

CRELAN

Interim Financial Statements IFRS

1H 2023



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Condensed consolidated interim financial information of Crelan Group for the first six months of the current financial year 2023, prepared in accordance with IAS34 as adopted by the European Union.

Interim Financial Statements IFRS 1H 2023

Management certification of interim financial statements

Management certification of financial statements and half-year report:

“I, Emmanuel Vercoustre, Chief Financial Officer, certify on behalf of the Executive Committee that, to the best of my knowledge, the abbreviated financial statements included in the half-year report are based on the relevant accounting standards and fairly present in all material respects the financial condition and results of Crelan Group including its consolidated subsidiaries, and that the half-year report provides a fair view of the main events, the main transactions with related parties in the period under review and their impact on the abbreviated financial statements”.

1. The Statutory Auditor's Report

See annex 1.

2. Report on the first six months

In a context of rapidly increasing interest rates, a shrinking mortgage market and continuing investments, Crelan Group presents a consolidated result of EUR 53,2 million for the first six months of 2023 (EUR 56,0 million for the first six months of 2022).

The underlying result is driven by an exceptionally strong topline growth as the bank has taken a prudent approach to the interest rate environment evolution and its liquidity management. The sharp contraction in the credit market is showing on the commercial side and the fierce competition is weighing on the commercial margin of the assets, this is however compensated on the commercial margin on the liability side, whereby the bank is benefiting from the rise in interest rates.

This significant increase in the revenues of the bank is offset by significantly increasing expenses, the biggest cost increase is stemming from the stepping up in the effort on the integration and migration of both banks. The increase of revenues is also translated into higher commission to our bank agents as there is a direct link between the banks revenues and the agents' commissions. As the banks' revenues increase, so do the commissions paid out to the agents. On top of these increases, the decision of the Belgian government to increase the bank taxes also resulted into higher bank taxes.

On the cost of risk side the bank has reviewed its economic assumptions and took a prudent approach both on the evolution of the house prices as on the approach towards outstanding defaulted loans.

Evolution of the balance sheet

The balance sheet total increased by 0,4% (EUR 0,2 billion) to EUR 54,1 billion.

Cash and cash equivalents increased by 2,81% between 31 December 2022 and 30 June 2023 (from EUR 7,1 billion to EUR 7,3 billion) due to the increase in receivables from the National Bank of Belgium.

Investments in debt securities at fair value through OCI and at amortised cost decreased by EUR 174 million and EUR 396 million respectively.

The loan portfolio increased by EUR 564 million to EUR 48,3 billion, reflecting strong mortgage loan production.

Changes in the fair value of items hedged as part of the interest rate risk hedging of the portfolio went from a negative amount of EUR 3,149 million to a negative amount of EUR 2,869 million. These negative amounts are the consequence of the sharp rise in long-term interest rates during the first half of 2022. Symmetrically, there was an increase in the fair value of the corresponding hedges (the subsequent increase in the fair value of the swaps is not visible in the balance sheet, however, as this fair value is offset by the cash collateral received).

Tax assets and liabilities decreased by EUR 170 million and EUR 157 million respectively. This decrease is mainly due to deferred tax assets and liabilities calculated on temporary differences between the IFRS carrying amounts of assets/liabilities and their corresponding tax base. In this

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context, the deferred tax asset based on unused tax credits or losses amounts to only EUR 12 million.

Financial liabilities measured at fair value through profit or loss mainly comprise bonds issued by AXA Belgium Finance. This item decreased by 22%, or €84 million, due to (i) bond maturities and redemptions during the first half of 2023 (-€91 million) and (ii) fair value movements (+€7 million) due to the increase in interest rates and changes in the issuer's credit spread.

Financial debt measured at amortised cost increased by 0,8% or EUR 0,4 billion. On the one hand, customer deposits increased by 1,9% or EUR 0,8 billion to EUR 43,2 billion. These are mainly term accounts. On the other hand, there was a decrease in debt securities issued which fell by 4,6% or EUR 0,3 billion to EUR 5,7 billion. This is mainly related to decrease in covered bonds (EUR -0,7 billion) and increase in Senior Non Preferred (EUR 0,5 billion).

In terms of provisions, we observe an increase of EUR 33,2 million following the constitution of these items: provisions for agent network restructuring, for bank levies from 2016 and jubilee compensated by a decrease of the provision for pension and other post-employment defined benefit obligations.

Elements (drivers) of the result

First of all, there was a slight decrease in the Crelan Group's consolidated results under IFRS, due mainly to the increase in administrative costs for the integration and migration with ABB, the provisions set aside for the restructuring of the agent network and for the possible repayment of the bank levy from 2016, which had been repaid at the time, the increase in the cost of impairments and income tax, partially offset by the strong positive trend in net interest income.

Net interest income rose.

The positive evolution in net interest income at Crelan Group level between financial periods 062022 and 062023 is mainly the result of the trend in interest rates on the hedging portfolio, which rose sharply in June 2023 compared with June 2022, but also on financial assets measured at amortised cost, which also rose compared with June 2022 (credit and securities portfolio), outweighing the increase in interest on financial liabilities measured at amortised cost (customer deposits), and finally the negative effect of net interest income on the trading portfolio.

The negative result in the sections "Gains or (-) losses on financial assets and liabilities held for trading, net", "Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net", "Hedge accounting gains or (-) losses, net" and "Exchange differences" should be considered together. The effect on the income statement of the EMTN business and the transfer of hedging swaps to the trading book are spread over these different sections.

At the Crelan level, "Gains or (-) losses on net hedge accounting" are mainly responsible for the significant gross change in this portfolio group.

The positive change in Crelan group's commission income between financial periods 062022 and 062023 is mainly due to commission income on the investment of funds at ABB, while there was a slight slowdown in commission income at Crelan, and an increase in commission income at Europabank due to payment services (bank cards).

