief economist of Econopolis, who conversed with our Chief Economist: Bart Abeloos. This conversation was professionally moderated by Hanne Decoutere.

Geert Noels was also the main guest for the French-language webinar, with Christophe Deborsu as moderator.

More than 10,000 people watched this fascinating conversation either live or recorded.

28 July



### 87th edition of the Libramont Fair

The 87th edition of the Libramont Fair took place from 28 to 31 July. This major agricultural and horticultural event attracts more than 199,000 visitors. Crelan is lead sponsor for the 47th successive time.

1 September



### Opening of the COOPERATIVE BANK OFFICE

The cooperative bank is one of the most important strategic pillars for Crelan in the coming years. This new team, headed by a Chief Cooperative Bank Officer, was created in order to give concrete expression to this cooperative strategy. The ESG and sustainability policy also falls under this entity.

12 September



### Successful first green bond for €600 million

For the first time the Crelan Group has placed a green bond with institutional investors. Specifically, it is a senior non-preferred bond with a six-year maturity and a call option after five years, issued at 99.582%, giving a coupon of 6% and a yield of 6.102%.

Crelan will use the capital raised by the issue to grant credit for green buildings. This concerns both loans for acquisition and for green renovation purposes.

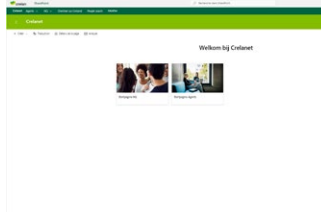
13 September



### New Crelan-Corendon cyclocross team

Crelan-Fristads is now called Crelan-Corendon. It gives the team extra power: alongside Laurens Sweeck and Sanne Cant there are a number of new racing cyclists.

1 October



### New intranet

Employees at the head offices of both Crelan and AXA Bank now share the same intranet. A practical, modern and interactive means of communication

25 October



### Agreement on a new scale of commissions for agents

By means of joint consultation in the parity committee, we reached agreement on a new scale of commissions for the merged bank.

13 November



### Launch of new Crelan brand identity

This new identity finds expression in a new logo, a new tone of voice, a website and a number of agencies in new corporate colours.

30 November



### Launch of Crelan's new app

Our mobile application underwent a complete transformation, as regards both the customer experience and its architecture. Much attention was paid to ease of use and intuitiveness. In order to create a smooth-flowing user experience, a number of elements were used, such as a floating action button (for quick actions), navigation through the various products with the help of a cursor, and so forth. The application is of course perfectly aligned with our new brand identity and particular attention is naturally devoted to security.

4 December



### New Crelan Visa Debit cards

Since 4 December 2023, we have been issuing new Crelan Visa Debit cards on recycled PVC. The plan is to replace all existing cards on expiry with recycled PVC cards.

5 December



### Launch of major advertising campaign

This campaign consists of TV and radio commercials, billboards and so on. The aim is to make our new brand identity known and also to remind people that Crelan stays true to its values of proximity.

22 December



### Launch of the crelan podcast channel

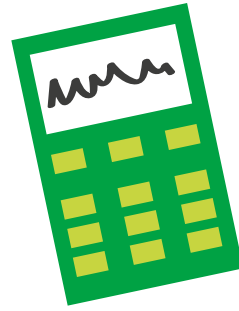
On 22 December we launched our own podcast channel, with 'Geldwijs' (Money-wise) and 'Oog in Oog' (Face to Face) as the first podcast series.

'Geldwijs' is an eight-part podcast in which we tell you everything you need to know about 'getting started with investment'. Our Chief Economist, Bart Abeloos, together with bank agents Nele Verhofstadt and Bram Luyckx, explains everything about how to start investing.

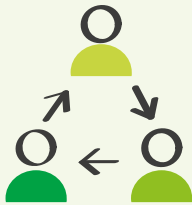
'Oog in Oog' is a podcast in which our employee Koen Van Audenhove talks with well-known guests about how they manage their money. The aim of this podcast is to underline the importance of financial education. Guests such as Charlotte Van Brabander, Andy Peelman, Pascal Paepen and Philip Roodhooft give us a lot of interesting insights into how they handle their money!



# Key Crelan Group figures 2023



## Employees, offices, cooperative shareholders and customers



**4.456**

Headcount



**792**

Branch offices



**283.629**

Cooperative shareholders



**1.798.373**

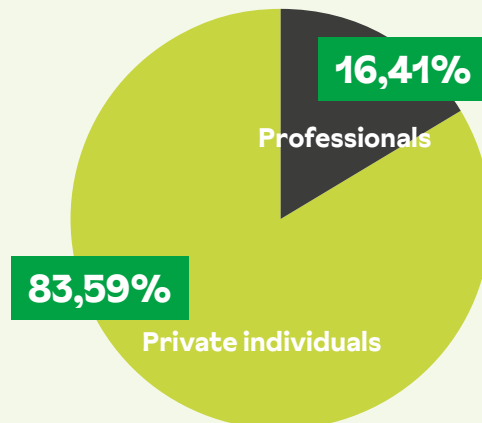
Customers

## Distribution of loan outstandings

**€49.0 billion**

\* 26.03% of which to farmers and horticulturists

## Composition of loan portfolio



## Consolidated key figures (in € millions)

	2022	2023	evolutie
<b>Customer deposits (incl. subordinated certificates)</b>	48,563.71	48,973.62	+ 0.84%
<b>Loans to customers (IFRS)</b>	47,303.72	48,433.53	+2.39%
<b>Loans and receivables</b>	47,778.84	49,011.91	+2.58%
<b>Financial portfolio</b>	1,218.57	779.19	-36.06%
<b>Equity (incl. cooperative capital)</b>	2,331.13	2,510.07	+7.68%
<b>Total assets</b>	2,331.13	2,510.07	+7.68%
<b>Net result</b>	53,842.30	53,987.99	+0.27%

## Consolidated ratios

	2022	2023
<b>Cost Income Ratio</b>	76,55%	66,70%
<b>Loan Loss Ratio</b>	0,05%	0,07%
<b>ROE</b>	7,33%	8,88%
<b>ROA</b>	0,29%	0,38%
<b>CET1 Kapitaal ratio</b>	21.27%	25.48%
<b>Tier 1</b>	24,02%	28,39%
<b>CRD Kapitaal ratio</b>	26.3%	30.8%

### Legend

**CIR (Cost Income Ratio):** Compares operating costs with operating revenues. Efficiency indicator.  
(For each euro of revenue, the group incurs costs of €0.667 (66.7 cents).)

**Loan Loss Ratio:** Contrasts credit losses with the total credit portfolio. Indicator for quality of the credit portfolio.  
(The group loses €0.0007 (0.07 cents) by way of bad debts for every euro of outstanding loans).

**ROE (Return on equity):** Contrasts net profit with equity. Indicator of return or profitability.  
(For every euro of equity the group obtains €0.0888 (8.88 cents) net profit)

**ROA (Return on Assets):** Contrasts net profit with balance sheet total. Indicator of return or profitability.  
(For every euro of assets the group obtains €0.0038 (0.38 cents) in net profit)

**Tier 1 common equity capital ratio:** Compares core capital with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has €0.2548 (25.48 cents) of common equity core capital)

**Tier 1 total capital ratio:** Compares core capital and AT1 with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has €0.2839 (28.39 cents) of total core capital)

**CRD = Total Capital Ratio:** Compares core capital plus AT1 and Tier 2 capital with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has €0.2839 (28.39 cents) of total core capital)





# What does the merger of Crelan and AXA Bank mean for customers?

“Since the actual integration of Crelan and AXA Bank Belgium is planned for 2024, the year 2023 was largely devoted to preparing for the migration of AXA Bank data to the Crelan platform. In this way all AXA Bank customers and agents are moved to Crelan with a harmonised product range that is supported by a single IT platform. As well as preparing the migration in the various banking areas we also worked on the IT infrastructure and launched various initiatives for our customers and independent agents. For example, a new mobile customer application was developed and the agents were provided with a new tool for processing loan applications. Starting in the summer we carried out full simulations of the migration weekend, in which we verified the accuracy of the migration and the proper functioning of the migration processes. Additionally, we devoted considerable attention to testing our banking processes with the migrated AXA Bank data in order to make sure that the bank would function properly after the migration weekend.”

Since Crelan’s acquisition of AXA Bank Belgium on 31 December 2021, this financial service provider has been active in the Belgian market with three banking brands: Crelan, its subsidiary Europabank and AXA Bank Belgium.

The goal however is to combine Crelan and AXA Bank Belgium and to continue the activities of the merged bank under the Crelan name.

During 2023 this integration, planned for 2024, was prepared. The integration constitutes an essential component of the strategy that the Crelan Group aims to implement in the next few years.

The management of Crelan Group clarifies the reasons for the merger and its meaning for the bank’s customers and cooperative members.

## Why this integration?

**Emmanuel Vercoustre, CFO:** “The acquisition of AXA Bank Belgium and its integration with Crelan is part of a long-term vision to strengthen our banking group and give us the opportunity to respond even more effectively to our customers’ wishes. Banks are having to face significant investments, both in well-established and current digital services and in the implementation of changed and constantly evolving regulations. At the same time, profit margins are rather limited. Banks’ scale is therefore important. Combining Crelan and AXA Bank Belgium produces a bank twice as big that can provide services to twice as many customers. This makes our investments more profitable.”

## Will it also benefit customers?

**Jean-Paul Gregoire, COO-CHRO:** “That’s certainly the intention. A bank that’s twice the size also means shared experience and know-how and a larger offering for our customers. As far as possible we’ve already made our own offering together with those of the financial partners that Crelan and AXA Bank work with available to all our customers. So, for example, AXA Bank customers can become cooperative shareholders of Crelan if they so wish, providing they have the appropriate investor profile. From now on they can also access the investment formulas of funds managers Amundi and Econopolis Wealth Management and the insurance formulas of Allianz in their AXA Bank branch offices. Professional customers can make use of Europabank’s leasing and renting solutions and the offer of payment terminals. For Crelan customers, we introduced AXA IM investment formulas and AXA Belgium’s insurance offering, which also offers specific solutions for our agricultural customers. In addition, we’re also working on a new mobile banking application that will gradually be opened up to Crelan and AXA Bank customers.”



“The acquisition of AXA Bank Belgium and its planned merger with Crelan not only makes our financial group stronger, but will also expand our services and offering to customers. We see this as a 100% win-win situation and are determined to make it so. Our financial group has doubled in size, but remains true to its philosophy of proximity to customers, local anchoring of bank branches, care for its cooperative shareholders and a focus on a sustainable transition. Digitisation is necessary and useful, but only in combination with the strong local presence of professional, independent banking agents who are available to advise our customers.”

- Philippe Voisin  
CEO

### Doesn't a merger mean fewer bank branches, fewer ATMs and less service?

**Joris Cnockaert, CCO:** “With our 792 branches spread throughout the country, the Crelan Group has the largest branch network. The same also applies to our ATMs, present in 499 locations. It would not be correct to maintain that the merger will have no impact on the number of branches. In many municipalities, Crelan and AXA Bank branches are very close to one another, often on the same street. We have worked out a footprint for our future branches that takes into consideration factors such as the size of portfolios, the expertise available, facilities, the size of the branch team, etc. Within that framework, we estimate that by the end of 2027, we'll have a branch network of 420 to 500 branches, which will still be one of the largest, if not the largest, network of branches in Belgium. We will gradually enter into dialogue with our independent branch holders who make their own decisions in this respect. If these branches merge, we will maintain a local presence with a larger branch team on hand to offer a more focused and all-round service to customers. This will mean less investment in buildings and more in local branch teams. By following this approach, the number of locations with a Crelan ATM will remain high.”

### Do customers need to do anything in response to the merger?

**Frédéric Mahieu, CIO:** “Integration of Crelan and AXA Bank Belgium is scheduled for 2024. An important, if not the most important, part of this project is the migration of AXA Bank data to the Crelan platform. As a result, AXA Bank customers will be able to obtain service at any Crelan branch in the future, while the bank will no longer have to invest in two IT platforms.

Our aim is to minimise disruption to customers as much as possible by making the process as good as automated. This also explains why we have earmarked two years of preparation time. Customers will be informed promptly and will have to take very little, if any, action. The conditions of their current investments, loans and insurance products will remain unchanged.”

### Will the merged bank still be a secure bank?

**Pieter Desmedt, CRO:** “The acquisition of AXA Bank Belgium and its merger with Crelan is a strategic and financially sound decision. The whole process is being closely followed and monitored by the supervisors. The acquisition of AXA Bank Belgium makes Crelan a significant financial institution under the direct supervision of the European Central Bank (ECB).

We have fully adapted our reporting and monitoring procedures in response to this. For the 2023 financial year, the bank posted a net result of €207 million. Cooperative shareholders of our banking group can expect to receive a 4.25% dividend.” Crelan and AXA Bank have long been financially sound banks, and the merger will only make them stronger.

“I’ve been closely involved in the evolution of the Crelan Group for more than 38 years. Two elements have always been central to this: doing what we’re good at without taking unnecessary risks; and looking after the cooperative shareholders and customers. This philosophy is part of our genetic make-up and has allowed us to create a solid path for growth. Always under our own steam. The Board of Directors is also determined to remain true to these principles. A cooperative bank must promote the interests of its cooperative shareholders, its customers and its employees as a good pater familias or reasonable man. They make and indeed ultimately are the bank, and I wish to thank them wholeheartedly.”

- Luc Versele





# Consolidated management report of the Crelan Group, financial year 2023

# Results and synergies of the Group and its members

## Synergies

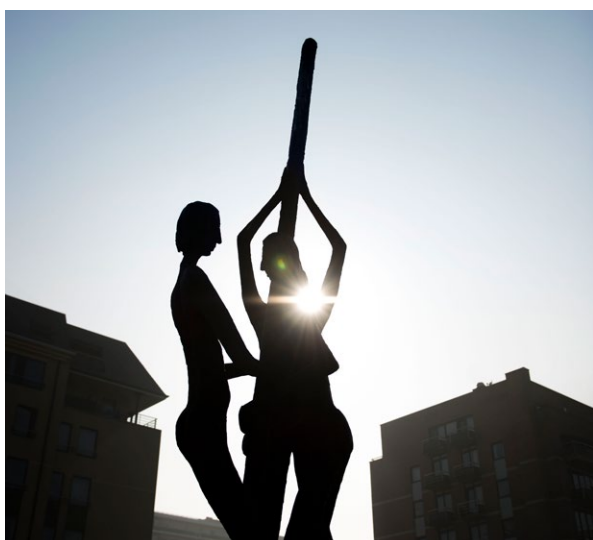
The Crelan Group is active with three banking brands in the Belgian market: **Crelan**, its subsidiary **Europabank**, and **AXA Bank**.

Three banks, each with several decades of experience. Sharing this experience and working together in a targeted way as regards service provision and product offering **has a leveraging effect which works to the advantage of the Crelan Group and its customers.**

This cooperation finds expression in the granting of loans, financial renting and leasing, the supply of payment terminals and the processing of payment traffic.

The entities forming the group also worked closely together on larger projects, such as determining the ESG (Environment, Social, Governance) policy and strategy, financial management of the bank portfolio, governance of the second line of defence, etc. The commercial synergies of recent years between the various entities of Crelan Group continued.

More detailed information on this can be found in the description of the strategy and functioning of the three banks in this annual report.



## Crelan NV results

### Cooperative shareholders and customers

At 31 December 2023, **271,363 cooperative shareholders and 762,095 customers** had placed their trust in Crelan.

### Higher market interest rates led to a shift out of savings accounts and sight deposits into term deposits

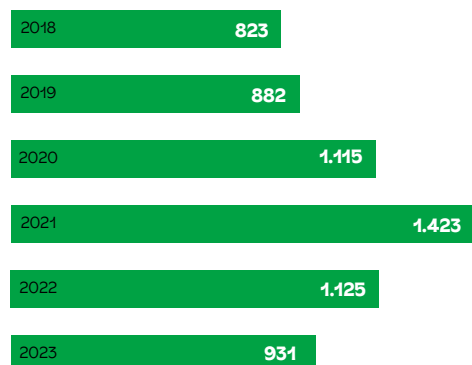
At year-end 2023, **outstanding customer deposits** with Crelan stood at **€20.7 billion**. Following the increase in the ECB's deposit rate, Crelan also increased the rate on savings and term accounts in a number of steps. As a result there was a **significant shift out of savings and sight accounts and into term deposits**. In line with market developments **outstanding customer deposits** fell by **2.2%**, or **€471 million**.

The following were the most significant changes as regards customer deposits in 2023:

- The number of **private individual current accounts** grew by **4.02%** to 499,274, while for **professional current accounts** we saw growth of **1.76%** to 92,073. **Outstanding current accounts** fell by **11.4%** to €5.8 billion.
- As a result of both the success of the one-year government bond issued on 5 September 2023 and the demand for term deposits, **savings account balances** fell by **12.6%** to €12.3 billion.
- **Term deposits** increased by **€2.19 billion** to €2.35 billion.
- The limited **portfolio of savings certificates** fell further to **€257 million**, since these products are no longer offered.

## Production of Funds and Structured Notes: INSECURITY LEADS TO PRUDENCE

### Production of Funds & Structured Notes (incl. pension) (in € millions)



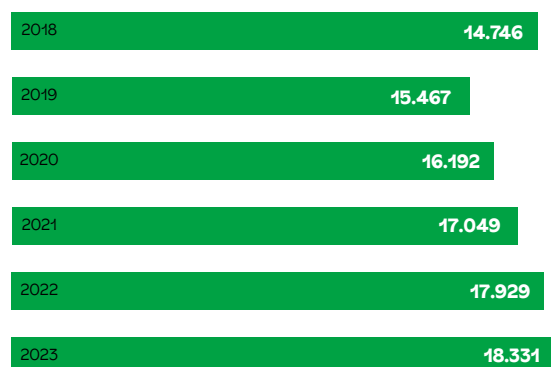
The after-effects of the poor 2022 on the stock exchanges continued to be felt in 2023, leading investors to adopt a rather **prudent “wait-and-see” attitude**. Furthermore rising interest rates fanned **demand for fixed income products with capital protection**. Investment funds were less sought after as a result. This quest for security also explains the huge success of the government bond issued at the end of August.

**Production of Funds and Notes** was also **17.2% lower** in 2023.

**Total investment production** (stock exchange and market purchases and investment products of partners) rose, partly as a result of purchase of the government bond, **by over 50.2%** (€1.79 billion in 2023 as against €1.19 billion in 2022).

## Evolution of credit portfolios

### Total loan outstandings (in € millions)

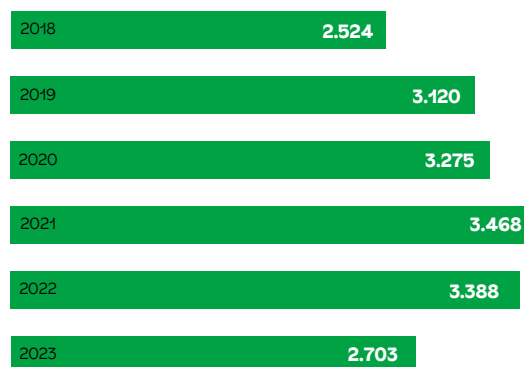


**Total loan outstandings** increased in 2023 **by 2.3% to €18.3 billion**.

Outstanding home loans rose to €13.4 billion, an increase of 2.6%. Lending to sole proprietors and SMEs rose by 7.3% from €2.35 billion in 2022 to €2.52 billion in 2023 while agricultural loan outstandings fell by 6% from €2.14 billion in 2022 to €2.01 billion in 2023.

## Evolution of Loan production: €2.7 billion in new loans granted

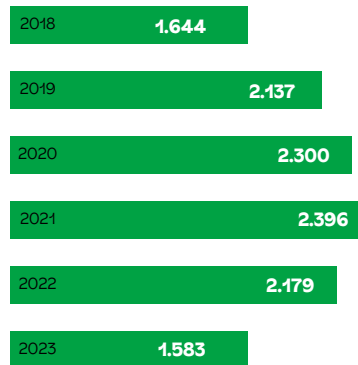
### Total loan production (in € millions)



In 2023, Crelan granted **€2.7 billion in loans** to its private individual and professional customers. This figure does not include refinancing operations. The decline came mainly from housing loans, due to the exceptional macro-economic circumstances. **Production of loans to professionals also slowed, due to geopolitical uncertainties and higher interest rates as a result of appreciably higher inflation.**

## Evolution of lending to private individual customers

**Total loan production to private individuals**  
(in € millions)



**Loans granted to private individual customers declined by 21% to €1.58 billion.** The exceptional macro-economic developments and unprecedentedly sharp rise in market interest rates led to a generalised shrinkage of the real estate market. Crelan was not able to escape this market trend. Competitive pressures increases sharply on this shrunken market. In this difficult context, Crelan did however manage to slightly **increase its market share** of approved loans **to 5%**.

**Production of instalment loans increased by 2% to €187 million.** The decline in refurbishment loans following the record high volumes of 2022 was amply offset by the revival in car loans following the semi-conductor crisis.

## Evolution of lending to professional customers

### Financing of SMEs and entrepreneurs

Geopolitical tensions and higher interest rates also led to uncertainty and scaled-down investment plans **on the part of entrepreneurs.** With €610 million in new lending to SMEs and sole proprietors, **loan production fell by 10%.**

### Financing of agricultural and horticultural projects

**Loan production in the agricultural and horticultural segment declined by 17% to €323 million.** Persistent uncertainty as regards long-term prospects due to the nitrogen problem again soured the investment climate in the Flemish agricultural and horticultural sector. Just as in 2022, there was a striking difference in this respect between the Flemish agricultural and horticultural sector and its counterpart in Wallonia, where this problem plays a lesser role.



## Results of Europabank

**europabank**

### Production results

Europabank granted loans of **€542.5 million** in 2023, up by €16 million on the previous year and another all-time record.

Crelan offices contributed €59.0 million to this result, as against €48.5 million in 2022. For AXA Bank agents 2023 was the first full year of collaboration with Europabank. Their share amounted to €36.0 million as against €19.2 million in 2022 when production did not start until May.

Thanks to the record production, **total loan outstandings grew by 12.2%** (€171.6 million).

At the same time **deposits rose** by €168.7 million (+10.4%).

In 2023, Europabank once again saw strong growth in the processing of **card transactions**. **Turnover increased by 22.7%** relative to 2022. The number of actively connected merchants rose by 8.6%.

### Financial results

Thanks to especially strong loan production, relatively low impairments and the strong growth in the processing of card transactions, the bank posted a highly satisfactory **net profit** for 2023 of **€30.5 million in IFRS terms** (€29.8 million in BE GAAP terms.)

Due to the strong indexing of wages and rising inflation, **the cost-income ratio** for 2023 rose to **52.8%** as against 50.0% in 2022, which still shows that the bank has a **high-performing and solid structure**.

**Return on equity** remained high, at **18.0%**.

### Operational functioning

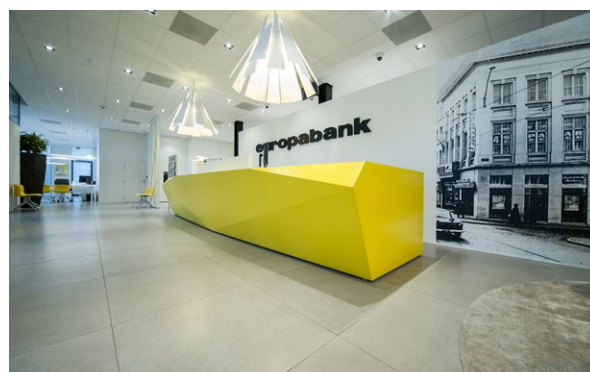
Europabank has **47 branches**. At the end of 2023 the bank's **workforce** stood at **351.8 FTEs**, **4.8% more** than at the end of 2022. Of these, 168.5 FTEs work in the branch offices and 183.3 in the head office.

Through the real estate agency brand **eb-lease**, Europabank collaborates wholeheartedly and efficiently with Crelan and AXA Bank agents. This enables them to offer their customers both the **specific lending solutions** of Europabank and the **payment solutions for the processing of card transactions**, thus widening the range of products they can offer. In 2023 the emphasis was placed on collaboration for **finance leasing and renting** as alternative forms of financing for professional customers.

**The E-broker online platform** was renewed in 2023. Not only was it redesigned but it was also provided with new functionalities such as simpler identity and access management, a visual dashboard for keeping track of files and a document upload zone. The roll-out of the renewed E-broker platform means a great step forward in terms of ease of use for all producers, for both loans and cards.

Digitisation is an important pillar for Europabank, vis-à-vis its customers too. For example, the bank regularly adds new functionalities to **eb online**, the online banking platform. Thanks to the integration of a document portal for **e-signing**, customers can sign more and more documents remotely. The bank will continue to extend this digitisation in the future too.

Lastly a specific working group and a youth council, in collaboration with Crelan, continue to work on Europabank's **ESG policy**. Various actions were elaborated in 2023 to ensure the sustainable operation of the bank. Thanks to these efforts Europabank was awarded **the Voka Charter for Sustainable Entrepreneurship** in 2023.





## Results of AXA Bank Belgium



### Customers

At 31 December 2023, **848,506 customers** had placed their trust in AXA Bank Belgium.

### Customer deposits

In 2023, total **customer deposits grew by 0.5%** or €97 million **to €19.96 billion**. The economic context of **rising inflation and falling purchasing power** resulted in a clear **slowdown in growth**.

The total of €19.96 billion in customer deposits breaks down as follows:

- €4.24 billion **in current accounts, down by 10.1%**. The number of comfort2bank current accounts grew by 4.39% while the number of free start2bank current accounts fell by a further 6.97%;
- €11.97 billion **in savings accounts** of private individuals and professional customers, **down by 18.6%**. Two factors explain this €2.74 billion decline in the portfolio: the great success throughout the year of term deposits and the success of the one-year government bond in September;
- €3.75 billion **in term deposits, up by €3.31 billion**. Rising market interest rates made for attractive returns on this product, and this convinced a large number of customers to place new and existing savings at fixed term.

### Evolution of INVESTMENTS

#### Off-balance sheet outstandings

(in € millions)

2021	6,09
2022	5,45
2023	6,16

Total **off-balance sheet investments** grew from €5.54 billion to €6.16 billion **(+11.3%)** thanks to increased stock exchange activity at the end of the year.

Rising interest rates made many investors cautious and aroused their interest in fixed income products with capital protection. In this context, investment funds in particular were less sought after and, as a result, total production of investment funds fell by 47.5%, from €791 million in 2022 to €415 million in 2023.

This same demand of customers for fixed income products played to the advantage of EMTN issues which amounted to €307 million in 2023. This represents an increase of over 316% relative to 2022.

However, total production of Funds and EMTNs was 15.9% down on 2022.

Against this are the huge volumes that flowed into term deposits. In this context, AXA Bank also launched a one-year term deposit as an alternative to the government bond.

### Evolution of lending

High inflation, the energy crisis, uncertain economic expectations and high market interest rates combined to form the basis for a **slowing real estate market**. The **mortgage loan market declined** in one year **by 33%**. This trend is also observable in AXA Bank Belgium's **production of mortgage loans**. With production of €2.2 billion the bank saw **a decline of 32% relative to 2022**. This is also the lowest production amount since 2015.

In many cases customers have put their purchasing plans on hold in view of the general increase in the cost of living and economic uncertainty. The shrunken market further intensified competition and increased pressure on margins. Nevertheless **AXA Bank Belgium managed to increase its market share slightly to 7.2%**. The **portfolio of mortgage loans also continued to grow, to €23.6 billion**, and is of excellent quality.



Our vision whereby mortgage loans will be positioned as an 'advisory product' supported by professional advice from our local bank agents remains unchanged.

In 2023, AXA Bank Belgium offered its customers the possibility of concluding their mortgage loan for energy investments for a longer term. In this way customers could limit their monthly outgoings or consider a bigger sustainable investment for the same monthly instalment. It also gave customers the possibility of undertaking sustainable investments sooner, leading in due course to lower energy outgoings.

The **production volume of instalment loans showed a limited decline of 3%** to €353 million. The reason for this is that the amount granted by way of **refurbishment loans was down by 14%**, and that this was mainly in refurbishment projects for energy-efficient investments. Here too the influence of higher interest rates and the difficult economic context played a role, leading customers who were considering energy-saving investments to make more use of government stimulus measures which are largely geared to mortgage loans.

**Car loans** do however show a **recovery** now that the semi-conductor crisis is over the worst. Volumes of car loans **grew by 8%** relative to 2022. The market share was 3.7%.

**Production of lending to professionals** amounted to €525 million in 2023, **22% down** on the €666 million of 2022. The uncertain economic and geopolitical context certainly played a role in this. The **portfolio** grew from €2.53 billion to €2.59 billion **(+2.6%)**.

In 2023 AXA Bank Belgium launched the Business Banking Academy, with various training programmes for its agents as part of a long-term strategy placing thorough training centre-stage as a condition for achieving further growth.

The accounting events again took place in hybrid form in 2023 in two joint editions for AXA Bank and Crelan agents.

With the continuous investment in agent training, the encouragement of a proactive approach and the sustained commercial efforts of recent years in the B2B segment, the bank is convinced that it will once again be able to achieve solid growth in this segment once economic activity recovers.

# Balance sheet and income statement

Consolidated accounting figures in IFRS

## Consolidation

### Valuation rules

No changes were made to the valuation rules for financial year 2023.

### Consolidated balance sheet

The following tables show the evolution of the main elements of the consolidated assets and liabilities and consolidated equity between 2022 and 2023.

#### Assets

Assets (in € millions)	31/12/2022	31/12/2023	Δ	%
Cash in hand, current accounts with central banks and other on-demand deposits.	7,13	5.566	-1.564	-21,9%
Financial assets held for trading.	12	10	-2	-17,3%
Financial assets at fair value with changes through profit or loss.	6	7	0	0,5%
Financial assets at fair value through other comprehensive income (FVOCI)	242	173	-69	-28,7%
Financial assets at amortised cost	48.749	49.612	863	1,8%
— Loans and advances to customers (including finance leases)	47.779	49.012	1.233	2,6%
— Debt securities	970	600	-370	-38,1%
Hedging derivatives	326	224	-102	-31,3%
Changes in the fair value of hedged positions upon fair value hedging of the interest rate risk of a portfolio	-3.149	-2.007	1.143	-36,3%
Property, plant and equipment	85	85	0	0,1%
Goodwill and other intangible assets	47	42	-5	-10,9%
Investments in subsidiaries, joint ventures and associates	13	11,28	-1,72	-13,2%
Tax receivables	217	70	-146	-67,6%
Other assets	165	196	31	18,5%
Assets held for sale and discontinued operations	0	0	0	
<b>Total assets</b>	<b>53,842</b>	<b>53,988</b>	<b>146</b>	<b>0,3%</b>

As regards the composition of the balance sheet on the assets side, at 88%, financial assets at amortised cost remain the biggest component. Liquid assets and current account balances with central banks form the second most important component, at 10.3%.

The balance sheet total increased by €146.0 million in the course of 2023. On the assets side the biggest increases in 2023 were in: change in fair value of hedged positions in the context of interest rate risk hedging (€1.14 billion) and financial assets at amortised cost (€863 million). These increases were attributable on the one hand to the change in fair value of hedged positions as a result of changes in the market value due to developments in the financial markets, and on the other hand to the good loan production for assets valued at amortised cost, which exceeded repayments in 2023. New lending totalled €6.3 billion in 2023, mainly in the

retail segment. Liquid assets and current accounts with central banks showed the biggest decline (-€1.56 billion), mainly due to the fall in assets with the central bank.

Tax receivables decreased by €146 million compared to 2022. Current taxation at Crelan diminished in 2023 due to a €10 million excess prepayment of tax. At the same time, deferred tax assets of AXA Bank Belgium and AXA Bank Europe SCF declined as a result of the offsetting since 2023 of obligations falling under hedge accounting. In the first half of FY23 AXA Bank Belgium concluded that, at entity level, the fair value hedge adjustment relating to the micro-hedge relationship should be attributed to AXA Bank Belgium. This resulted in a considerable decrease in deferred tax assets and liabilities recognised.