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As for the commissions paid by Crelan SA and ABB, they are up compared to the period 062022, following the calculation method introduced several years ago, which has a positive effect for agents in the event of an increase in net banking income, which is the case in 2023.

“Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net” fell sharply following the sale of a large proportion of bonds, resulting in a realised loss of EUR 19 million.

Administrative expenses increased due to integration and migration costs related to the merger between Crelan SA and AXA Bank Belgium SA, and to higher staff costs mainly due to salary indexation.

Pre-tax profit for the first half of the year was heavily impacted by bank levies (€57 million) and contributions to the resolution fund and the DGS (€43 million). It should be noted that, under IFRS, these expenses are recognised in full at the beginning of the reference year (i.e. they are not spread over 12 months).

The increase in depreciation is mainly due to changes in depreciation on capitalised project costs and hardware at Crelan and on software developed in-house at ABB.

The increase in provisions for liabilities and charges is mainly due to the creation of several provisions during the first half of 2023, the main elements of which are as follows: a provision for restructuring the agent network (EUR 32,5 million), a provision for bank taxes 2016 (EUR 8,1 million), a provision for jubilee bonus (EUR 1,0 million) and a provision for agent litigation (EUR 2,3 million).

The negative trend in provisions and impairment is the result of negative trends for Crelan, ABB and Europabank and can be explained as followed:

- For stage 2 exposures we can observe a return in provisions to the long term pre-covid trend.
- For stage 3 exposures we have seen an increase in recoveries due to the increase in market value of collateral.

Both leading to a decrease in the level of provisions.

Europabank showed a negative trend between June 2022 and June 2023 as a result of reversals in 2022 of large provisions made in 2021.

As regards the macroeconomic outlook used to calculate expected losses, Crelan uses a base scenario, a recovery scenario and an adverse scenario, in which 55% of the weighting is given to the base scenario and 45% to the adverse scenario. Given the uncertainties in the market, no weighting is given to the recovery scenario. The management overlay linked to the "Covid" uncertainties was at the end of 2022 replaced by a management overlay linked to the uncertainties of the energy crisis and the war in Ukraine (EUR 3,5 million for Crelan and EUR 6,4 million for ABB), which is unchanged at 30 June 2023.

At the end of 2022, various methodological aspects were modified for the calculation of expected losses, to better align the Crelan/ABB methodologies. This has led to an increase in expected losses.

- The sensitivity of property prices to the LGD has increased. With property prices expected to fall, this has increased expected losses.

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- Stricter rules for moving to stage 2 at Crelan, more in line with the rules already applied at ABB.
- EAD modelling taking into account 3 months of arrears in the EAD.
- Harmonisation of the PIT impact of macro-economic scenarios on PD.

Income tax at Crelan Group rose sharply, following an increase in the tax base at both Crelan and ABB.

Finally, in May 2023, CrelanCo paid a dividend of 4% (35,6 million euros) to its cooperative shareholders, based on the results at the end of 2022.

Solid capital and robust liquidity position

During the first half of 2023, we have seen a degree of stability in cooperative capital despite the suspension of the availability of shares for sale during the first three months pending the adaptation of the prospectus. At the end of June, the amount of the capital was EUR 912 million.

At the end of June 2023, the Common Equity Tier 1 ratio stood at 23,25%. Liquidity remains strong, with an LCR ratio of 190,86% and a stable NSFR of 148,05%. Crelan Group meets all regulatory solvency and liquidity requirements.

3. Condensed consolidated financial statements according to IFRS

3.1. Condensed consolidated Balance Sheet

Assets (in EUR)	Note	30/06/2023	31/12/2022
Cash, cash balances at central banks and other demand deposits	5	7.331.010.389	7.130.436.024
Financial assets held for trading	6	11.926.077	11.751.718
Non-trading financial assets mandatorily at fair value through profit or loss	6	6.717.769	6.494.954
Financial assets at fair value through profit or loss	6	0	0
Financial assets at fair value through other comprehensive income (FVOCI)	7	67.754.072	242.148.850
Financial assets at amortised cost		48.916.181.440	48.748.763.581
<i>Debt securities</i>	7	573.743.807	969.923.456
<i>Loans and advances (including finance leases)</i>	8	48.342.437.632	47.778.840.125
Derivatives – Hedge accounting		210.517.432	325.518.582
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-2.869.026.345	-3.149.398.494
Property, plant and equipment		84.566.725	84.612.482
Goodwill and intangible assets		47.002.553	47.118.576
Investments in subsidiaries, joint ventures and associates		12.686.005	12.686.005
Tax assets		46.916.100	216.807.015
Other assets	11	193.192.668	165.356.099
Total Assets		54.059.444.884	53.842.295.391
Liabilities (in EUR)	Note	30/06/2023	31/12/2022
Financial liabilities held for trading		33.947.656	36.418.642
Financial liabilities at fair value through profit or loss		292.473.449	376.190.783
Financial liabilities at amortised cost	9	50.908.240.974	50.483.073.823
<i>Deposits from Credit institutions</i>		1.360.548.281	1.388.156.060
<i>Deposits from Other than credit institutions</i>		43.209.429.935	42.404.600.558
<i>Debt securities including bonds</i>		5.676.171.928	5.950.058.478
<i>Subordinated liabilities</i>		212.407.925	209.047.595
<i>Other financial liabilities</i>		449.682.904	531.211.132
Derivatives – Hedge accounting		14.137.395	7.076.007
Fair value changes of the hedged items in portfolio hedge of interest rate risk		-57.796.855	-40.456.212
Provisions		279.989.968	246.758.423
Tax liabilities		80.295.283	237.499.893
Other liabilities		161.684.191	164.607.600
Total Liabilities		51.712.972.061	51.511.168.959
Equity (in EUR)	Note	30/06/2023	31/12/2022
Capital		911.716.584	912.298.467
<i>Paid up capital</i>		911.716.584	912.298.467
<i>Unpaid capital which has been called up</i>		0	0
Share premium		0	0
Equity instruments issued other than capital (AT1)		244.504.494	245.171.946
Accumulated other comprehensive income		3.386.071	5.784.762
Items that will not be reclassified to profit and loss		1.079.989	2.873.857
<i>Actuarial gains or loss on defined benefit pension plans</i>		-10.586.774	-13.917.633
<i>Changes in fair value of equity instruments measured at fair value through other comprehensive income</i>		-30.755	-33.863
<i>Change in fair value of a financial liability at fair value through profit or loss that is attributable to changes in the credit risk of that liability</i>		11.697.517	16.825.353
Items that may be reclassified to profit and loss		2.306.082	2.910.905
<i>Fair value changes of debt instruments measured at fair value through other comprehensive income</i>		2.306.082	2.910.905
Reserves (including retained earnings)		1.133.653.570	1.009.671.703
Income from current year		53.212.105	158.199.554
Minority interests		0	0
Total Equity	12	2.346.472.824	2.331.126.432
Total Equity and total Liabilities		54.059.444.885	53.842.295.391