## Liabilities

Liabilities (in € millions)	31/12/2022	31/12/2023	Δ	%
Financial liabilities held for trading	36	22	-14	-38,8%
Financial liabilities at fair value with changes through profit or loss	376	295	-81	-21,5%
Financial liabilities at amortised cost	50.483	50.540	57	0,1%
Deposits	43.793	43.555	-237	-0,5%
— Credit institutions	1.388	1.165	-223	-16,1%
— Other than credit institutions	42.405	42.391	-14	0,0%
Debts embodied in debt securities including bonds	5.950	6.378	428	7,2%
Subordinated liabilities	209	205	-4	-1,8%
Other financial liabilities	531	402	-129	-24,3%
Hedging derivatives	7	17	10	138,5%
Changes in the fair value of hedged positions upon fair value hedging of the interest rate risk of a portfolio	-40	15	56	-137,7%
Provisions	247	299	52	21,0%
Provisions for taxation	237	66	-171	-72,1%
Other liabilities	165	223	58	35,4%
Liabilities relating to groups of assets held for sale and discontinued operations	0	0	0	
<b>Total liabilities</b>	<b>51.511</b>	<b>51.478</b>	<b>-33</b>	<b>0,1%</b>

On the liabilities side, 98.2% consists of liabilities measured at amortised cost. The bulk of this amount (93.6% of the balance sheet total) relates to customer deposits.

Financial liabilities at fair value with changes through profit or loss fell by -€81 million in 2023 as a result of the maturing of EMTNs (European medium term notes) for -€102 million, an increase of +€10 million in MtM and lastly an increase of +€11 million in DVA (Debt Value Adjustment).

Financial liabilities at amortised cost rose by €57 million. On the one hand, debt certificates and subordinated debts (savings certificates, CDs and subordinated bonds) increased by €427 million. It should be pointed out that this increase was mainly the result of the change in the position of covered bonds (-€525 million), the decrease in certificates of deposit (-€148 million) and subordinated bonds (-€4 million), which were all offset by the issue of €1.1 billion in SNP (Senior non-preferred) notes by Crelan in the course of 2023.

Deposits with credit institutions fell by -€223 million, while customer deposits declined by €14 million.

Lastly other financial liabilities were down by €129 million. This was mainly the result of the decrease in cash collateral (-€125 million.)

Provisions increased by €52 million compared to 2022. On the one hand, this was mainly due to the setting aside of new provisions for the transformation of the agents network (+€32 million), for IPC (irrevocable payment commitments) (+€7 million), for phishing (+€6 million), migration (+€11 million), FATCA (€2 million) and legal disputes (+€4 million). On the other hand, these movements were partly offset by the €8 million decrease in provisions for personnel (retirements, pension scheme, IAS 19 employee benefits, etc.) Lastly, provisions for liabilities and guarantees given declined by €1 million.

Deferred tax liabilities declined by €171 million compared with 2022, mainly as a result of a change in the presentation of deferred taxation at AXA Bank Belgium and AXA Bank Europe SCF, as explained under Assets.

## Equity

Equity (in € millions)	31/12/2022	31/12/2023	Δ	%
<b>Capital subscribed</b>	<b>912</b>	<b>941</b>	<b>28</b>	<b>3,1%</b>
— Capital paid up	912	941	28	3,1%
— Capital called but not yet paid up	0	0	0	0,0%
<b>Share premium account</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0%</b>
<b>Other equity</b>	<b>245</b>	<b>245</b>	<b>-1</b>	<b>0,0%</b>
<b>Other components of equity</b>	<b>6</b>	<b>-4</b>	<b>-10</b>	<b>-170,9%</b>
Items that will not be reclassified to profit and loss	3	-7	-9	-326,5%
— Actuarial gains/losses on pension plans	0	-13	1	-4,4%
— Changes in fair value of financial liabilities at fair value with changes through profit and loss due to changes in their credit risk	0	7	-10	-58,3%
Items that may be reclassified to profit and loss	3	2	-1	-17,3%
— Changes in the fair value of debt instruments at fair value with changes through other comprehensive income	3	2	-1	-17,3%
<b>Reserves (including retained earnings)</b>	<b>1.010</b>	<b>1.122</b>	<b>112</b>	<b>11,1%</b>
<b>Profit for the year</b>	<b>158</b>	<b>207</b>	<b>49</b>	<b>30,9%</b>
<b>Non-controlling interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0,0%</b>
<b>Total equity</b>	<b>2.331</b>	<b>2.510</b>	<b>179</b>	<b>7,7%</b>
<b>Total liabilities and equity</b>	<b>53.842</b>	<b>53.988</b>	<b>146</b>	<b>0,3%</b>

Changes in equity concern on the one hand a capital increase of €28.3 million as a result of the issue of cooperative shares in 2023 and on the other its use in paying the interest on the AT1 bonds and the dividend. The balance was transferred to reserves.

The increase in profit relative to 2022 amounted to €48.8 million.

The CRD capital ratio stood at 30.8% at the end of 2023, as against 26.3% at the end of 2022. The Tier 1 ratio came to 28.39% at the end of 2023 as against 24.02% one year earlier.

## Consolidated IFRS result

Consolidated overview of realised and unrealised results (in mio EUR)	31/12/2022	31/12/2023	Δ	%
<b>ORDINARY BUSINESS ACTIVITIES</b>				
<b>Financial and operating income and expenditure</b>	<b>774,1</b>	<b>1.039,9</b>	<b>265,8</b>	<b>34,3%</b>
Interest received	813,3	1.875,8	1.062,5	130,6%
Interest paid	-135,2	-888,1	-752,9	556,9%
Dividends	0,8	0,3	-0,5	-61,7%
Income from commissions and remuneration	247,2	255,3	8,1	3,3%
Commission and remuneration expense	-193,6	-242,7	-49,1	25,4%
Realised gains and losses on financial assets and liabilities that are not measured at fair value through profit and loss	7,5	-15,5	-23,0	-308,1%
Gains and losses on financial assets and liabilities held for trading	-64,5	28,0	92,5	-143,4%
Gains and losses on financial assets and liabilities at fair value with changes through profit and loss (net)	51,2	0,1	-51,1	-99,8%
Gains or (-) losses on financial assets not held for trading that must be measured at fair value with changes through profit and loss, net	-0,2	-8,2	-8,0	
Adjustments to fair value upon administrative processing of hedge transactions	10,5	3,8	-6,7	-63,6%
Revaluations of exchange rate differences	1,4	2,2	0,8	56%
Gains and losses on derecognition of assets other than those held for sale	0,0	0,0	0,0	
Other operating income	36,0	29,1	-6,9	-19,2%
Other operating expense	-0,3	-0,2	0,1	-44,6%
<b>Administration costs</b>	<b>-492,8</b>	<b>-590,0</b>	<b>-97,2</b>	<b>19,7%</b>
Personnel costs	-184,4	-193,9	-9,5	5,2%
General and administrative expenses	-308,4	-396,1	-87,72	8,4%
<b>Cash contributions to resolution funds and deposit guarantee schemes</b>	<b>-45,4</b>	<b>-47,0</b>	<b>-1,73.7%</b>	
Depreciation and amortisation	-15,7	-23,7	-8,0	50,6%
Property, plant and equipment	-11,1	-17,4	-6,3	57,1%
Intangible assets (other than goodwill)	-4,7	-6,3	-1,6	35,2%
<b>Gains or (-) losses on value adjustments, net</b>	<b>0,1</b>	<b>0,1</b>	<b>0,0</b>	<b>0%</b>

<b>Provisions</b>	<b>14,0</b>	<b>-52,4</b>	<b>-66,4</b>	<b>-475,1%</b>
<b>Exceptional value adjustments for impairment</b>	<b>-24,7</b>	<b>-50,6</b>	<b>-26,0</b>	<b>105,4%</b>
Exceptional value adjustments for impairment of financial assets not measured at fair value with changes through profit and loss	-24,7	-50,6	-26,0	105,4%
— Financial assets at fair value through other comprehensive income (FVOCI)	0,0	0,0	0,0	0%
— Financial assets at amortised cost	-24,7	-50,6	-26,0	105,4%
Exceptional value adjustments for impairment of property, plant and equipment	0,0	0,0	0,0	0,0%
<b>Negative goodwill immediately recognised in profit and loss</b>	<b>3,7</b>	<b>0,0</b>	<b>-3,7</b>	<b>-100%</b>
<b>Gains and losses on fixed assets that are being sold off, classified as held for sale</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	
Total profit/(loss) for the year from continuing operations before deduction of tax and non-controlling interests	213,4	276,3	62,9	29,5%
Tax in respect of the profit/(loss) for the year from continuing operations	-55,2	-69,2	-14,1	25,5%
— Current taxation	-37,9	-79,6	-41,7	110%
— Deferred taxation	-17,3	10,3	27,6	-159,6%
<b>Net profit or loss</b>	<b>158,2</b>	<b>207,0</b>	<b>48,8</b>	<b>30,9%</b>

The above table comes from the financial statements and can also be presented in simplified form in the following diagram in order to explain the result of the Crelan Group:

€ millions	2022	2023
<b>Net Interest Income</b>	686	1,037
<b>Fee and other income</b>	287	276
<b>Net Banking Income</b>	974	1,313
— Operational Costs	-406	-469
— Bank Levies	-99	-117
— Commissions	-240	-289
<b>Administrative Costs and Commissions</b>	-746	-875
<b>Costs of credit risk and other provisions</b>	-14	-51
<b>Tax on operating result</b>	-49	-99
<b>Operating Result</b>	166	288
<b>Specific elements*</b>	-8	-81
<b>Net profit</b>	<b>158</b>	<b>207</b>

## Net Banking Income

The net financial result increased by **€339 million** relative to 2022. Despite the difficult start to 2023, with persistently unstable market circumstances due to the war in Ukraine and the high inflation and resulting lower investment results, interest rates climbed back over the course of the year. Thanks to a good pricing strategy, this led to a lower cost of deposits and thus overall to greater growth in interest income. Treasury activities also posted an extra positive result thanks to the rise in short-term interest rates and an efficient transformation policy.

Fee income rose slightly by €7.8 million, mainly related to investment and payment flows, but this increase was more than offset by the one-off impact of the disposal of a Crelan bond portfolio for -€19.4 million.

## Administrative Costs and Commissions

**Administrative costs (including depreciation and amortisation) and commissions rose by €129 million** relative to 2022.

As far as administrative costs are concerned the increase was partly due to a €17 million increase in personnel costs, mainly as a result of salary indexation. For the rest, it was due to an overall increase of €56 million in general operating costs. The most significant items here were: higher IT costs (+€25.6 million) and extra disbursements for the marketing campaign on the launch of the new logo (+€4.4 million).

Depreciation and amortisation increased by €8 million relative to 2022. This had to do with a one-off extra amortisation of old capitalised IT projects.

The amount of **commissions** paid to agents increased by €49 million relative to 2022. This increase was the result of higher net banking income, more specifically higher commissions based on outstandings, partly offset by a decrease in growth commission and extra measures to support the agents, given the difficult macro-economic circumstances.

The cost-income ratio (CIR) declined in 2023 to 66.70% (as against 76.55% in 2022).

## Costs of credit risk and other provisions

The **costs of credit risk and other provisions** increased by **€37 million** in 2023. The persistently unstable geopolitical situation had a negative effect on the macro-economic parameters used in the calculation and valuation models for the lending portfolio. This led to a specific “energy” management overlay of €5.1 million and to €16.5 million extra provisioning for doubtful debts. The bank also harmonised the models used by Crelan and AXA Bank, and this led to extra provisioning of €9.6 million.

## Overall result

The **operating result** thus increased from **€166 million to €288 million**. The most significant factors were: the €339 million increase in financial and business income, partly offset by the €129 million increase in administrative costs, and an increase in the cost of credit risk and provisions, plus of course the €50 million increase in tax due to the higher pre-tax profit and bank levies being less tax-deductible than in 2022.



Taking into account a number of **specific elements\*** such as integration costs and hedge accounting after tax, **net profit** ultimately came to **€207 million, up by €49 million on 2022**. These specific elements are mainly **provisions** and **costs of the migration project** which **increased by €62 million** and are the result of setting aside a provision for the network transformation that we have announced (€32.5 million), €16 million in extra provisions for the harmonisation of Crelan and AXA Bank methodologies in preparation for the migration and the increase in project costs associated with the merger (+€56 million), partly offset by lower taxation on these specific components.

## Solvency

### Crelan

The Crelan Group posted **solid capital ratios** at 31 December 2023, with a **CET 1 ratio of 25.5%** (21.3% in 2022) and a **total CRD capital ratio of 30.8%** (26.3% in 2022).

Equity increased to €2.51 billion (€2.33 billion in 2022), mainly thanks to the appropriation of the net profit for the year after deduction of a 4.25% dividend which will be proposed to the General Meeting of Shareholders in Q2 2024. The dividend yield rose from 4% in 2022 to 4.25% thanks to the convincing results of the Group.

At the same time **the cooperative capital increased** over the course of the year after deduction of repayments **by €29 million** (€52 million gross).

Risk-weighted assets (RWA) declined to €8.42 billion (€8.92 billion in 2022). Underlying receivables in respect of loans to customers increased by €1.2 billion thanks to the good loan production results. Despite an appreciable increase in lending to customers (+ €1.2 billion), RWAs declined due to the netting effect of Deferred Tax assets (DTA) and Deferred tax liabilities (DTL) between AXA Bank Belgium and the SCF (*Société de crédit foncier* or real estate credit company).

The leverage ratio stood at 4.34% at year-end (3.9% at year-end 2022).

## Liquidity/funding

### Crelan

Crelan managed to maintain its **liquidity buffer at a high level** in 2023, with a liquidity coverage ratio of **188%** at 31 December 2023 (196% at year-end 2022).

As regards funding:

- retail funding fell by €0.4 billion over the course of the year. This decrease was to a large extent attributable to subscriptions to the Belgian government bond in August 2023. These outflows were partly offset by an adapted offering of term deposits by AXA Bank Belgium (and Crelan) with the same net yield as the government bond. The net result of this in August 2023 was €1.3 billion of withdrawals from current and savings accounts, offset by an increase of €0.5 billion in term deposits. Crelan was also active in the institutional market, with the issue of €500 million in Senior Non-Preferred Debt in January and a second SNP issue, of €600 million, in September, eligible for the MREL ratio.

Furthermore, in the area of liquidity:

- the Crelan Group's portfolio of retail loans grew by €1.2 billion in 2023.

## Appropriation of profits of the various entities in the group.

The Board of Directors of CrelanCo will propose the **payment of a 4.25% dividend** to the cooperative shareholders, for a total amount of €38.6 million. In the current interest rate context, this dividend is an excellent return on this type of investment.

# Corporate governance

## Boards of Directors and Management Committees

### Crelan nv

#### Boards of Directors

The following changes took place in 2023 and at the beginning of 2024:

- The appointment of **Catherine Delanghe** as non-executive director on 11 January 2024.



## Board of Directors of NV Crelan at 11 January 2024



**Luc Versele**

Chairman



**Benoît Bayenet**

Vice-chairman



**Jan Annaert**

Independent director



**Bernard De Meulemeester**

Non-executive director



**Xavier Gellynck**

Non-executive director



**Eric Hermann**

Independent director



**Pierre Léonard**

Non-executive director



**Claude Melen**

Non-executive director



**Sarah Scaillet**

Non-executive director



**Marianne Streel**

Non-executive director



**Paul Thysens**

Independent director



**Hendrik Vandamme**

Non-executive director



**Agnes Van den Berge**

Independent director



**Catherine Delanghe**

Non-executive director



**Philippe Voisin**

CEO



**Joris Cnockaert**

CCO



**Pieter Desmedt**

CRO



**Jean-Paul Grégoire**

COO/CHRO



**Frédéric Mahieu**

CIO



**Emmanuel Vercoustre**

CFO

The Board of Directors of NV Crelan met ten times in 2023.

In accordance with Article 27 of the Act of 25 April 2014 on the status and supervision of credit institutions, a Remuneration Committee, a Risk & Compliance Committee, an Audit Committee and a Nomination Committee support the Board of Directors in its tasks.

The bank pays close attention to a balanced composition and a good representation of the cooperative shareholder in its Board of Directors. That is also why 10 representatives of CV CrelanCo sit on the Board of NV Crelan.

The four independent Directors – Jan Annaert, Eric Hermann, Paul Thysens and Agnes Van den Berge - have, among other things, the task of ensuring objective decision-making in both the Board of Directors and the committees that they chair and of which they are members. They also monitor compliance with rules on risk management, compliance, ethics and good practices within Crelan.

In its meeting of 19 December 2023, the Board of Directors formally approved the bank's diversity and inclusion policy. This policy meets the requirements of the EU Directive of 22 October 2014 and the Law of 23 March 2019 introducing the Code of Companies and Associations (Article 7:86). It strives towards a balanced composition of the Board of Directors and the Crelan Circle. The Crelan Circle consists of members of the Management Committee and all their managers.