3.2. Condensed Consolidated Statement of profit or loss

Consolidated Statement of profit or loss (in EUR)	Note	30/06/2023	30/06/2022
CONTINUING OPERATIONS			
TOTAL OPERATING INCOME, NET		501.831.107	372.831.823
Interest income		837.518.355	440.114.088
Interest expenses		-346.573.798	-143.394.397
Dividend income		116.870	327.814
Fee and commission income	13	125.783.553	123.945.082
Fee and commission expenses	13	-118.767.694	-92.642.014
Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net	14	-17.589.861	4.463.446
Gains or (-) losses on financial assets and liabilities held for trading, net		-133.326	-32.582.361
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net		63.067	-143.328
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net		-592.488	35.802.034
Gains or (-) losses from hedge accounting, net		3.706.971	19.677.048
Exchange differences [gain or (-) loss], net		3.398.299	-3.706.241
Gains (losses) on derecognition of assets other than held for sale, net		-10.085	-6.848
Other operating income		14.995.165	21.089.876
Other operating expenses		-83.922	-112.376
Administrative Expenses		-299.287.972	-253.661.369
Staff Expenses	15	-93.885.019	-89.810.981
Other administrative Expenses	16	-205.402.953	-163.850.387
Cash contributions to resolution funds and deposit guarantee schemes	17	-43.335.099	-46.919.408
Depreciation		-8.504.979	-6.757.861
Property, Plant and Equipment		-5.507.236	-4.758.136
Goodwill		0	0
Intangible assets (other than goodwill)		-2.997.743	-1.999.725
Modification gains or (-) losses, net		0	0
Provisions	18	-37.242.475	8.380.130
Impairment		-23.045.170	1.197.396
Impairment losses on financial assets not measured at fair value through profit or loss		-23.045.170	1.197.396
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>		0	0
<i>Financial assets at amortised cost</i>		-23.045.170	1.197.396
Impairment on Property, plant and equipment		0	0
Negative goodwill recognised in profit or loss		0	3.750.173
Profit or (-) loss from non-current assets and disposal groups classified as held for sale*		0	0
TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS		90.415.412	78.820.885
Tax Expenses or (-) income related to profit or loss from continuing operations		-37.203.305	-22.872.689
<i>Current taxes</i>		-35.084.006	-11.544.234
<i>Deferred taxes</i>		-2.119.299	-11.328.455
NET PROFIT OR LOSS		53.212.106	55.948.196
Statement of comprehensive income			
Comprehensive income that may be reclassified to profit or loss		-604.856	201.989
<i>Revaluation of financial assets at fair value through other comprehensive income (FVOCI)</i>		-806.464	269.329
<i>Income tax relating to items that may be reclassified to profit or (-) loss</i>		201.608	-67.340
Comprehensive income that will not to be reclassified to profit or loss		-1.793.869	24.871.544
<i>Actuarial gains (losses) on defined benefit pension plans</i>		4.441.145	7.206.831
<i>Fair value changes of financial liabilities at fair value through profit or loss that is attributable to changes in their credit risk</i>		-6.837.114	25.973.703
<i>Fair value changes of equity instruments measured at fair value through other comprehensive income</i>		3.108	-13.857
<i>Income tax relating to items that will not be reclassified</i>		598.992	-8.295.133
Total comprehensive income (net)		-2.398.725	25.073.533
Total profit or loss and comprehensive income for the period		50.813.381	81.021.728

3.3. Condensed consolidated statement of changes in equity

(in EUR)	Capital	Equity instruments issued other than capital	Accumulated Other Comprehensive Income	Reserves (including retained earnings)	Income from current year	Total
Opening balance at 1 January 2023	912.298.467	245.171.946	5.784.763	1.009.671.702	158.199.554	2.331.126.432
Issuance of Ordinary Shares	16.835.170	0	0	0	0	16.835.170
Issuance of Other Equity Instruments	0	0	0	0	0	0
Capital Reduction	-17.417.052	0	0	0	0	-17.417.052
Dividends	0	0	0	-35.510.599	0	-35.510.599
Transfers among components of equity	0	0	0	0	0	0
Equity increase or (-) decrease resulting from business combinations	0	0	0	0	0	0
Other increase or (-) decrease in equity	0	-667.452	0	159.492.467	-158.199.554	625.461
Total profit or loss and comprehensive income for the year	0	0	-2.398.692	0	53.212.105	50.813.413
Closing balance at 30 Jun 2023	911.716.585	244.504.494	3.386.071	1.133.653.570	53.212.105	2.346.472.825

(in EUR)	Capital	Equity instruments issued other than capital	Accumulated Other Comprehensive Income	Reserves (including retained earnings)	Income from current year	Total
Opening balance at 1 January 2022	895.456.452	244.400.438	4.655.594	389.160.643	660.346.065	2.194.019.192
Issuance of Ordinary Shares	23.082.092	0	0	0	0	23.082.092
Issuance of Other Equity Instruments	0	0	0	0	0	0
Capital Reduction	-21.714.037	0	0	0	0	-21.714.037
Dividends	0	0	0	-26.604.530	0	-26.604.530
Transfers among components of equity	0	0	0	0	0	0
Equity increase or (-) decrease resulting from business combinations	0	0	0	0	0	0
Other increase or (-) decrease in equity	0	319.836	0	660.296.322	-660.346.065	270.093
Total profit or loss and comprehensive income for the year	0	0	25.073.583	0	55.948.196	81.021.779
Closing balance at 30 Jun 2022	896.824.507	244.720.274	29.729.177	1.022.852.435	55.948.196	2.250.074.589

3.4. Condensed consolidated interim cash flow statement

(in EUR)	30/06/2023	30/06/2022
OPERATING ACTIVITIES		
Net profit (loss)	53.212.106	55.948.194
<u>Adjustments to reconcile net profit or loss to net cash provided by operating activities:</u>	<u>37.336.631</u>	<u>55.455.050</u>
(Current and deferred tax income, recognised in income statement)	0	0
Current and deferred tax expenses, recognised in income statement	37.203.305	22.872.689
Unrealised foreign currency gains and losses	0	0
FV through P&L	133.326	32.582.361
<u>INVESTING AND FINANCING ACTIVITIES</u>	<u>68.745.594</u>	<u>-2.819.407</u>
Depreciation	8.457.949	6.758.119
Impairment	23.045.170	-1.197.396
Provisions net	37.242.475	-8.380.130
<u>Other adjustments</u>	<u>-574.785</u>	<u>24.821.802</u>
Cash flows from operating profits before changes in operating assets and liabilities	158.719.546	133.405.639
<u>Decrease (increase) in working capital (excl. cash & cash equivalents):</u>	<u>104.027.583</u>	<u>1.586.221.460</u>
Decrease (increase) in operating assets (excl. cash & cash equivalents):	<u>202.855.774</u>	<u>-1.231.598.420</u>
Decrease (increase) in balances with central banks	0	0
Decrease (increase) in financial assets at amortised cost	-190.389.198	-1.099.482.245
Decrease (increase) in financial assets at fair value through other comprehensive income	173.789.955	174.025.857
Decrease (increase) in financial assets held for trading	-174.359	25.219.926
Decrease (increase) in financial assets designated at fair value through profit or loss	-222.815	120.253
Decrease (increase) in non-trading financial assets mandatorily at fair value through profit or loss	0	0
Decrease (increase) in asset-derivatives, hedge accounting	115.001.150	-168.336.620
Decrease (increase) in other assets (definition balance sheet)	104.851.041	-163.145.591
<u>Increase (decrease) in operating liabilities (excl. cash & cash equivalents):</u>	<u>-98.828.191</u>	<u>2.817.819.880</u>
Increase (decrease) in deposits from credit institutions and central banks	-27.607.779	-131.659.286
Increase (decrease) in deposits (other than credit institutions)	804.626.883	1.357.708.250
Increase (decrease) in debt certificates (including bonds)	-273.886.550	-1.188.957.808
Increase (decrease) in financial liabilities held for trading	-2.604.312	-49.819.703
Increase (decrease) in financial liabilities designated at fair value through profit or loss	-83.717.334	-199.009.405
Increase (decrease) in liability-derivatives, hedge accounting	-290.651.405	2.583.371.791
Increase (decrease) in other financial liabilities	-81.325.734	308.420.561
Increase (decrease) in other liabilities (definition balance sheet)	-143.661.960	137.765.480
	262.747.129	1.719.627.099
Income taxes (paid) refunded	-21.144.444	-7.783.910
Net cash flow from operating activities	241.602.685	1.711.843.189
INVESTING ACTIVITIES		
(Cash payments to acquire tangible assets)	-5.461.479	-3.246.754
Cash receipts from the sale of tangible assets	0	0
(Cash payments to acquire intangible assets)	-2.834.690	-437.117
Cash receipts from the sale of intangible assets	0	0
Net cash flow from investing activities	-8.296.169	-3.683.871
FINANCING ACTIVITIES		
(Dividends paid)	-35.510.599	-26.604.530
(Paid coupon on AT1)	0	0
Cash proceeds from the issuance of subordinated liabilities	3.360.330	0
(Cash repayments of subordinated liabilities)	0	-11.712.721
Cash repayments of shares or other equity instruments	-17.417.052	-21.714.037
Cash proceeds from issuing shares or other equity instruments	16.835.170	23.082.092
Net cash flow from financing activities	-32.732.151	-36.949.196
Effect of exchange rate changes on cash and cash equivalents	0	0
NET INCREASE IN CASH AND CASH EQUIVALENTS	200.574.361	1.671.210.122
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	7.130.436.024	4.995.388.966
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	7.331.010.385	6.666.599.088
<u>Components of cash and cash equivalents</u>		
Cash on hand	107.990.350	115.688.655
Cash and balances with central banks	7.133.819.112	6.454.821.561
Financial assets at amortised cost	89.200.927	96.088.872
Financial assets at fair value through other comprehensive income	0	0
Total Cash and cash equivalents at the end of the period	7.331.010.389	6.666.599.088
Including : amount of cash and cash equivalents held by the company but not available for use by the group	418.024.940	397.667.706
Undrawn borrowing facilities (with breakdown if material)	0	0
<u>Supplemental disclosures of operating cash flow information:</u>		
Interest income received	837.518.355	440.114.085
Dividends received	116.870	327.814
Interest expense paid	346.573.798	143.394.397

4. Notes to the condensed consolidated interim financial statements

Note 1 Statement of compliance

The consolidated financial statements of AXA Bank Belgium have been prepared in accordance with IAS 34 as adopted in the European Union ('endorsed IFRS'). The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual financial statements as of 31 December 2022.