In the selection and appointment process, the candidates' experience and skills are the deciding factors. In order to promote diversity during this process, the final short list of candidates must always consist of at least three persons, at least one of whom must be of the under-represented gender.

Crelan is striving to reach a minimum representation by 2030 of 33% of the under-represented gender on the Board of Directors as a whole and 40% of the non-executive directors. The target figure of 33% applies equally to the Crelan Circle. On 11 January 2024 the percentage of the under-represented gender stood at 25% for the Board of Directors as a whole; 35.7% for the non-executive directors and 24% for the Crelan Circle.

As well as gender representation we also strive for balance between Dutch and French-speaking members of the Board of Directors, without detracting from the importance of the experience and skills of the available potential candidates. Any proposed appointment that is in conflict with this effort must be thoroughly justified by the Nominations Committee.

## The composition of the committees at 31 December 2023

In 2023 the governance of these advisory committees was further aligned with the relevant rules. More specifically, each committee is chaired by an independent director and each committee consists of a majority of independent directors within the meaning of Article 7:87 of the Code of Companies and Associations.

Based on the levels of education referred to hereunder and the variety of professional experience, the Board of Directors can justify the individual and collective competence of the members of the specialised committees.

### → Audit Committee

<b>Chair</b>	Agnes Van den Berge (independent)
<b>Member</b>	Claude Melen
<b>Member</b>	Paul Thysens (independent)

Agnes Van den Berge has a degree in economics. Having been an assistant professor at Ghent University, she went to work for the National Bank of Belgium in 1980, occupying the positions of Head Front Office, Head Financial Market (and adviser to the Management) and Head Controlling. She was appointed an independent director of AXA Bank on 31 December 2021.

Paul Thysens is a qualified Industrial Engineer in Nuclear Energy and also has a Master's in General Management. He occupied various positions in the IT departments of Generale Bank and Fortis Bank, including that of CIO of Banca Nazionale del Lavoro (part of the BNP Paribas group) in Italy, before returning to Fortis Bank in Belgium, first as co-Head and later as CIO (member of the management committee). He was appointed an independent director of AXA Bank on 31 December 2021.

Claude Melen has a Master's in Management sciences (speciality Finance) and additional studies in Analysis, Control and Audit. She started her professional career as an auditor and, with a few intermediate steps in various ministerial offices, moved to the Belgian Court of Audit, first as financial auditor and then as lead auditor (charged with auditing and the accounts and budgets of the French-speaking Community). She was appointed an independent director of AXA Bank on 31 December 2021.

The Audit Committee's remit is to assist the Board of Directors in its supervisory and control function, specifically in relation to:

- monitoring the financial reporting process;
- monitoring the effectiveness of the bank's internal control and risk management systems;
- monitoring the internal audit and related activities;
- monitoring the statutory audit of the (consolidated) financial statements and the questions and recommendations formulated by the auditor;
- assessing and monitoring the auditor's independence, with particular reference to the provision of additional services to the bank or those persons with whom they have a close relationship.

The Audit Committee met six times in 2023.

It discussed, among other things, the follow-up of the annual audit plan for 2023, progress on pending recommendations, the preparation of the annual audit plan for 2024, the organisation of the Bank's system of internal control and the activities of Internal Audit, Risk Management, Inspection of the Agent Network, as well as the supervisory activities carried out within the Audit Committee of Europabank.

There were also eight joint meetings of the Audit and Risk Committee in 2023, focusing exclusively on monitoring the progress, risks and budgets of the Integration and Migration Programme.

#### → Risk & Compliance Committee

<b>Chair</b>	Eric Hermann (independent)
<b>Member</b>	Jan Annaert (independent)
<b>Member</b>	Bernard De Meulemeester

The Risk & Compliance Committee met nine times in 2023.

Eric Hermann holds a master's degree in commercial and financial sciences and an additional master's degree in management. He worked in the banking sector, in the Paribas group, performing various management roles in financial departments. Following the takeover of Paribas by Artesia and later Dexia, he worked in various positions in risk management, as Head of Risk Management Group, then as Head of Risk Management Concepts & Strategy and later

as board member responsible for risk, compliance, internal control and audit, before becoming CRO with Belfius Bank. He was appointed an independent director of AXA Bank on 31 December 2021.

Jan Annaert holds a master's degree and a doctorate in applied economic sciences. In the academic world, he was assistant researcher in the KU Leuven, University of Antwerp and the Flemish Fund for Scientific Research before becoming a lecturer in financing at the Erasmus University of Rotterdam. He is currently full professor of financing at the University of Antwerp and at the Antwerp Management School. He was appointed an independent director of AXA Bank on 31 December 2021.

Bernard De Meulemeester holds a master's degree in applied economic sciences, specialising in accounting. He was a certified external auditor (IBR/IRE) and is recognised by the National Bank of Belgium for the audit of financial institutions, insurance companies and occupational pension schemes. He has over 25 years of experience with Deloitte in audit and consulting assignments for financial services institutions. After leaving Deloitte he became an independent director of a number of undertakings in the service sector (including banks and insurance companies). He was appointed a non-executive director of AXA Bank on 1 January 2022.

#### → Remuneration Committee

<b>Chair</b>	Jan Annaert (independent)
<b>Member</b>	Xavier Gellynck*
<b>Member</b>	Eric Hermann (independent)

\* from 2 November 2023

The Remuneration Committee met three times in 2023.

See above for an abridged CV of the independent directors.

Xavier Gellynck holds a master's in applied economy and business and a doctorate from the University of Ghent. He is a professor with the University of Ghent, in the Agricultural Economics department. He was also an expert witness for the European Commission as regards 'Food quality assurance and certification schemes managed within an integrated supply chain'. He was appointed a non-executive director of AXA Bank on 31 December 2021.

→ **Nomination Committee**

<b>Chair</b>	Paul Thysens (independent)
<b>Member</b>	Benoît Bayenet
<b>Member</b>	Agnes Van den Berge (independent)

The Nomination Committee met eight times in 2023.

See above for an abridged CV of the independent directors.

Benoît Bayenet holds a master’s and a doctorate in economics, and a master’s in econometrics. He

lectures on government finance at the ULB Brussels and the UCL Louvain and ULG Liège. He is also chairman of the Central (federal) Economic Council. As a former non-executive director of Agricaisse, he was appointed non-executive director of AXA Bank on 1 January 2022.

Pursuant to Article 62 §2 of the Act of 25 April 2014 on the legal status and supervision of credit institutions and the regulations of the National Bank of Belgium, the Bank is required to disclose the external positions held by its directors and executive officers outside the Crelan Group. The list at 11 January 2024 is as follows:



	Functions within Crelan NV	Undertaking in which the external office is taken up	Place of establishment	Type of activity	Listed	Functions within this undertaking
<b>Luc Versele</b>	Chairman of the Board of Directors	Nil	Nil	Nil	Nil	Nil
<b>Benoît Bayenet</b>	Vice-chairman of the Board of Directors and member of the Nomination Committee	La Financière du Bois SA	Rue de la Plaine 11, 6900 Marchen-Famenne Belgium	Investment company	No	Chairman of the Board of Directors
<b>Jan Annaert</b>	Independent Director, chairman of the Remuneration Committee and member of the Risk Committee	Nil	Nil	Nil	Nil	Nil
<b>Bernard De Meulemeester</b>	Non-executive director & Member of the Risk Committee	Bernard De Meulemeester BV	Boerendreef 17, 2970 Schilde Belgium	Management & consulting company	No	Manager
		Adviesbureau De Annes BV	Boerendreef 17, 2970 Schilde Belgium	Real estate company	No	Manager
		Xerius Onderlinge Verzekeringsvereniging (OVV)	Brouwersvliet 4, 2000 Antwerp Belgium	Mutual insurance company	No	Non-Executive Director
		Landsbond van de Onafhankelijke Ziekenfondsen (Helan)	Lenniksebaan 788A, 1070 Brussels Belgium	Mutual healthcare insurance company	No	Non-executive director and member of the Audit Committee
		MLOZ Insurance vmob	Lenniksebaan 788A, 1070 Brussels Belgium	Insurance company	No	Non-executive director and member of the Audit Committee
<b>Catherine Delanghe</b>		Candriam Fund	Allée Scheffer 5, L-2520 Luxembourg Luxembourg	Investment fund	No	Non-Executive Director
		Candriam SICAVS	Route d'Arlon 19-21, L-8009 Strassen Luxembourg	Investment fund	No	Non-Executive Director
<b>Xavier Gellynck</b>	Non-executive director & member of the Remuneration Committee	Thalix BV	Beekstraat 35, 9920 Lievegem Belgium	Management company	No	Manager
<b>Eric Hermann</b>	Independent director & chairman of the Risk Committee	Fonber SA	Les Gottes 1, 1390 Grez-Doiceau Belgium	Private security	No	Chairman of the Board of Directors
		Golf et Sporting Club de Grez-Doiceau SA	Les Gottes 1, 1390 Grez-Doiceau Belgium	Golf club	No	Chairman of the Board of Directors
<b>Pierre Leonard</b>	Non-Executive Director	Sowafinal SA	Avenue Maurice-Desteny 13, 4000 Liège Belgium	Investment company	No	Non-Executive Director
		AWEX SA	Place Saintelette 2, 1080 Brussels Belgium	Investment company	No	Non-Executive Director
		EWATE SA	Avenue Maurice-Desteny 13, 4000 Liège Belgium	Investment company	No	Non-Executive Director
		Le Circuit de Spa-Francorchamps SA	Route du Circuit 55, 4970 Stavelot Belgium	Operation of motor-racing circuit	No	Non-Executive Director

<b>Claude Melen</b>	Non-executive director & member of the Audit Committee	Ethias SA	Rue des Croisiers 24, 4000 Liège Belgium	Insurance company	No	Non-executive director & member of the Audit Committee and the Risk Committee
		Luminus SA	Boulevard du Roi Albert II 7, 1210 Brussels Belgium	Energy supplier	No	Non-Executive Director
		Brussels South Charleroi Airport SA	Rue des Frères Wright 8, 6042 Charleroi Belgium	Airport operator	No	Non-executive director & chairman of the Audit Committee
<b>Sarah Scaillet</b>	Non-Executive Director	Nil	Nil	Nil	Nil	Nil
<b>Marianne Streeel</b>	Non-Executive Director	Rhisnagri SA	Rue Godefroid 1A, 5000 Namur Belgium	Wealth company	No	Non-Executive Director
		La Ferme du Manoir SA	Rue du Spinoy 3, 5080 Rhisnes Belgium	Wealth company	No	Non-Executive Director
		Monjoie-Streeel Société agricole	Rue du Spinoy 3, 5080 Rhisnes Belgium	Agricultural company	No	Manager
		Metha'Org Wallonie SC	Chaussée de Namur 47, 5030 Gembloux Belgium	Investment company	No	Non-Executive Director
		Promo-Agri SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Real estate company	No	Managing Director
		Le Secrétariat des Assurances SC	Chaussée de Namur 47, 5030 Gembloux Belgium	Insurance broker	No	Non-Executive Director
		eFWA SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	ICT services	No	Non-Executive Director
		FWA Invest SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Investment company	No	Non-Executive Director
		Maison de l'Agriculture et de la Ruralité SA	Chaussée de Namur 47, 5030 Gembloux Belgium	Consultancy and advisory services	No	Non-Executive Director
Pleinchamp SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Publisher	No	Non-Executive Director		
<b>Paul Thysens</b>	Independent director, chairman of the Nomination Committee and member of the Audit Committee	Nil	Nil	Nil	Nil	Nil
<b>Hendrik Vandamme</b>	Non-Executive Director	Immo-Conscience CV	Industrieweg 53, 8800 Roeselare Belgium	Wealth company	No	Non-Executive Director
		Sopabe CV	Anspachlaan 111 box 10, 1000 Brussels Belgium	Investment company	No	Non-Executive Director
		Sopabe-T CV	Anspachlaan 111 box 10, 1000 Brussels Belgium	Investment company	No	Non-Executive Director
<b>Agnes Van Den Berge</b>	Independent Director	Food Tech Consult NV	De MeeÛssquare 35, 1000 Brussels Belgium	Consulting company	No	Non-Executive Director



<b>Philippe Voisin</b>	Executive director	Nil	Nil	Nil	Nil	Nil
<b>Joris Cnockaert</b>	Executive director	Nil	Nil	Nil	Nil	Nil
<b>Pieter Desmedt</b>	Executive director	Nil	Nil	Nil	Nil	Nil
<b>Jean-Paul Grégoire</b>	Executive director	Nil	Nil	Nil	Nil	Nil
<b>Frédéric Mahieu</b>	Executive director	Nil	Nil	Nil	Nil	Nil
<b>Emmanuel Vercoustre</b>	Executive director	AXA Banque France SA	Rue Carnot 203-205, 94138 Fontenay-sous-Bois France	Credit institution	No	Non-executive director & member of the Audit Committee



## Board of Directors of CV CrelanCo

The composition of the Board of Directors of CV CrelanCo changed as follows in 2023:

- the office of non-executive director **Ann Dieleman** came to an end on 27 April 2023.

### Composition of the Board of Directors of CV CrelanCo at 31 December 2023



**Luc Versele**

Chairman



**Benoît Bayenet**

Vice-chairman



**Bernard  
De Meulemeester**

Non-executive director



**Xavier Gellynck**

Non-executive director



**Pierre Léonard**

Non-executive director



**Claude Melen**

Non-executive director



**Sarah Scaillet**

Non-executive director



**Marianne Streel**

Non-executive director



**Hendrik Vandamme**

Non-executive director

The Board of Directors of CV CrelanCo met six times in 2023.

## Management Committee

The composition of the management committee remained unchanged in 2023. At 31 December 2023 the composition was as follows:



**Philippe Voisin**

CEO



**Joris Cnockaert**

CCO



**Pieter Desmedt**

CRO



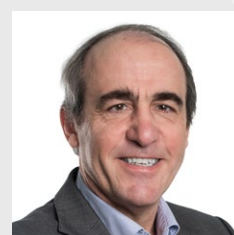
**Jean-Paul Grégoire**

COO/CHRO



**Frédéric Mahieu**

CIO



**Emmanuel Vercoustre**

CFO

The management committee takes charge of **the operational management of CrelanCo CV, Crelan NV and AXA Bank Belgium.**

### AXA Bank Belgium nv



Since 1 January 2022 the governance of the Board of Directors, its specialised committees and the Management Committee of AXA Bank Belgium has been copied from that of Crelan NV. The changes reported under the heading Crelan NV thus apply in full to AXA Bank Belgium NV.

### Europabank



The composition of the Board of Directors of Europabank change as follows in 2023:

- **Grete Schaekers** was appointed as an executive director (CFO) on 17 July 2023.

The Board of Directors is composed of eleven members: four members of the management committee, two independent directors and five representatives of major shareholder Crelan NV.

### Composition of the Board of Directors of Europabank at 31 December 2023:

<b>Chairman:</b>	Joris Cnockaert
<b>Directors:</b>	Gérald Bogaert (Member of the Management Committee)
	Marc Claus (Member of the Management Committee)
	Xavier Gellynck
	Jean-Paul Grégoire
	Sophie Hozée (independent director)
	Paul Malfeyt (Chairman of the management committee)
	Grete Schaekers (Member of the management committee)
	Agnes Van den Berge (independent director)
	Luc Versele
	Clair Ysebaert

The Board of Directors met six times in 2023.

The Audit Committee and the Remuneration Committee operate under the authority of the Board of Directors.

### Composition of Europabank's management committee at 31 December 2023

<b>Chairman:</b>	Paul Malfeyt
<b>Members:</b>	Gérald Bogaert
	Marc Claus
	Grete Schaekers

## Auditor's report

The General Meeting of Shareholders of Crelan NV of 27 April 2023 resolved to reappoint **EY Bedrijfsrevisoren/EY Réviseurs d'Entreprises** as auditor for a period of three years, until the general meeting of shareholders of April 2026. EY is represented by **Christel Weymeersch** and **Christophe Boschmans**.

EY Bedrijfsrevisoren consequently audits the consolidated accounts of the Crelan Group.

## Amendments to the Articles of Association

The Articles of Association of Crelan NV were amended on 19 December 2023, in part to reflect the capital increase that had been carried out and also to bring them into line with the provisions of the Code of Companies and Associations.

The Articles of Association of AXA Bank Belgium were also brought into line with the provisions of the Code of Companies and Associations by an amendment dated 19 December 2023.