Note 2 Summary of significant accounting policies (Note 8 in the annual statements of 2022)

A summary of the main accounting policies is provided in the annual financial statements as of 31 December 2022. Those accounting policies are unchanged compared to year-end 2022.

Note 3 Standards, Interpretations and Amendments

3.1 New Standards, Interpretations and Amendments becoming effective at January 1st 2023

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules (effective immediately but not yet endorsed in the EU – disclosures are required for annual periods beginning on or after 1 January 2023)

Partly because the group no longer carries out insurance activities, the above-mentioned new standard and amendments have no impact on the consolidated accounts. As for the amendments to IAS 12 regarding the Pillar Two Model Rules, it is still awaiting the transposition of the guidelines into national law.

3.2 Standards, Interpretations and Amendments issued but not yet effective

The Standards, Interpretations and Amendments that are issued, but not yet effective, up to the date of issuance of the Company's financial statements will be adopted by the Company once they become effective in the EU.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

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- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU).
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (applicable for annual periods beginning on or after 1 January 2024, but not yet endorsed in the EU)

These Standards, Amendments and Interpretations are not expected to have a significant impact on the annual accounts of the Company.

5. Notes on related party transactions

The Company regularly conducts transactions with related parties as part of its operations. In the interim financial statements these transactions are listed below.

Note 4: Related party transactions

(in EUR)		30/06/2023			
Amounts to be paid and to be received from related parties	Subsidiaries and other entities of the same group	Participations and joint ventures	Key management personnel	Other related parties	
Selected financial assets	0	0	2.605.092	4.323.732	
Shares	0	0	0	0	
Bonds	0	0	0	0	
Loans	0	0	2.605.092	4.323.732	
Selected financial liabilities	525.652	0	59.558	0	
Deposits	525.652	0	59.558	0	
Issued securities	0	0	0	0	
Notional amount of granted credit lines, financial guarantees and other guarantees	0	0	0	200.742	
Received credit lines, financial guarantees and other guarantees	0	0	815.000	1.477.604	
Notional amount of derivatives	0	0	0	0	
Provisions for impairment on debt instruments, guarantees and commitments	0	0	0	0	
Total	525.652	0	3.479.650	6.002.077	

(in EUR)		31/12/2022			
Amounts to be paid and to be received from related parties	Subsidiaries and other entities of the same group	Participations and joint ventures	Key management personnel	Other related parties	
Selected financial assets	0	0	2.754.846	4.099.553	
Shares	0	0	0	0	
Bonds	0	0	0	0	
Loans	0	0	2.754.846	4.099.553	
Selected financial liabilities	0	0	110.177	0	
Deposits	0	0	110.177	0	
Issued securities	0	0	0	0	
Notional amount of granted credit lines, financial guarantees and other guarantees	0	0	0	200.742	
Received credit lines, financial guarantees and other guarantees	0	0	790.000	1.127.604	
Notional amount of derivatives	0	0	0	0	
Provisions for impairment on debt instruments, guarantees and commitments	0	0	0	0	
Total	0	0	3.655.023	5.427.899	

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(in EUR)	30/06/2023			
Expenses and income resulting from transactions with related parties	Subsidiaries and other entities of the same group	Participations and joint ventures	Key management personnel	Other related parties
Interest received	0	0	36.934	58.826
Interest paid	0	0	0	0
Dividends received	0	0	0	0
Commission received	0	0	0	0
Commission paid	0	0	0	0
Income or (-) expenses on the sale of financial assets and liabilities not at fair value through profit or loss	0	0	0	0
Income or (-) expenses on the sale of non-financial assets	0	0	0	0
Expenses or (-) write-back of expenses during the current period concerning amortised debt instruments, guarantees and commitments	0	0	0	0
Total	0	0	36.934	58.826

(in EUR)	30/06/2022			
Expenses and income resulting from transactions with related parties	Subsidiaries and other entities of the same group	Participations and joint ventures	Key management personnel	Other related parties
Interest received	0	0	25.117	31.965
Interest paid	0	0	465	0
Dividends received	0	0	0	0
Commission received	0	0	0	0
Commission paid	0	0	0	0
Income or (-) expenses on the sale of financial assets and liabilities not at fair value through profit or loss	0	0	0	0
Income or (-) expenses on the sale of non-financial assets	0	0	0	0
Expenses or (-) write-back of expenses during the current period concerning amortised debt instruments, guarantees and commitments	0	0	0	0
Total	0	0	25.582	31.965

6. Notes to the condensed consolidated statement of financial position.

Note 5: Cash and cash equivalents (Note 4.1 in the annual statements of 2022)

(in EUR)	30/06/2023	31/12/2022
Cash	107.990.349	105.854.410
Cash balances at central banks	7.133.819.112	6.931.111.039
Other demand deposits	89.200.927	93.470.575
Total Cash, cash balances at central banks and other demand deposits	7.331.010.389	7.130.436.024

Cash and cash equivalents increased between December 31 and June 30 by 2,8% (EUR 0,2 billion).

Note 6: Assets held for trading (Note 4.2 in the annual statements of 2021)

(in EUR)	30/06/2023	31/12/2022
Assets		
Derivatives held for trading	11.205.656	11.211.935
Debt securities	720.420	539.783
Total Financial assets held for trading	11.926.077	11.751.718
Liabilities		
Derivatives held for trading	33.947.656	36.418.642
Debt securities	0	0
Total Financial liabilities held for trading	33.947.656	36.418.642

The decrease of these derivatives, which are for a large part economical hedges of EMTN issued by AXA Belgium Finance, follows the decrease of the volume of these EMTN (presented within the caption "financial liabilities at fair value through profit or loss").