The Articles of Association of CrelanCo CV and Europabank NV remained unchanged.

## Corporate governance

In accordance with Article 59, section 2 of the Banking Law and National Bank of Belgium (NBB) Circular 2011\_09 of 20 December 2011 on the evaluation of internal control, the Bank's executive management evaluated its system of internal control and established permanent second- and third-line control.

The Bank transferred said reports to the NBB in January 2024 after the Boards of Directors had approved them.

In accordance with NBB Circular 2022\_23 introducing a 'Governance Manual for the Banking Sector', which describes the various provisions regarding good governance included in the Banking Law, the governance memorandum must be assessed annually to make sure it remains compliant and adapted to reflect any significant changes influencing the policy structure and the organisation of the financial institution. The latest version of the governance memorandum was approved by the Board of Directors on 19 December 2023.

## Remuneration policy

The **Board of Directors** has delegated a number of members to the **Remuneration Committee** to make recommendations on remuneration to the Board of Directors. As mentioned above, the Remuneration Committee is chaired by an independent director in the meaning of Article 3, 83 of the law of 25 April

2014 on the legal status and supervision of credit institutions and stockbroking firms.

The proposals of the Remuneration Committee to the Board of Directors encompass the financial status of the executive and non-executive directors of the Bank and its subsidiaries as well as the financial status of the persons responsible for the independent control functions and the so-called “identified staff”.

The Remuneration Commission is composed in such a way that it can give a sound and independent opinion about the remuneration policy, remuneration practices and the associated incentives for risk management, capital requirements and the liquidity position, and does so more specifically by:

- giving advice to the Board of Directors on the selection of persons for functions characterised as Identified Staff;
- giving advice to the Board of Directors on remuneration policy, especially for employees whose activities have a material impact on the bank’s risk profile (“Identified Staff”) as well as ensuring that the remuneration policy is gender-neutral and supports the equitable treatment of employees of different genders;
- preparing decisions of the Board of Directors on remuneration, taking account of the long-term interests of shareholders, investors and other interested parties, as well as the general interest;
- directly checking the remuneration of employees responsible for independent control functions;
- overseeing all important retention, departure and onboarding arrangements.

To promote sound remuneration practices and a healthy remuneration policy, **the Risk Committee** investigates, without prejudice to the tasks of the Remuneration Committee, whether the incentives from the remuneration system take suitable account of risk control, capital requirements and the liquidity position of the bank as well as the probability of spreading the profits over time. The Risk Committee also provides input for the identification of the Identified Staff.

**The Compliance function** analyses the consequences of the remuneration policy for the institution’s compliance with laws and regulations, internal policy and risk culture, and reports all compliance risks detected and any non-compliant issues to the Board of Directors.

In accordance with its role, the Compliance function gives effective input for establishing the bonus pools, performance criteria and allocation of remuneration whenever it is concerned about the effect thereof

on the conduct of employees and the risk level of the activities carried out. The Compliance function also provides input for the identification of the Identified Staff.

Following opinions of the Compliance function, the Risk Committee and the Remuneration Committee, the Remuneration policy and the identification of Identified Staff are approved by the **Board of Directors**.

Taking account of Article 67 of the law of 25 April 2014 on the legal status and supervision of credit institutions and its implementing decrees and of Commission Delegated Regulation (EU) No 2021/923, the **Board of Directors** has defined the perimeter of Identified Staff within the Bank as follows:

- Category 1: members of the Board of Directors;
- Category 2: members of Senior Management
- Category 3: the employees established in accordance with the Commission Delegated Regulation and other regulations with a function that involves the taking of risks;
- Category 4: employees responsible for the independent control functions;
- Category 5: employees established in accordance with the Commission Delegated Regulation whose total remuneration places them at the same level as senior management and the persons with a function that involves the taking of risks.

The remuneration policy is structured in such a way that the overall remuneration package is split in a balanced way into fixed and variable components.

The composition of the global package is such that it does not encourage the taking of exceptional risks. The fixed portion is structurally enough to reward the Identified Staff members for their work, years of service, expertise and professional experience and means a guarantee for the volatile variable remuneration and more specifically the risk of non-payment of an element of variable remuneration.

### Fixed remuneration

The basic salary for Identified Staff is determined taking account of the organisational responsibilities, as described in the job description, and of the positioning relative to an external benchmark. The basic salary may also consist partly of benefits in kind.

Decisions on the evolution of the fixed remuneration of Identified Staff are based on performance reviews and positioning relative to an external benchmark. Individual increases are granted on the basis of the following principles:

- fair treatment;
- strict delegation rules; and,
- a systematic dual control by the line management and the HR department.

Each year Crelan and AXA Bank will determine the available budget for the evolution of the fixed remuneration, the results of both entities (compared with the objectives set) being the decisive factor. If the results are negative or significantly lower than the objectives, the evolution of the fixed remuneration may be limited to the regulatory, legal or contractual increases.

Non-executive members of the Board of Directors, the Nomination and Remuneration Committee and other committees receive only fixed annual remuneration, paid monthly. They do not receive variable remuneration. The fixed remuneration covers all costs, including travel expenses, and its value depends on the role of the non-executive directors in the various specialist committees.

## Variable remuneration

The variable remuneration for Identified Staff is determined in accordance with the rules set out in the Remuneration Policy and is aligned with the risks and performances of the institution, the business unit and the individual.

The performance of the team to which the member of Identified Staff belongs and his or her individual performance are assessed by means of a mandatory annual individual assessment by the line management of at least the following elements:

- qualitative achievement of the established objectives;
- professional conduct with regard to values, compliance requirements and procedures, aligned with the Group's values;
- contribution to risk management, including operational risk;
- the employee's leadership capacity (if applicable).

The Board of Directors, following the opinion of the Remuneration Committee, shall carry out a supplementary assessment of all members of the Identified Staff taking account of:

- the contribution to the permanent supervisory framework;

- involvement with material risks and associated decisions;
- any incidents that might have taken place during the year and the corrective measures taken by the individual or as manager.

This assessment may have an impact on the variable remuneration.

Variable remuneration for each member of Identified Staff is limited to the higher of:

- an amount equal to the fixed remuneration but with a maximum of €50,000;
- 50% of the fixed remuneration.

This limitation of the ratio between the fixed and variable remuneration applies also to allocations of variable remuneration when achievements are above target.

Standard annual variable remuneration for Identified Staff, excluding end-of-service indemnities or bonuses for exceptional performance, is limited to a maximum of 30% of fixed remuneration. At the proposal of the Remuneration Committee, variable remuneration may be reviewed by the Board of Directors.

In accordance with the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms, the variable remuneration of the Identified staff must: contain a deferred portion of a least 40% (possibly as much as 60% for the highest variable remunerations).

As long as the total variable remuneration is less than €50,000 gross and does not exceed one third of total annual remuneration, there is no deferral.

The deferral scheme works as follows:

- vesting of deferred variable remuneration for members of the Management Committee and of Senior Management if they are not on the Management Committee, is spread over five years, one fifth of the deferred amount vesting each year;
- for all other members of the Identified Staff vesting is spread over four years, with one quarter of the deferred portion vesting every year.

At least 50% of the variable remuneration (both the deferred and the non-deferred parts), is composed of an appropriate balance of:

- financial instruments linked to shares, or equivalent instruments ("non-cash instruments"); and possibly, if necessary,
- other equity instruments as provided by law.



These instruments are subject to a holding period meaning that the holder of the instruments must remain their owner. This is intended to align incentives with the long-term interests of Crelan and AXA Bank.

The other 50% of the variable remuneration will be paid in cash or – in accordance with point 284 of the EBA guidelines on sound remuneration policies – in other benefits that do not meet the criterion of financial instruments.

All variable remuneration may be reduced, possibly to zero (**malus**), or reclaimed (**clawback**) within the maximum deferral period in accordance with the following conditions:

Following the issue of an opinion by the Remuneration Committee, the Board of Directors will decide to reduce (**malus**) or reclaim (**clawback**) such portions of the variable remuneration of all or of particular present or past Identified Staff as have not yet vested or been paid if the Bank or the BU concerned posts a negative or reduced financial result or if any of the following cases is discovered:

- the member of Identified Staff does not comply with the standards in force regarding expertise and professional integrity;
- the member of Identified Staff is involved in a special mechanism with the aim or result of promoting tax fraud by third parties;
- any circumstance implying that payment of the variable remuneration would infringe the Bank's good remuneration policy, its risk management strategy or its low-to-medium risk profile.

In cases where an **end-of-service indemnity** is granted, this indemnity may in no case constitute remuneration for the employee's failure or wrongful conduct and may take account only of his or her performance over time. Furthermore an end-of-service indemnity equal to more than 12 or, based on a unanimous opinion issued by the Remuneration Committee, more than 18 months' worth of fixed remuneration, may be granted only subject to approval by the General Meeting of Shareholders.

The exceptions of Article 12/1 of the Banking Law apply to end-of-service indemnities.

The bank paid out the following remuneration in 2023 (Crelan/AXA Bank/Europabank):

Total remuneration (€ millions)	Fixed remuneration	Variable remuneration
<b>Directors of the Crelan Group</b>	6.89	1.05

### Total remuneration of Identified Staff in 2023 (excluding remuneration of non-executive directors)

The quantitative informative hereunder concerns the

remuneration allocated for 2023 to Identified Staff of Crelan and AXA Bank in the meaning of the CRD IV and the Belgian Banking Law, but is not a reflection of the remuneration granted to other employees:

POPULATION	Fixed remuneration	Variable remuneration	Sign-on payment	Severance payment			
				Paid	Awarded	Highest awarded	
Executive Board Members	€ 4.997.971	€ 1.046.321	€ -	€ -	€ -	€ -	Amount (EUR)
	10	10	0	0	0	0	# people concerned
Higher management (beyond executive directors)	€ 863.608	€ 154.369	€ -	€ -	€ -	€ -	Amount (EUR)
	4	4	0	0	0	0	# people concerned
Other Identified Staff	€ 3.400.045	€ 494.980	€ -	€ -	€ -	€ -	Amount (EUR)
	22	22	0	0	0	0	# people concerned
<b>Total</b>	-€ 9.261.624	-€ 1.695.670	€ -	€ -	€ -	€ -	Amount (EUR)
	36	36	0	0	0	0	# people concerned

POPULATION	Forms of variable remuneration (awarded)				Outstanding deferred remuneration		Deferred remuneration		
	Cash	Shares	Share linked instrum.	Other types	Vested	Unvested	Awarded	Paid out	Reduced
Executive Board Members	€ 692.036	N/A	N/A	€ 354.286	€ 380.707	€ 1.146.318	€ 418.529	€ 354.019	€ -
Higher management (beyond executive directors)	€ 154.369	N/A	N/A	€ -	€ -	€ -	€ -	€ -	€ -
Other identified staff	€ 494.980	N/A	N/A	€ -	€ -	€ -	€ -	€ -	€ -
<b>Total</b>	€ 1.341.385	€ -	€ -	€ 354.286	€ 380.707	€ 1.146.318	€ 418.529	€ 354.019	€ -



## Evaluation of governance

Pursuant to governance obligations for financial institutions, including the 'fit & proper' requirements for directors, the Nomination Committee in 2023, in accordance with Article 31§2 of the Law of 25 April 2014 on the status and supervision of credit institutions, evaluated the structure, size, composition and performance of the Board of Directors and its committees.

For this evaluation exercise use was made of written questionnaires and individual interviews aimed at:

- identifying and taking account of directors' expectations of the role and operation of the Board of Directors and its committees;
- making an inventory of the competences and expertise of the governance officers present;

- identifying governance practices within the Board of Directors;
- following up on the implementation of the recommendations from the previous evaluation.

As regards the individual evaluation of members of the Board of Directors, both the strong skills and those needing to be developed further were identified and evaluated for each director. These individual evaluations also took account of a series of other parameters such as the degree of participation in meetings and training, external offices, time spent and independence of mind.

Based on the results of this exercise, the nomination committee was able to evaluate whether all knowledge, skills, diversity and experience are present and evenly distributed and to draw up a list of action points for the Board of Directors. All these action points have meanwhile been carried out or are in the process of being carried out.



# Crelan, an evolving bank

## Brand identity and brand campaign

### ‘You’re better off with Crelan’

#### Brand identity and brand campaign

With the takeover of AXA Bank, there was no question of Crelan’s hiding its light under a bushel. Following the merger in 2024 it will be Belgium’s fifth largest bank. A major bank, with a comprehensive range of products and a digital platform that performs well. But Crelan is determined to be the major bank that also lives up to one of its customers’ most important expectations: presence on the ground. Crelan agencies in cities and municipalities nationwide will continue to be a fixed feature of the urban panorama. Here customers can easily obtain face-to-face service from an agent or expert with whom they can build trust-based relations over the years, and who will spare no effort in providing them with excellent personal service.

This determination to differentiate itself from more classical major banks by means of a strong and extensive network of agents is an essential part of Crelan’s brand strategy.

In order to convey these messages efficiently in the context of this strategy and in an especially competitive environment, not least to the 848,506 AXA Bank customers who will soon join the ranks of Crelan customers, Crelan decided to undertake a thorough overhaul of its brand identity.

Following intensive preparatory work, in November Crelan started using new brand assets. We decided not to change the brand name or the mainly green colours that have long been associated with it, but the bank did launch a brand new logo. The traditional ear of wheat has been replaced by a more modern and more abstract shape which is rendered in dynamic accents in all the bank’s commercial communications. This rebranding also led to the creation of various other kinds of essential brand assets: a new slogan (“*Daar wordt u beter van*” roughly “You’re better off with Crelan”), a more playful graphic style, a new sonic identity with an

easily recognisable sound logo, and in all the brand’s oral communication, a tone of voice with a clear twist in the tail. At the end of 2023, the first Crelan agencies were also equipped with new storefronts projecting the new brand identity.

In December, Crelan fired the starting gun for a large-scale media campaign aimed at raising the brand’s visibility and its level of contemporary acceptance with the public at large. For a whole month the brand was literally everywhere, both in the classical channels (TV, radio and cinema commercials, full-page newspaper ads, advertising messages in train stations) and online (on streaming platforms, YouTube, news websites, social media, etc.)

This was just the first campaign of a series which will be continued in 2024 and subsequent years and in which the unique features of the brand, such as the extensive physical network, the personal relationship between the Crelan bank agent and the customer and the social added value of a cooperative bank will be highlighted.

## A more extensive product offering thanks to cooperation within the group and partnerships

One of the objectives of the takeover of AXA Bank was to share **knowledge and know-how** and to **work together within the Crelan group as optimally as possible**. In this way we can serve our customers faster, more comprehensively and more efficiently.

Significant initiatives had already been taken in that respect in 2022, with the expansion of the product offerings of both Crelan and AXA Bank. In 2023, this cooperation was further developed.

#### Cooperation with Europabank

The Crelan group makes extensive use of the specific knowledge that Europabank has accumulated in processing card transactions and providing financial renting and leasing services.

In this way Crelan and AXA Bank branch offices can offer their professional customers Europabank’s

**payment solutions via terminals or online.** They refer these customers to affiliate Europabank branches to this end.

Crelan and AXA Bank branches can also refer customers to Europabank in the area of **leasing and home loans** if it appears that the partner's offer is better suited to the needs and profile of the customer. In this regard eb-lease further expanded its offering of renting formulas in 2022 so that since then second-hand cars, vans, lorries, agricultural vehicles and industrial equipment such as excavators and loaders can also be offered via this formula.

In 2023, the emphasis was placed on collaboration for **finance leasing and renting** as alternative forms of financing for professional customers.

### Cooperation with partners

In order to be able to offer a comprehensive financial service to our target customer groups – private families, self-employed entrepreneurs, the liberal professions, SMEs and farmers and market gardeners - Crelan and AXA Bank work together with a number of preferred partners, all of which are leading names in their fields.

In this way both banks' ranges, consisting of current accounts and facilities, savings accounts, cash certificates, term deposits and credit facilities, are expanded, with investment products and insurance formulas.

### Non-life and life insurance partnerships

Since October 2018, Crelan agents have been able to offer the broad and qualitative range of **Allianz life insurance products** to their customers. This cooperation was also opened up to AXA Bank agents in 2022.

Until 31 December 2021 AXA Bank belonged to the AXA Group. So, historically, AXA Bank agents had long been working with the insurer **AXA Belgium** with an extensive **non-life insurance** offering. Since January 2022, Crelan agents have also been able to make use of this very extensive and effective offering, since this cooperation was part of the global agreement between AXA Group and Crelan Group on the takeover of AXA Bank Belgium.

### Banking investment partnerships

Crelan has now been working for more than ten years together with **Econopolis Wealth Management**, an asset management company co-founded by its CEO Geert Noels. This cooperation includes both the sub-funds of the Crelan Fund SICAV, for which Econopolis Wealth Management manages the investment portfolio, and the sub-funds of the Econopolis Funds SICAV under Luxembourg law.

The close cooperation with **Amundi** also continued. Crelan markets a wide selection of funds from Amundi and its subsidiaries. Amundi also manages the investment portfolio of the SICAV Crelan Invest with three profile funds: Conservative, Balanced and Dynamic – which invest in a broad range of diversified assets and each of which, with its specific risk approach, is designed for a particular investor profile. They also adhere to a sustainable and ethical approach.

Asset manager **AXA IM (AXA Investment Manager)** had long been supplying funds for AXA Bank agents' product offering. Since May 2022, this offering has also been open to Crelan agents, just as the offerings of Econopolis Wealth Management and Amundi have also been open to AXA Bank agents, further expanding the investment offering for customers of both banks.

With regard to structured products, Crelan works with a number of preferred partners, namely BNP Paribas, Credit Suisse, Société Générale, Natixis, Goldman Sachs and CACIB.

In the area of pension savings with tax advantages, Crelan distributes three pension savings funds (**Crelan Pension Fund Sustainable Stability, Balanced and Growth**) which act as feeders to the BNP Paribas Asset Management pension savings funds. In November 2019, this fund was awarded the 'Towards Sustainability' label.

## Focus on sustainable investments

### Sustainability label

Consumers are increasingly interested in sustainability, including in the products in which they invest.

Given that the concept of 'sustainability' can often be interpreted and defined in different ways, the umbrella federation of banks, **Febelfin** (a non-profit organisation providing information on the Belgian financial sector) developed a **quality standard** for sustainable financial products.

Products that meet this standard, and are ideally even more ambitious, receive a sustainability label. With this label, consumers can be confident that the product meets a number of quality requirements and that their money is going to companies that truly focus on sustainability.

As a cooperative bank, the Crelan Group also has an eye for sustainability and is keen to meet the growing demand from customers for socially responsible investments.

In 2023, more than 81% of investment in funds through Crelan was in investment funds that met the criteria of Article 8 or Article 9 of the SFDR, in other words in funds in which sustainability is explicitly part of investment objectives and policies. At AXA Bank that figure was 92%.

### SFDR (Sustainable Finance Disclosure Regulation)

As regards sustainable investments, Crelan intends to compose its range of funds in such a way that the majority of the funds comply with Articles 8 and 9 of the SFDR.

The SFDR regulations align with the Environmental, Social and Governance (ESG) regulations that resulted from the Sustainable Financing Action Plan published by the European Commission in 2018.

Their aim is to create more transparency with regard to sustainability and to provide sound protection for investors in this regard. These rules have applied since 10 March 2021 and require financial institutions, market participants and advisers to publish specific information on the sustainability aspect of their investments and policies on their websites.

Pursuant to Article 6 of the SFDR regulation, the so-called UCITS prospectus must explain at product level how the financial participant integrates sustainability risks into investment decisions and how it assesses the likely impact of sustainability risks on the performance of the financial product. This information must be made available to investors at a pre-contractual stage. Even if the financial participant does not consider there to be any sustainability risks, he must briefly explain this.

**Articles 8 and 9 deal specifically with financial products that promote environmental or social issues or which have sustainable investment as their objective.** In the case of Article 9, it must also be possible to measure the impact. For the funds covered by these articles, the pre-contractual documents and periodic reports must provide investors with additional information. It is clear then that these products offer

investors the best assurance as regards sustainability. Crelan is resolved to focus above all in future on funds that promote environmental or social goals or that have sustainable investment as their objective, in other words to have a range of funds that mostly fall under Article 8 or 9 of the SFDR.

At the moment 80% of Crelan's fund offering already consists of funds meeting the conditions of Article 8 or Article 9 of the SFDR.

More information on how the Crelan Group banks are working on the sustainable investment offering can be found in the separately published Sustainability Report. You can consult this report on [www.crelan.be](http://www.crelan.be), [www.axabank.be](http://www.axabank.be) or [www.europabank.be](http://www.europabank.be).

## A professional branch network at the service of customers

At 31 December 2023, the **Crelan branch network** consisted of **426 Branch offices** spread throughout Belgium. This was 27 offices fewer than a year before. At the end of 2023, **AXA Bank** had **319 branch offices**, 14 fewer than one year earlier.

About two thirds of our branches are equipped with one or more self-banking machines, typically with extensive functionalities.

With the exception of the head office in Brussels and of the Berchem branch, all Crelan and AXA Bank sales points are run by independent agents who know the local market well and are close to the customers.

Proximity, the personal approach and the continuity that our agents offer are the assets that make Crelan stand out in the market. In addition to digital channels and contacts with call centres, many customers still consider it important to be able to count on personal advice from local trusted advisers who are familiar with their personal situation. Despite the decline in the number of agencies, both Crelan and AXA Bank thus continue to attach great importance to a strong local presence.

## Competence centres for advice to entrepreneurs and farmers

Crelan aims to differentiate itself through its **advisory banking services**. The bank therefore devotes a great deal of attention to training competent advisers who are as close to the customers as possible. Crelan also aspires to be a leader in the field of advice for **professional customers** - entrepreneurs in agriculture, horticulture and the

food sector on the one hand, and the self-employed, liberal professions and local SMEs on the other.

Crelan works with **specialised centres of competence** to this end. These are agents who, in addition to advising private customers, have also built up a great deal of expertise in assisting professional customers and are therefore best placed to advise them.

The competence centres are recognisable on the street by an externally applied 'label'.

They also cooperate with agencies in their area that do not have this expertise. In this case, professional customers can, for example, continue to rely on their trusted agency for their basic services, and turn to the competence centre for specialised advice. The agency can then make contact with the nearby competence centre depending on the customer's needs.

The business model of independent agents close to the customer still offers considerable room for growth, even in the professional customer segment.

So the Crelan Group continues to invest in the expertise and skills of its employees through training, with the aim of further expanding the number of centres of competence.

For example **in 2023, 33 AXA Bank agents received in-depth training on Agriculture** aimed at their appropriating this expertise and so further expanding the bank's potential as regards service provision.

## Expansion of the digital offer

### Launch of a new mobile app



During the year the IT teams worked very actively to create the new mobile application, which was launched in November.

As well as its fresher look, with Crelan's new visual identity, the architecture has been completely overhauled so that in the future it will be able to evolve more easily with the customers' needs.

The new app is being rolled out in phases to February 2024.

The designers paid great attention to improving user-friendliness and speed. So for example transactions or actions can be confirmed by fingerprint or facial recognition.

The mobile application also allows users to manage preferences for account statements and to consult and download statements.

The limits for the mobile application can be managed from the app, as can those for debit cards.

Existing customers can now also open new accounts and apply for a new debit card through the app.

### Rebranding of myCrelan and myCrelan Pro

At the end of 2023, in parallel with the launch of the new brand identity, the new visual identity was also applied to the myCrelan and myCrelan Pro apps for home banking. A complete overhaul will continue in 2024.

### Cooperation with digital education

Crelan employees also pitched into some initiatives for digital education in 2023.

For example, in mid-November the Crelan experts were present at Digital Week in Flanders. These information sessions were aimed at senior citizens, being an initiative of the VIEF senior citizens' meeting point, a non-profit organisation, in collaboration with Febelfin. A session was held for each Flemish province, and the Crelan experts answered questions from those present.

A similar introduction for senior citizens took place in Wallonia under the name *'J'adopte la banque numérique'* (I adopt digital banking). The event was organised by Febelfin, the EPNs (*Espaces Publics Numériques* or Digital Public Spaces), the *Agence du Numérique* (Digital Agency) and the SPW (Public Service of Wallonia). Here too Crelan experts cooperated and answered questions.

## Staff initiatives

At 31 December 2023, 1,713 staff members are part of Crelan Group, of whom 705 work for Crelan, 379 for Europabank and 629 for AXA Bank.

In addition to this salaried staff in the various Group entities, the agent network of Crelan NV also has 1,449 employees and that of AXA Bank Belgium has 1,294 employees working with the status of delegated agent or as salaried employee of a delegated agent. This brings the total number of Crelan Group employees to 4,456.

More information on the composition and diversity of Crelan's workforce is included in the bank's sustainability report.

## Recruitment and internal mobility

Huge efforts were made in the field of recruitment in 2023. Since Crelan's takeover of AXA Bank, all vacancies of both banks have been opened up together and also promoted internally.

In all, no fewer than 201 vacancies were filled in 2023, 36 of them for AXA Bank.

More than 35% of these vacancies were filled in the first instance by means of internal mobility: employees within the bank opting for a new challenge, to develop new skills, create variety in their careers and ultimately to contribute actively themselves to their own sustainable employability.

At the same time the bank recruited 128 new employees, who started in the various areas of the bank. In cooperation with the managers, great efforts are made via information sessions, mentoring, training plans and socialising to make sure these new colleagues quickly feel at home.

We also hired six young graduates, who will be offered the possibility in the next few years of developing their skills by means of an intensive and varied training trajectory and becoming familiar with our business values and culture.

## Diversity and inclusion

In its personnel and recruiting policies, the Crelan Group strives to reflect the society in which it operates, and accordingly sets great store by diversity. In Crelan, 53% of employees are male and 47% female, while in AXA the ratio is the other way round: 45% male and 55% female.

In Crelan, 13% of employees are in the 20-35 age group, 50% in the 35-55 age group and 37% are 55 years old or more. The corresponding percentages in AXA Bank are 11%, 47% and 42%.

As regards level of education, in Crelan 22% of employees have a secondary education diploma, 38% have higher vocational training and 40% have university degrees. The corresponding percentages in AXA Bank are 20%, 43% and 37%.

Ten different nationalities are represented in the Crelan and AXA workforces.

On 19 December 2023, the Board of Directors approved the new diversity and inclusion policy.

Since Crelan is a diverse and inclusive employer, this policy contains a number of very specific commitments, such as:

- selection, recruitment and promotion based on merit and skills, with no discrimination based on gender, race, colour, ethnic or social origin, etc.;
- making its managers aware that everyone must be given equal opportunities for promotion and development in the business and being transparent about this;
- assessing performance and skills by means of transparent performance evaluation processes;
- eliminating any wage gaps between men and women;
- not allowing any conduct that sows division or confusion, or any form of intimidation, bullying or harassment;
- creating a respectful working environment in which everyone is treated with dignity and respect and in which differences are celebrated and valued;
- pursuing a zero tolerance policy as regards any form of discrimination;
- offering training and information on the importance of diversity and inclusion in our bank.

Furthermore, the policy also includes gender quotas for the following groups:

- the Crelan Circle (the management body that represents the members of the management committee and their managers): at least 33% women by 2027
- the Board of Directors: at least 33% women by 2027 (at least 40% of non-executive directors to be women)

## Top Employer: eighth time in a row



In 2023, Crelan again received convincing acknowledgement as Top Employer Belgium.

The international Top Employer Institute granted this label to Crelan after very thoroughly screening it on its personnel strategy in the widest sense.

For example, during this study the way in which Crelan onboards new employees was subjected to thorough examination, but career guidance, learning and development, performance, salary and secondary conditions, health and well-being, the digital and physical workplace, company canteen, mobility policy, etc. are all elements that were looked at as part of the study.

Account was also taken of how Crelan conveys business values, sustainability, CSR and change to its employees. Particularly in these last-named subjects, Crelan made good progress as an employer in 2023, thanks to the large number of initiatives.

Every year the bar for obtaining or keeping this label is set a notch higher. Here the focus is on the extent to which Crelan continues to develop as an employer and follows the latest trends and insights in the field of work in its policy.

So to obtain this recognition once more after such an extensive investigation is something of which Crelan is just as proud every year.

But we also find our employees' opinions and experiences very important, which is why we hold a quarterly Pulse survey. This enables us to keep our finger on the collective pulse of the workforce: how things are going with them, how they perceive the day-to-day working environment and what they need in order to continue to give of their best. Continuous measurement of the employee experience provides excellent opportunities for our bank, for Human Resources and for our managers to quickly take charge of issues and to enhance our employees' satisfaction, engagement and enthusiasm.

## Building a single hr policy

Harmonisation and integration of the two banks was centre-stage in 2023 and continues to be so in 2024.

A significant milestone in this regard was the migration of HR data to a single HR system in October 2023.

In parallel we also started intensive preparations to bring about a single harmonised job framework, and a single harmonised personnel and remuneration statute, in a constructive dialogue with our social partners.

## Growing, learning and developing together



Growing as a bank, as a team and as an individual, but also as a leader and a coach - that is the core idea underlying all learning initiatives of 2023.

### Change & culture

In an effort to have employees feel good even in periods of great changes, the bank devoted much attention in 2023 to the 'Change & Culture' project.

The webinar on 'communication that connects' which sought to bridge the gap between differences, and an inspiring group debate on change based on the bestseller 'Who Moved my Cheese?' was also a great success with employees.

Together with some divisions and in the same context, the Learning & Development team also organised the 'United as One' trajectory, aimed at building a strong, united team with a clear strategy and clear objectives. Based on the bank's strategy, managers and employees define together their communal objectives and what they need to be able to attain them.

This past year special attention was given to the theme of diversity and inclusion, by means of various awareness-raising actions, the most instructive high points being a fascinating ‘keynote session’ and the ‘Kaleidoscope Game for inclusive leadership’.

### Learning Together

The “Learning Together” project supports employees in their appropriation of new bank applications and processes in preparation for the migration in 2024. Together with the business SPOCS (Small Private Online Courses), training plans were drawn up aimed at providing optimal support to this learning process and ensuring its success.

### Leadership

The managers play an important role in transmitting the concepts of growth, involvement and engagement. So investing in leadership is high on Crelan’s agenda.

In this regard, the year 2023 started with an update of the Team Agreements, a varied offering of training programmes for senior management and a workshop called ‘Let’s build a team together’ for all people managers. The spring was dominated by relationship building and the creation and maintenance of firm trust and psychological safety in the teams. In the autumn the focus shifted to team effectiveness and the extension of optimal collaboration. The people managers were supported in this by various workshops, inspirational sessions and reflection based on Insights Discovery.

In 2023, the bank also launched the first edition of ‘Start to lead’, a programme which will be offered every year to new managers to support their people management skills.

### Future skills

Employability was also given much attention. Alongside the various training sessions on technical banking matters, soft skills and languages, the month of October 2023 was largely given over to digital skills. Some 180 enthusiastic colleagues took part in various training sessions spread over three tracks: Digital Office Skills, Digital Masterclass, and Digital Detox.

Monthly communications on the offering of GoodHabitZ (online tool with soft skills training) and Elan+ (sector offering) draw attention to the importance of continuous learning and encourage employees to take their growth and skills development in hand.

### Risk & security

By means of various training sessions on compliance and the launch of ‘Phishing Tool’, a new learning platform, Crelan continually ensures its employees’ necessary awareness and keeps them up to date on matters of risk and security.

### Well-being

Since 2022, bank employees have been able to work on expanding their mental resilience via the Mindlab online platform. This initiative was continued in 2023 and is being continued in 2024 also.

At the beginning of 2024 the bank will also start an Employee Assistance Programme called Care4U. With this programme, members of personnel and relatives forming part of the same household can call on professional support by **clinical psychologists and specialist advisers on a 24/7 basis**. There are four “counters”: an emotional counter (for problems at work or personal problems), a practical counter, a coaching counter and a counter specifically for managers.

### Sustainable mobility policy

Crelan is determined to carry its green ambitions and sustainable approach through to its car policy. It strives towards a green and sustainable fleet of cars and works actively to reduce CO<sub>2</sub> emissions.

Consequently since October 2023 Crelan has made only electric cars available.

In order to make this transition to a green fleet more flexible, Crelan has undertaken a number of actions to help employees in the move to EVs. For example, the installation of a home charging station is partly financed, the reference budgets for company cars have been aligned with a wide range of EVs and there is provision for a Green Fleet Bonus to support this electrification.

## IT developments and projects in development

### Preparation of the merger, integration and migration

Needless to say, 2023 was largely dominated by the planned integration of AXA Bank into Crelan and the migration of its data, scheduled for June 2024.