Note 7: Investment portfolio (Note 4.3 in the annual statement of 2022)

(in EUR)		30/06/2023		
	At amortised cost	At fair value through OCI	At fair value through profit or loss	
Government bonds	571.234.774	54.523.402	0	
Bonds and other fixed income securities	2.509.034	0	0	
Shares and other non-fixed income securities	0	58.184	6.717.769	
Financial fixed assets	0	13.172.488	0	
Total	573.743.807	67.754.074	6.717.769	

(in EUR)		31/12/2022		
	At amortised cost	At fair value through OCI	At fair value through profit or loss	
Government bonds	824.445.480	76.605.453	0	
Bonds and other fixed income securities	145.477.976	152.165.423	0	
Shares and other non-fixed income securities	0	55.075	6.494.954	
Financial fixed assets	0	13.322.900	0	
Total	969.923.456	242.148.851	6.494.954	

Note 8: Loans and advances (Note 4.4 in the annual statements of 2022)

(in EUR)	30/06/2023				
	Stage 1	Stage 2	Stage 3	POCI's	Total
Gross carrying amount (1)	43.823.831.612	4.152.759.708	376.466.651	178.984.499	48.532.042.469
Central banks	0	0	0	0	0
Central governments	13.146.231	490.328	0	0	13.636.559
Credit institutions	465.567.360	0	0	0	465.567.360
Non credit institutions	972.486.470	77.920.372	7.209.226	9.647.829	1.067.263.897
Corporate	4.765.477.194	438.620.605	134.477.874	30.030.877	5.368.606.550
Retail	37.607.154.356	3.635.728.403	234.779.550	139.305.793	41.616.968.102
Impairment losses (2)	-43.212.562	-42.291.664	-96.864.112	-7.236.500	-189.604.837
Central banks	0	0	0	0	0
Central governments	-21.174	-12.317	0	0	-33.491
Credit institutions	0	0	0	0	0
Non credit institutions	-642.797	-1.337.802	-990.290	-257.151	-3.228.040
Corporate	-8.217.562	-7.438.723	-48.287.826	-2.372.078	-66.316.190
Retail	-34.331.028	-33.502.821	-47.585.995	-4.607.271	-120.027.115
Net carrying amount	43.780.619.050	4.110.468.044	279.602.539	171.747.999	48.342.437.632
Coverage ratio (2) / (1)	0,10%	1,02%	25,73%		

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(in EUR)	31/12/2022				
	Stage 1	Stage 2	Stage 3	POCI's	Total
Gross carrying amount (1)	42.861.509.865	4.551.179.062	345.365.648	192.498.323	47.950.552.898
Central banks	167.083	0	0	0	167.083
Central governments	13.266.752	499.985	0	0	13.766.737
Credit institutions	472.821.217	0	0	0	472.821.217
Non credit institutions	988.669.381	78.980.541	6.579.080	10.241.483	1.084.470.485
Corporate	4.565.981.265	453.018.087	129.374.805	31.976.390	5.180.350.546
Retail	36.820.604.167	4.018.680.449	209.411.763	150.280.451	41.198.976.829
Impairment losses (2)	-42.683.538	-37.847.077	-85.658.281	-5.523.877	-171.712.773
Central banks	0	0	0	0	0
Central governments	-21.872	-17.357	0	0	-39.229
Credit institutions	-2	0	0	0	-2
Non credit institutions	-592.733	-980.273	-817.199	-223.995	-2.614.201
Corporate	-8.023.911	-6.768.282	-39.722.646	-1.481.683	-55.996.523
Retail	-34.045.020	-30.081.164	-45.118.436	-3.818.199	-113.062.818
Net carrying amount	42.818.826.327	4.513.331.986	259.707.367	186.974.446	47.778.840.125
Coverage ratio (2) / (1)	0,10%	0,83%	24,80%		

The loan portfolio increased by EUR 564 million, reflecting strong mortgage loan production.

Note 9 : Financial liabilities measured at amortised cost (Note 4.11.1 in the annual statements of 2022)

(in EUR)	30/06/2023	31/12/2022
Deposits of credit institutions	1.360.548.281	1.388.156.059
- deposits of central banks (mainly TLTRO)	1.262.508.850	1.250.916.064
- sight deposits	4.125.091	1.281.914
- time deposits	93.424.875	135.671.110
- deposits redeemable at notice	0	0
- repo	489.465	286.971
Deposits (other than from credit institutions)	43.209.429.935	42.404.600.559
- deposits at sight	10.066.806.860	10.230.051.177
- time deposits	3.052.500.597	1.070.352.264
- deposits redeemable at notice	30.090.122.478	31.104.197.118
- other deposits	0	0
Total debt securities	5.676.171.928	5.950.058.478
- savings bonds	347.472.438	416.299.212
- certificates of deposit	0	0
- covered bonds	4.470.526.931	5.188.856.598
- Credit Linked Note	40.652.244	44.234.476
- Senior Non Preferred	817.520.314	300.668.192
Subordinated liabilities	212.407.925	209.047.595
Other financial liabilities	449.682.904	531.211.132
Total	50.908.240.974	50.483.073.822

Financial debt measured at amortised cost increased by 0,8% or EUR 0,4 billion. On the one hand, customer deposits increased by 1,9% or EUR 0,8 billion to EUR 43,2 billion. These are mainly term accounts. On the other hand, there was a decrease in debt securities issued which fell by 4,6% or EUR 0,3 billion to EUR 5,7 billion. This is mainly related to decrease in covered bonds (EUR -0,7 billion) and increase in Senior Non Preferred (EUR 0,5 billion).

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Note 10: Fair value of financial instruments (Note 4.15 in the annual statements 2022)

A detailed description of the fair value measurement of assets and liabilities and the valuation techniques for level 3 instruments are provided in the annual financial statements as of 31 December 2022 in note 4.15

The fair value measurement for the level 3 instruments are based on reports, which we periodically receive (private equity/private debt) from counterparty banks.