Detailed preparation of this large-scale project continued with, among other things:

- the collection of AXA Bank employees' data in Crelan's HR applications;
- the upgrading of the vast majority of Crelan's applications, which will facilitate the intake of AXA Bank customers and agents, particularly the new Mobile Banking app, the new portal for access to the bank applications in the banking agencies, the new application for granting consumer credit in the banking agencies, and so on;
- the development of solutions for data migration which were subsequently tested in simulation exercises starting in H2. Through numerous tests the migration rules were also validated.
- building maturity on methodology for the development, testing and management of projects.

## A safe and stable banking environment

Crelan not only pays constant attention to the qualitative extension of its IT environment, it also pays permanent attention to its security.

In 2023, the bank launched an **IT quality programme** aimed at optimising the stability and performance of the IT services provided to employees and customers. The focus here was on offering greater stability of systems and applications, further reduction of the number of critical incidents and faster resolution of those that arise. In the context of a wide-ranging, continuous and constructive approach, various actions were undertaken as regards processes, personnel and infrastructure. A quick look at some of the initiatives:

- In terms of processes, those for incidents and changes were recorded in greater detail and reinforced. At the same time governance of and communication with our main suppliers was strengthened.
- As regards support, the service desk/user care unit was improved, among other things with a new telephone system. The aim here was to reduce waiting times and capture, handle and resolve incidents faster. Transversal cooperation was also defined more precisely so that problems can be resolved more quickly and the associated communication be carried out more efficiently. From now on, new releases will have extra tests for and by bank agents as planned, inbuilt phases.
- In terms of infrastructure, crucial vulnerable IT components were renewed, the Citrix environment was stabilised and continuous monitoring put in place.

- The adaptation and roll-out of new firewalls, elimination of the 'technical debt' (ILR/ALR: Infrastructure and application life-cycle refreshment) and the introduction of an IT Security roadmap.

In parallel with these priority activities, the IT department also cooperated on the following projects:

- the roll-out of the new MiFID legislation in the systems and the strengthening of SEPA cross-border transaction screening.
- Implementation of the new Crelan brand identity

## Designing the workstation of the future

In the context of the 'new way of working' project, our IT colleagues rolled out the new workstation, both in the head offices and in the agencies.

The introduction of the new Citrix environment was completed, bringing appreciable improvements in response times for users and allowing the environment to be further secured. At the same time as regards collaboration, Microsoft Teams was implemented so as to be able to work together simply with both internal and external colleagues in teams.

A new intranet for the head office and the agents network was designed and implemented.

## Portfolio management

The investment policy for the Crelan Group's bond portfolio is **based on safety and security**. In 2023 it was thoroughly reviewed and harmonised for all group entities.

The approved framework of strict limits which is imposed makes for diversified and prudent management. The portfolio is part of the **buffer of highly liquid assets** intended to be able to bridge future periods of liquidity stress. This is because bonds are easy to mobilise when used as collateral in interbank lending.



# Crelan Group, a safe banking group

Within the group, various departments are responsible for risk management. Hereunder is an overview of the most important activities ensuring that Crelan Group is and remains a safe banking group.

## General Risk Management

Risk Management focuses on various specialisations:

- identifying, measuring, monitoring and controlling credit, financial, operational and IT security risks;
- providing advice on all major loan files;
- developing and validating internal models used for the IRB (Internal Ratings-Based) approach, IFRS 9 Financial Instruments, interest rate risk management, etc.;
- drafting, coordinating and validating regulatory reports such as ICAR (Internal control annual report), ICAAP (Internal Capital Adequacy Assessment Process), ILAAP (Internal Liquidity Adequacy Assessment Process), the Recovery Plan, the Pillar 3 report, etc.

The bank set up several internal risk committees in order to organise risk management as effectively as possible. These risk committees monitor credit, financial, operational (including permanent audits) and IT risks, as well as entity-related risks.

The bank has also implemented a Risk Appetite Framework that takes into account a number of key indicators for the solvency, liquidity, profitability and other parameters of the credit portfolio. Compliance with limits is checked at least quarterly.

At the beginning of 2022 we exchanged the Covid-19 crisis for the energy crisis. Accordingly, the bank undertook various analyses aimed at being able to assess the possible impact of any credit losses on the financial situation, such as:

- identification of potential risk cases in the professional and agricultural segments;
- analysis of retail customers' repayment capabilities

- assessment of the impact based on the ECB stress test

At the end of 2023, the bank still had a sound loan portfolio and the impact of the energy crisis remained limited. Even so we opted for a prudent policy, and at the end of 2023 the bank made adequate provisions to cover possible risks.

In 2023, the bank continued to devote much attention to the planned integration of Crelan with AXA Bank. This will impact the organisation of Risk Management itself. In this regard, we strive to integrate the activities on the basis of a 'best of both worlds' approach. In addition, Risk Management will closely monitor the integration and migration process itself in order to effectively manage the risks associated with this project.

## Credit risk

Crelan manages credit risk on the basis of both its credit policy and the separation of functions in the credit activity. So various committees monitor the risk appetite.

The authority to grant loans is divided between the Management Committee, the Credit Commitment Committee and individual credit managers (always with the "four eyes" principle) according to certain levels of credit outstandings and customer rating.

The Credit Monitoring Committee is responsible for managing credit turnover, including loans on the "credit watch list", while the Loan Provisioning Committee has the power to place customers in 'qualitative default', to determine and apply impairments, to cancel loans and to write off debts.

Credit limits are updated annually in the context of the evaluation of the Bank's overall credit risk and are approved by the Risk and Compliance Committee and the Board of Directors.

Credit risk is managed using rating models that assign a score to each loan customer. This customer rating is decisive for decisions on the granting and management of loans. The performance of these models is regularly monitored and the results are validated and approved by the Lending Risk Committee (LRC).

For each file that falls within the competence of the Credit Committee and/or the Management Committee, an independent opinion from Risk Management is necessary.

As every year, the credit policy was updated in 2023 and validated by the Board of Directors following a favourable opinion issued by the Risk and Compliance Committee.

## Interest rate risk, liquidity risk and market risk

The monitoring of financial risk goes through a centralised system for all banking entities of the Crelan Group. In this way, the group structure is further strengthened through financial risk monitoring and all entities are operationally integrated into the Group's financial policy and risk monitoring.

BSM (Balance Sheet Management) is responsible for monitoring the interest rate, option and liquidity risk within the bank. This department develops models for identifying, analysing, monitoring and reporting these risks. Risk Management, in turn, validates these models.

The interest rate risk is hedged with financial instruments such as interest rate swaps, caps and swaptions.

Risk Management monitors both the internal fixed-income gap and the regulatory reporting of interest rate risk.

The responsibility for the management and reporting of financial risks as well as the monitoring of the limits in force lies, in the first instance, with the various business lines. Risk Management is responsible for the second-line control of these financial limits by independently validating the data reported by BSM. In this way Crelan aims to exclude errors in reports for the regulatory authorities, the Balance Sheet Committee, the Management Committee and the Board of Directors.

In 2023, the ECB carried out an inspection of the Crelan Group's interest rate risk management. Following this inspection the ECB made a number of recommendations, for which the bank has drawn up an action plan.

## Operational risks

The activities of Operational Risk Management were directed at the management of operational risks and the possible associated losses. These risks are connected to both internal workings and those of external parties. Possible causes include: inadequate or defective processes, human error and system disturbance.

Accordingly the team collects and analyses the data from operational incidents, monitors the risk indicators and performs the risk assessment. It also ensures that there are strong internal control frameworks for the bank's various processes and that these frameworks undergo frequent independent tests to ensure their effectiveness and correct functioning.

These internal control frameworks originate from the guidelines established by the Operational Risk Management and are aimed at:

- describing the processes by means of flowcharts;
- identifying the inherent risks and existing controls;
- recognising the residual risks;
- developing appropriate remedial measures for the identified risks.

In 2023, Operational Risk Management paid extra attention to the management and supervision of the use of End-User Computing (EUC) and Vendor Risk Management (VRM) within the bank.

## IT Security risks

The financial sector remains a target for cyber-criminals. The bank has a duty to monitor threats constantly and to anticipate possible abuse.

In 2023, the IT Security Management team focused on strengthening the basic hygiene for cyber-security and on maintaining the bank's security maturity after the integration of Crelan and AXA Bank.

The Security operation is divided into two levels, a so-called first line which concentrates on operational monitoring and a second line that deals with describing the risks, developing the policy and implementing controls. These controls were strengthened by the establishment of a security control and compliance framework.

By means of continuous security training of head office and agency network employees, Crelan and AXA Bank strive constantly to keep internal awareness of security issues in general and cyber-security in particular at a high level. During European

Cyber Security Month (October), the IT Security Management team held a 'Security Day' featuring external speakers and demonstrations aimed at making the culture of security directly tangible. These initiatives will be further pursued in 2024.

As part of a continuous improvement programme focusing on increased measures and monitoring, the bank's infrastructure was further secured by means of various projects. This programme also focuses on electronic customer services and on raising customer awareness about safe banking.

The agreements with suppliers on the security of private data protection and outsourced activities, among others, were further strengthened and closely monitored.

These elements are, of course, subject to repeated checks by the first, second and third lines of defence.

In the context of the continuity policy, various checks and tests were carried out. Where necessary, aspects were adjusted and improved. In 2024, these activities will be extended, not least in light of the EU's DORA act.

Finally, Crelan continued to invest in the preparation of the future infrastructure and organisation of the bank in view of the integration of AXA Bank. These projects naturally include forward-looking security from the very outset, under the watchful eye of the second line.

## Recovery plan

Crelan has drawn up a recovery plan in accordance with regulator recommendations.

Based on EBA guidelines, the bank has established several risk indicators in the areas of solvency, liquidity and profitability. Alert thresholds and a critical recovery threshold have been defined for each indicator so that recovery options can be triggered in case of breaches.

The bank developed five scenarios for this: solvency crisis, liquidity crisis, a mixed scenario, a specific IT security crisis and a scenario with an impact on the leverage ratio.

For these scenarios, Crelan established a list of possible recovery options that can be activated quickly and, if necessary, simultaneously.

In each of these cases, the envisaged recovery options allow the Group to get out of the danger zone.

## ICAAP / ILAAP

The goal of these reports is to determine whether the bank has sufficient equity and liquidity, which is the case.

The bank's equity allows it to bear all risks arising from its activities and its liquidity position is well above the statutory minimum, which enable it to cope with stress scenarios.

Crelan Group approaches capital adequacy and the appropriateness of the liquidity position from both the regulatory and the economic (internal) points of view. Furthermore the Bank clearly defines its capital and liquidity strategy and the minimum requirements that it must meet in both normal and stressed market circumstances.

Crelan Group may conclude that both its liquidity position and its capital position are healthy.

## Data quality

The bank initiated a large-scale project to significantly improve the quality of data used in its operational processes and in internal, external and regulatory reporting.

This project will, on the one hand, address governance and effective implementation, and on the other hand, focus on loan portfolio data to further strengthen data processes.

## Compliance

### Prevention of money-laundering

In 2023, further efforts were made to harmonise and strengthen the AML/CFT control framework and the screening of potential violations of sanctions and embargoes. In parallel with short-term projects, Compliance also set up a project to make this control framework future-proof through extra technological developments.

### Training and awareness-raising

Just as in previous years, Compliance again took various training and awareness-raising initiatives on AML. Specific attention was given to investor protection, the management of investment products, conflicts of interest, AML/CFT, sanctions and embargoes and policy on tax evasion. Employees in both the head offices and the branch network were instructed to put these training sessions in their diaries in good time and to attend them.

At the same time, members of the Board of Directors received training on the fight against money laundering and the financing of terrorism and on the legislative framework of MiFID.

The monthly compliance newsletter for employees and agents looked at various compliance subjects and changes in the compliance landscape.

### Investor protection

Measures for investor protection and the associated control framework were further refined. For example, in 2023 Crelan started to carry out mystery shopping visits to check whether investment products were being sold correctly and in compliance with the rules on force.

Other steps taken in 2023 included:

- the further strengthening of the approval and review framework for (new) investment products for which the bank is distributor and manufacturer;
- the continued implementation of the policy framework on conflicts of interest;
- further attention to investors' sustainability preferences.

## Internal audit

The Audit Charter describes the overall mission and values of Internal Audit. The roles and responsibilities contained in the Audit Charter and the Audit Committee Charter are in accordance with the law on the statute and supervision of credit institutions and listed companies and are approved by the Board of Directors.

Internal Audit independently provides reasonable assurance - to both the Board of Directors, through the Audit Committee, and the Management Committee - on the quality and effectiveness of internal controls, on risk management, and on the bank's corporate governance systems and processes. In doing so, it gives advice on improvement and thus creates added value. The head of Internal Audit reports to the chairman of the Audit Committee.

The scope of Internal Audit covers all of the Group's activities.

The tasks carried out by Internal Audit in 2023 covered various areas: including IRB credit models, compliance, credit, IT, etc. The integration of AXA Bank also formed an important point for attention, with the corresponding audit assignments.

Internal Audit also carries out the follow-up of corrective actions. The status of audit recommendations is periodically monitored and reported both to the Management Committee and to the Board of Directors through the Audit Committee.

## Network inspection

The Inspection Department, which is divided between the agencies and the head offices, monitors the proper functioning of the independent agencies by collecting information at various levels. This information allows it to check whether the agency's management is in accordance with the Bank's requirements.

To this end, a team of inspectors from the agencies carries out unannounced checks in the agencies, during which the following elements, among others, are examined: the correctness of the available funds, the completeness of the office administration, the processing of accounting documents, the observance of compliance and other regulations, the processing of loan files, checks on compliance with legal provisions, and supervision of compliance with the security instructions laid down by the Bank.

Furthermore, the inspectors also visit the agencies to carry out one-off cash checks, checks on safes, and specific *ad hoc* checks or so-called theme inspections.

In the context of the strategic 'office of the future' project, the inspectors work closely together with the Network Transformation Team (Handover) to prepare the stoppage and/or takeover of a PoS and carry it out *in situ*.

In 2022, Inspection started by setting up a harmonised inspection model for AXA Bank and Crelan. This model is based on three control pillars: the administratively correct functioning of the agency, the financial solidity and compliance with essential agreements between the bank and its mandated agents. This harmonised inspection model was completed and validated in 2023.

In consultation with the Network Management team (Commissions), Inspection worked out a single framework whereby the administrative findings and failure to comply with codes of conduct in general may have an impact on the agent's management commission. Findings by the Inspection service and special investigations with atypical findings as a result will create an internal score, which will have a financial impact for the agent in accordance with validated scales. These results are de-coupled from the Crelan Charter and the agent's financial health.

Furthermore this model provides for periodic basic checks (BCT) on the head office, checks on cash management, confirmation of balances, checks following hold-ups, follow-up checks and SOIs (preventive).

Checks on agents' financial health also belong to this model. These last-named include very specific matters such as prior screening of and opinions on candidate agents and candidate agency employees. The handling of complaints involving an agent or agency employee is also closely examined in consultation with the Investigations team.

Inspection is and remains responsible for the coordination, elaboration and updating of the Crelan Charter, which contains the main agreements between the Bank and the independent agencies. This Charter currently forms part of a total review, whereby the focus is above all on raising our agents' awareness. Agreements with all areas of the Bank are listed to ensure proper cooperation between the agent and each area of the Bank so that, on the one hand, the legal and regulatory provisions are respected and, on the other hand, customers are served correctly and efficiently. The intention is to obtain a global quality picture of our agents and to have each area take responsibility for elaborating first line controls.

The so-called quality model of the Inspection Department manages the frequency of audits and the nature of investigations and inspections. The results of the investigations provide a risk score according to four categories of risk, from low to high. This risk score is allocated to each agency on the basis of elements which correspond to the above-mentioned pillars of the harmonised control system: only administrative and accounting accuracy have an impact on commission. The other pillars, such as financial health and the observations on the Crelan Charter by all areas, give an overall picture of the quality of our agent.

The Committee for Monitoring of the PoS Quality Model (COP) initially follows up on the findings of the various checks and then determines the exact remedial actions required in response to any potential alerts. The COP also deals with complaints when the agent's involvement is questioned and discusses any report of an identified anomaly by another directorate to decide on the appropriate action to be taken with respect to the agent.

If the decision-making authority is exceeded, or in the event of findings that require cross-domain treatment, the COP refers the dossier to the Mediation and Advisory Committee (MAC), which has greater decision-making authority. The MAC is composed of two members of management and representatives of Compliance, Commercial Division, Legal, Loans and Inspection. The results of the discussions in the MAC are reported to the Management Committee.