There were no significant transfers of instruments between the fair values levels.

There were no changes in the accounting policies concerning the valuation techniques for level 2 or 3.

Overview of Assets and Liabilities Measured at Fair Value:

Fair value of financial assets 30/06/2023				
(in EUR)	Total	Level 1	Level 2	Level 3
Held for trading	11.926.077	36.210	6.310.726	5.579.140
At fair value through OCI	67.754.072	54.581.379	214.515	12.958.178
At fair value through profit or loss	6.717.769	1.460.262	0	5.257.507
Hedging derivatives	210.517.432	0	210.517.432	0
Fair value of financial liabilities 30/06/2023				
(in EUR)	Total	Level 1	Level 2	Level 3
Held for trading	33.947.656	0	13.250.229	20.697.426
At fair value through profit or loss	292.473.449	0	82.247.526	210.225.923
Hedging derivatives	14.137.395	0	14.137.395	0
Fair value of financial assets 31/12/2022				
(in EUR)	Total	Level 1	Level 2	Level 3
Held for trading	11.751.718	4.288	4.653.417	7.094.013
At fair value through OCI	242.148.850	228.825.747	214.515	13.108.589
At fair value through profit or loss	6.494.954	1.397.194	0	5.097.760
Hedging derivatives	325.518.582	0	325.518.582	0
Fair value of financial liabilities 31/12/2022				
(in EUR)	Total	Level 1	Level 2	Level 3
Held for trading	36.418.642	0	16.350.052	20.068.590
At fair value through profit or loss	376.190.783	0	133.503.432	242.687.352
Hedging derivatives	7.076.007	0	7.076.007	0

Note 11: Other assets (Notes 4.8 in the annual statements 2022)

(in EUR)	30/06/2023	31/12/2022
Employee benefits	1.633.455	263.641
Prepaid charges	21.483.135	9.197.284
Accrued income	31.664.497	22.764.121
Precious metals, goods and commodities	222.619	186.046
Other advances	8.483.907	4.835.029
Taxes to be recovered	0	0
Recovery right on AXA SA, in case a provision crystalizes	112.979.214	112.979.214
Other	16.725.841	15.130.764
Total other assets	193.192.668	165.356.099

The line "Recovery right on AXA SA, in case a provision crystalizes" consists mainly of an indemnity that Crelan negotiated on the acquisition of AXA Bank Belgium (EUR 113 million, unchanged). This recovery right on AXA SA is related to a contingent liability of EUR 121 million recorded within the Provisions (also unchanged).

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Note 12: Equity attributable to the shareholders (Note 4.17 in the annual statements 2022)

Equity attributable to the shareholders (Note 4.17 in the 2022 annual statements).

The equity as stated in the interim financial statements of the Crelan Group is determined on the basis of IFRS and amounts to EUR 2,34 billion as at 30/06/2023.

Figures can be found under "Consolidated balance sheet - equity". Details of the movements can be found in the statement of changes in equity (4.3).

The paid-in capital amounts to EUR 911,7 million and has been fully paid up.

The other equity instruments issued consist of the AT1-capital securities issued at the time of the acquisition of AXA Bank Belgium.

The reserves from other comprehensive income include the revaluation of the "hold to collect and sell" financial assets, and the reserves for pension liabilities (non-realised results and actuarial gains and losses on defined benefit plans), and the evolutions of the own credit risk (DVA) on financial liabilities designated at fair value through profit or loss.

The item "reserves" includes the legal reserves and the results carried forward.

The last item under equity is the result of the financial year under IFRS.

The evolution of the cooperative shares is as follows:

(in EUR)	jun/23		dec/22	
	number of shares	capital	number of shares	capital
Opening balance	73.572.457	912.298.467	72.214.230	895.456.452
- registered shares	0	0	0	0
- cooperative shares	73.572.457	912.298.467	72.214.230	895.456.452
Variations	-46.926	-581.882	1.358.227	16.842.015
- entries/exits of co-operators	-46.926	-581.882	1.358.227	16.842.015
- other	0	0	0	0
Solde de clôture	73.525.531	911.716.585	73.572.457	912.298.467
- registered shares	0	0	0	0
- cooperative shares	73.525.531	911.716.585	73.572.457	912.298.467

7. Notes to the condensed consolidated interim income statement

Note 13: Fee and commission income and expenses (Note 5.2 in the annual statements of 2022)

The net income from commissions and fees can be summarised as follows:

(in EUR)	30/06/2023	30/06/2022
Securities	42.018.935	42.492.902
- securities issued	36.550.389	37.722.125
- transfer orders	4.009.600	3.405.546
- other	1.458.947	1.365.231
Custody, monitoring and management of assets	1.081.158	999.759
- asset management	103.775	126.786
- custody	977.383	872.972
Loan commitments and financial guarantees given	392.389	332.026
Payment services	41.905.120	38.207.344
Commissions received from insurance companies	1.826.723	3.049.873
Other financial services	38.559.227	38.863.178
Total fee and commission income	125.783.553	123.945.082
Securities	1.559.699	2.703.608
Clearing and settlement	323.914	446.060
Payment services	576.840	613.712
Custody	548.011	504.205
Other financial services	115.759.231	88.374.428
Total fee and commission expense	118.767.694	92.642.014
Net fee and commission income	7.015.859	31.303.068

Note 14: Realised gains or losses on financial instruments not measured at fair value in the income statement (Note 5.4 in the annual statements of 2022)

(in EUR)	30/06/2023	30/06/2022
Debt securities	-19.387.659	339.896
Loans and advances	1.797.798	4.123.551
Deposits	0	0
Debt securities issued	0	0
Other financial liabilities	0	0
Total	-17.589.861	4.463.446

Note 15: Employee expenses (Note 5.9.1 in the annual statements of 2022)