# Crelan, a cooperative and sustainable bank

## Sustainability is in Crelan's genes

Sustainability is part of Crelan's genetic make-up. And this has much to do with its cooperative structure, the strategy it pursues, its local operation and its manageable scale. Thanks to these elements the way we function is already quite sustainable by definition.

Crelan is thus a 100% Belgian bank, which concentrates on the banker's core tasks. That means it uses the money entrusted to it by savers and investors to grant loans to Belgian private families and entrepreneurs. In other words, Crelan derives no income from speculative transactions or foreign investments, but fully supports its customers' local initiatives.

In doing so, the bank works closely together with more than 970 independent banking agents of Crelan and AXA Bank Belgium who together with their office teams receive customers in 745 offices. These independent entrepreneurs are inextricably bound up with the local neighbourhoods in which they live and work. Their advice is geared to the customer's best interests and to building a lasting relationship based on trust, not to short-term profit goals. Three anchor terms characterise this advice: honesty, competence and tailor-made.

As a cooperative bank, Crelan is not listed on the stock exchange. Like any business, the bank aims to grow and create added value, but it can do so in its own time, without pressure from major institutional shareholders. The bank uses the profit that it makes, on the one hand, to pay a dividend to its 283,629 cooperative shareholders and, on the other hand, to plough money back into the future of the bank, its employees and its customers.

The decision-making centre of our banking group is entirely here in Belgium. The Crelan Group's policy decisions thus take account of local wishes and needs, are focused on the long term and are rather conservative, with a view to fulfilling its duty to safeguard the interests of the bank, its employees, its customers and its cooperative shareholders as a *good pater familias*.

In 2023, Crelan further sharpened its vision and ambition based on the conviction that its cooperative identity forms one of the most important strategic pillars. A tangible result of this was the creation of a new division which focuses entirely on Cooperator & People Engagement on the one hand and ESG on the other. This division operates under the leadership of a Chief Cooperative Bank Officer, who reports directly to the bank's CEO.

## The heart of Crelan: our 283,629 cooperative members

There are 283,629 of them - the cooperative shareholders of CrelanCo. As investors in the future of the Crelan Group, they form the core of our strategy. And as such they are centre-stage in our daily operations, via actions and products geared to their needs, via banking and other benefits. In 2023, the bank took the first steps towards further expanding and improving this package of benefits. In this way, we wish to thank our cooperative members, not just by means of the annual dividend, for their financial commitment as shareholders.

And we wish to go further than that as regards involvement. Through our newsletters and cooperative members' events we want to involve them in and inform them about what their bank does. Through this cooperative involvement we aim to achieve greater satisfaction of our cooperative members, which after all is our first priority.

In order to make this cooperative engagement tangible, we also strive to establish a cooperative culture in the head office, specifically by translating our cooperative values into daily rules of conduct. It is our ambition to instil these values in all employees of the head office and the network.



## A sustainable social commitment

### Crelan Foundation

Based on our cooperative values we are determined not just to engage in sustainable banking, but also to have a positive impact on our society. We do this by providing financial support to socially relevant and sustainable projects that make our society better. Through our Crelan Foundation we support local projects of our cooperative shareholders in the areas of training and culture, health and environment.

Agriculture and horticulture are currently faced with a large number of challenges, and the future of this sector depends on how it manages to deal with these challenges. Academic research into innovation and ways of doing things sustainably are very important in this respect. For this reason, the Crelan Foundation also finances chairs in two leading Belgian agricultural faculties:

- **UGent** (University of Ghent) The Crelan chair for innovation and sustainable agriculture at UGent has existed since 2015. With its strong social commitment it aims to maintain a continuous flow of knowledge to the people concerned in the various fields. The three pillars around which the chair organises activities are its communication from the academic world, innovation and training.
- **Gembloux Agro-Bio Tech – ULiège:** The Crelan chair for the structuring of short circuits in Wallonia (Chaire scientifique pour la structuration des circuits courts wallons) has been active since 2017. It aims for a collective dynamic among scientists and actors from the agricultural sector through reflection and co-creation of knowledge. The goal is to use this to arrive at innovative economic organisation models.



### Sports sponsorship

Crelan believes that sport is an important part of a healthy and balanced lifestyle and a factor of social cohesion that brings people closer together. Fair play and team spirit are what make sport great, and these are therefore values that Crelan is keen to support.

Crelan has long been active as a **sponsor of a number of sports**. The bank consciously selects sports **with a high degree of interaction between athletes and supporters**. We sponsor athletes who are consummate professionals, and who are fully committed to results and at the same time close to their supporters. Crelan believes passionately in these values.

#### Basketball

Crelan on the court with the **Belgian Cats and the Belgian Lions!**

Crelan has supported our national pride in basketball **since May 2019:** the Belgian Cats and the Belgian Lions. Together with the Belgian Basketball Federation, Crelan aims to build on the successes of the Cats & Lions. Crelan also invests in the future of basketball, and is the only head sponsor of the Young Belgian Cats & Lions (U20). Professional support for young Belgian talent is crucial here. These initiatives underscore Crelan's long-term commitment to Belgian basketball.

As well as the classic 5x5 variant, Crelan is also an important partner in the modern 3x3 street variant.

In 2023, we extended our commitment to the Belgian Basketball Federation until September 2025.

From the sports point of view 2023 was a year for the history books. The Belgian Cats won gold at the European Championship in Israel and Slovenia. In a nerve-racking final, the Cats beat Spain, which had won the championship in 2013, 2017 and 2019. A brilliant performance, which was fêted by the Prime Minister and followed by the team's being paraded on the town hall balcony overlooking the Grand Place in Brussels.

The Belgian 3x3 Lions were also congratulated on the silver medal they won at the European Games. A remarkable achievement given that, because of injury, they had to play the whole tournament with only three players (instead of four) with no substitute available.

## Cyclocross

Crelan has been active as a cycling sponsor **since 2000**, then still under the name Landbouwkrediet. The philosophy was always to give young Belgian cycling talent a chance to flourish and to surround them with some established names in the team.

In September 2023, the cosponsor of the cyclocross team changed, and so did the name Crelan-Fristads, to **Crelan-Corendon**. The team concentrates mainly on home-grown talent. In 2023, the team was strengthened with a view to the future by the addition of Toon Vandebosch and Wietse Meeusen. The women's team added Dutch national Inge Van der Heijden.

In 2023 Sanne Cant won her 14<sup>th</sup> consecutive Belgian title in the Women's Elite.

## Cycling

Since 1 July **2022**, Crelan has been the **banking partner of the Belgian World Tour team: Alpecin Deceuninck**. In 2023 Crelan was privileged to witness 35 victories including such outstanding ones as the four victories and the green jersey of Jasper Philipsen during the Tour de France and those of Mathieu Van der Poel in Milan-San Remo and Paris-Roubaix, as well as the cyclocross victories of Mathieu van der Poel and Ceylin Alvarado.

## Athletics

Since 2011 Crelan has been a loyal partner of the **Borlée family**, who are among the world's best in the 400 metres and the 4x400 metres. As brand ambassadors for Crelan, **Kevin, Jonathan and Dylan** have remained highly accessible and open to their supporters throughout their careers, even though they have spent 10 years at the top of international athletics. This is precisely what Crelan values: offering its customers a committed and professional service in a personalised relationship of trust.

For the Borlée family, 2023 was a very special year in which they won medals in all three categories in international championships:

- Gold in the 4x400 metres at the European Indoor Athletics Championships, Istanbul
- Bronze at the European Games in Krakow-Malopolska

## The Crelan Vikings

Needless to say, Crelan itself also sets a good example by encouraging and facilitating the practice of sport among its employees. For this reason, the bank supports **the Crelan Vikings, a sports club organised by and for personnel**. Thanks to the bank's financial and organisational support, colleagues can practise sport together during the lunch break or after work.

## Sustainable and climate-friendly banking

As Belgium's largest cooperative bank we wish to focus on three aspects of ESG. We want customers and cooperative members to consciously choose our bank on account of:



our opting for ecological transition. We want to go further than just reducing our own ecological footprint. We want to make the transition together with our customers by actively supporting and accompanying them with an appropriate range of products and advisory services.



our social commitment, efforts made for the society we live in and the important role we play in the evolution towards a more social economy. Crelan distinguishes itself from the other banks through its genuine cooperative character which is translated into the bank's cooperative strategy.



our honest governance, business ethics and transparent communication to all our stakeholders.

As a cooperative bank we want to behave responsibly, not just financially or economically but also environmentally and socially and to communicate transparently about it. **Consequently ESG is given more and more attention in Crelan's various areas and decision-making bodies.**

Leaving behind a healthy living environment for our children and grandchildren is something we all find important. In order to put a stop to global warming we must all assume responsibility - and we can do it.

Crelan also paid extra attention in 2023 to constructing models and investigating opportunities for facilitating a sustainable transition. You can read about our vision and ambitions in this area in the climate report that Crelan will publish for the first time in 2024.

Crelan translates its ESG policy specifically into attention to:

- a **continuous increase in the sustainability of its range of products and services.**
  - If you wish to borrow money for your renovation there are various credit solutions. The Green Loan is a specific loan in our range of credit products that allows customers to invest in energy-saving applications at a special low interest rate.
  - In September 2023, Crelan launched a successful Green Bond issue. Green bonds are bonds whose proceeds are used exclusively to (re-)finance projects that contribute to the environment and that comply with the Green Bond Principles (GBP).
- **Green investments** in its buildings and facilities
  - Installation of solar panels on the Berchem building
  - Making its buildings sustainable, with the preparation of a building strategy so that by 2030 the bank can reach a climate-neutral end result for Scopes 1 and 2;

(Scope 1 is direct CO<sub>2</sub> emissions, caused by own sources within the organisation. This concerns emissions from own buildings, and transport- and production-related activities. Scope 2 concerns indirect CO<sub>2</sub> emissions, from the generation of electricity and heat purchased and consumed). For this, in 2023 the bank restarted a project that examines its own CO<sub>2</sub> footprint in order to take effective steps based on this information.

- **A pleasant and motivating working environment for its employees;**  
By means of Pulse Surveys the bank regularly sounds out its employees on what they think about various issues such as strategy, growth and development, leadership, diversity and inclusion, etc.  
This input enables managers to react to currents in the bank and to further improve the working environment in Crelan.
- **Commitment to society and to cooperative members through the cooperative structure.**  
You can read more about this in the sustainability report.
- **Participation in the capital of Incofin,** a fund specialising in microfinance in third world countries.

For more concrete information on our sustainable operations, we invite the reader to consult our sustainability and climate report. These reports can be found on Crelan's website.



# Most important risks and uncertainties

The most important risk for the bank in the short- to mid-term is the **execution risk of the Integration and Migration Programme (I&M)** that aims to integrate AXA Bank into Crelan and to migrate AXA Bank's data to the Crelan environment. Risk management is closely monitoring this I&M programme. It is equally important for the integrated bank to be able to start a successful transformation immediately after the migration. As well as some commercial turnkey projects (Fronteo housing loans, Enterprise Risk management, digital tools), it is very important to allocate sufficient resources for (cyber-)security and for further optimisation and industrialisation of the AML and KYC processes.

As well as the risks associated with the I&M programme, another important risk for the bank is **the business model**. Although the simplicity of the current business model is certainly an advantage, it also leads to a lack of diversification. This entails the risk that adverse market circumstances or increased competition in important markets (such as housing loans or private individual investment products) could materially and directly influence the bank's net income. The macro-economic environment influences the bank's profitability, which relies largely on the Belgian private individual market, transforming Belgian savings into loans, which are good for the Belgian economy, mainly housing loans and, to a lesser extent, professional and consumer credit. In 2021, the Covid-19 pandemic made for uncertain macro-economic circumstances, while in 2022 the geopolitical conflict between Russia and Ukraine caused upward pressure on energy prices and led ultimately to a rise in inflation.

It remains uncertain how the consequences of the COVID-19 pandemic and the geopolitical conflicts will influence **the quality of the loan portfolio** in the medium-long term.

The importance of good management of the bank's **liquidity position** was once again underlined this past year by the federal government's issue of a one-year bond. This led to an outflow of liquid assets from all Belgian banks, which was partly mitigated by offering fixed term products with similar characteristics. A lack of liquidity was also partly responsible for the failure of a number of credit institutions at the beginning of 2023, both in the US and in Europe. Crelan Group has sufficient liquid buffers and resources with which to top up these

liquid buffers, but nonetheless remains vigilant and monitors the liquidity position continuously.

The evolution of the **Belgian bank landscape** is a material factor of the business risk. The conduct and expectations of customers relative to their banking partner are changing. Although this is not so much a risk as a fact, the degree to which, or the speed at which the change occurs remains uncertain. The growing use of technology and the digitisation of banking also imply special attention to the security of information, cyber-risk and electronic security. At the same time, banks are increasingly confronted with **ESG risk**, partly because of the negative consequences of climate change and the associated transition risk.

The **regulatory and tax context** has a considerable influence on the activities of both banks. Changes in regulations and tax regimes can have a significant impact, especially in view of our simple business model and the concentration on a limited number of activities. For example, the legal floor of 11 bps on savings accounts or the prudential measures of the NBB raising capital requirements for housing loans have had structural consequences for retail banks that transform savings into housing loans. Other examples of evolving regulations and standards are the MREL requirements (minimum capital requirements and eligible liabilities), the completion of Basel IV, IFRS 9, EMIR (the EU market infrastructure regulation), MiFID II, AMLD IV and V, GDPR, DORA (Digital Operational Resilience Act) and possible new central bank regulations on digital currencies.

Crelan and AXA Bank both have a strict zero tolerance approach to misconduct and compliance risks. Accordingly we carry out a bank-wide multidiscipline programme that combines training, certification, checks and rewards and sanctions.

In general, risks are monitored and managed within the risk appetite framework established by the Board of Directors and in accordance with the prescribed risk governance (as described in the chapter headed 'Crelan Group: a safe banking group').

# Significant events after the reporting period

2024 started well for Crelan, which successfully issued €750 million in senior non-preferred notes with a maturity of eight years. This issue is an important step in Crelan's issue programme and supports the bank's MREL ratio.

Since the balance sheet date, there have been no other material events that would require an adjustment to the consolidated annual accounts of the undertaking at 31 December 2023 or a note thereto.



# A word of thanks

On the first day of 2022, Crelan Group doubled in size as a result of the takeover of AXA Bank, becoming the fifth largest financial group among Belgian retail banks by balance sheet total.

This acquisition is another important step in Crelan's long and rich history. Not growth for growth's sake, but rather a well-considered step to the benefit of Crelan and AXA Bank and their customers.

From now on, the Crelan Group will be able to invest more quickly and efficiently in its services as it serves twice as many customers.

Combining our expertise and experience is enriching and will undoubtedly further improve our customer service and offerings.

Initially, this acquisition brought little or no change for the customers of Crelan and AXA Bank. Both brands continued to operate separately in the market, and its familiar branches and products remained available.

Since 2022, an ambitious Integration and Migration programme has been rolled out with the intention of integrating both banks in the spring of 2024 and thenceforth conducting all business under the

Crelan logo. Meticulous preparation and monitoring of this integration trajectory by a large number of Crelan and AXA Bank employees continued in 2023. It is, after all, our ambition to make the integration as smooth and seamless as possible for our customers.

We are very proud of this new step in the growth process of the Crelan Group. We want to honour the trust placed in us by the financial regulators, the National Bank of Belgium and the European Central Bank by making the integration a success for the bank, its agents and its customers.

Crelan's ability to take this step is not only the result of a well thought-out policy, but also of the efforts and dedication of our employees and the trust placed in us by our customers and cooperative shareholders.

On behalf of all the members of the Board of Directors of CrelanCo CV and Crelan NV, we would like to thank you for this.

## **Luc Versele**

*Chair of the Board of Directors  
Crelan NV*

## **Benoît Bayenet**

*Chair of the Board of Directors  
CrelanCo CV*

The annual report of the Crelan Group is published in Dutch, French and English.

It can be viewed at [www.crelan.be](http://www.crelan.be).

The report was produced by the General Office and Marketing & Communication departments of the Crelan Group.

For more information, please contact:

Eugeen Dieltiens, Secretary-General [general.office@crelan.be](mailto:general.office@crelan.be).

“A good team spirit  
and work ethic will  
get you far.”