(in EUR)	30/06/2023	30/06/2022
Remuneration	67.179.335	63.248.854
Social security contributions	15.760.892	16.273.646
Employer's contributions to supplementary pension scher	7.475.844	6.165.903
Retirement and survivor's pensions and similar expenses	21.293	124.949
Other	3.447.655	3.997.629
Total staff expenses	93.885.019	89.810.981

Note 16: General and administrative expenses (Note 5.9.2 in the annual statements of 2022)

(in EUR)	30/06/2023	30/06/2022
Information Technology expenses	42.015.283	35.692.123
Bank levies	56.826.143	54.136.246
Other indirect taxes	735.839	5.067.716
Consulting and professional services	14.829.158	15.826.218
Advertising, marketing and communication	4.983.987	4.913.585
Expenses related to credit risk	0	233.761
Litigation expenses not covered by provisions	693.050	358.564
Real estate expenses	3.086.626	2.919.000
Leasing expenses	2.246.960	1.993.288
Other	79.985.908	42.709.887
Total	205.402.953	163.850.387

Note 17: Cash contributions to resolution funds and deposit guarantee schemes (Note 5.9.3 in the annual statements of 2022)

(in EUR)	30/06/2023	30/06/2022
Deposit guarantee schemes	36.468.542	34.310.310
Single Resolution Funds	6.866.557	12.609.098
Total	43.335.099	46.919.408

Just like the bank levies included in Note 16, these contributions are recorded completely at the beginning of the year, and not spread over the year. This is due to the application of the IFRS interpretation IFRIC 21.

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Note 18: Provisions (Note 4.12 in the annual statements of 2022)

There is an increase of provisions of EUR 37,2 million.

The increase in provisions is mainly due to the creation of several provisions during the first half of 2023, the main elements of which are as follows:

- a provision for restructuring the agent network (EUR 32,5 million),
- a provision for bank taxes 2016 (EUR 8,1 million),

Note 19: Segment Reporting (Note 5.14 in the annual statements of 2022)

The following operating segments are reported separately based on the guidelines of IFRS 8:

- Crelan Federation (NV + CV);
- AXA Bank Belgium subconso (including AXA Bank Belgium NV, Royal Street SPV, AXA Belgium Finance BV, AXA Bank Europe SCF, CASPR sprl);
- Europabank NV.

The reconciliations between the total of the operating segments and the Group result are mainly :

30/6/2023 - in millions of EUR	Crelan Federation+ ABB	Europabank	Reconciliation	Figures reported in consolidated income statement
Net banking income (Interest margin + fee income and capital gains)	579,3	54,2	131,8	501,8
Operating expenses & Bank levies	-239,8	-29,1	82,3	-351,1
Commissions	-140,2	-3,4	-143,6	0,0
Impairment on loans & other provisions	-17,9	1,4	43,8	-60,3
Taxes	-46,9	-7,4	-17,1	-37,2
Non-recurring elements & IFRS3	-53,9	0,0	-53,9	0,0
Net Bank Levies not yet amortized	-41,9	-1,3	-43,2	0,0
Net result	38,8	14,5	0,0	53,2

30/6/2022 - in millions of EUR	Crelan Federation+ ABB	Europabank	Reconciliation	Figures reported in consolidated income statement
Net banking income (Interest margin + fee income and capital gains)	403,8	49,0	-80,0	372,8
Operating expenses & Bank levies	-226,0	-25,7	-55,6	-307,3
Commissions	-114,6	-2,8	117,3	0,0
Impairment on loans & other provisions	4,2	3,3	2,1	9,6
Taxes	-15,7	-6,9	-0,2	-22,9
Non-recurring elements & IFRS3	25,5	0,0	-21,7	3,8
Net Bank Levies not yet amortized	-36,8	-1,3	38,1	0,0
Net result	40,3	15,6	0,0	55,9

Crelan group : balance sheet at operational segment level not included in the reporting provided to the chief operating decision maker, so also not to be reported in the consolidated financial statements.

8. Note on capital adequacy

Note 20: Solvency and capital management

KM1 - Key metrics template

	30/06/2023	31/12/2022
Available own funds (amounts)		
Common Equity Tier 1 (CET1) capital	1.917.993.243	1.896.221.510
Tier 1 capital	2.162.497.738	2.141.393.457
Total capital	2.363.301.300	2.343.107.984
Risk-weighted exposure amounts		
Total risk-weighted exposure amount	8.248.917.092	8.915.192.734
Capital ratios (as a percentage of risk-weighted exposure amount)		
Common Equity Tier 1 ratio (%)	23,25%	21,27%
Tier 1 ratio (%)	26,22%	24,02%
Total capital ratio (%)	28,65%	26,28%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3,16%	3,16%
of which: to be made up of CET1 capital (percentage points)	1,78%	1,78%
of which: to be made up of Tier 1 capital (percentage points)	2,37%	2,37%
Total SREP own funds requirements (%)	11,16%	11,16%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
Capital conservation buffer (%)	2,50%	2,50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
Institution specific countercyclical capital buffer (%)	0,0092%	0,0015%
Systemic risk buffer (%)	3,13%	2,89%
Global Systemically Important Institution buffer (%)		
Other Systemically Important Institution buffer	0,75%	0,37%
Combined buffer requirement (%)	6,39%	5,76%
Overall capital requirements (%)	17,55%	16,92%
CET1 available after meeting the total SREP own funds requirements (%)	16,97%	14,99%
Leverage ratio		
Leverage ratio total exposure measure	55.258.175.890	55.038.241.113
Leverage ratio	3,91%	3,89%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)		
Additional own funds requirements to address the risk of excessive leverage (%)		
of which: to be made up of CET1 capital (percentage points)		
Total SREP leverage ratio requirements (%)	3,00%	3,00%
Leverage ratio buffer requirement (%)	0,00%	0,00%
Overall leverage ratio requirements (%)	3,00%	3,00%
Liquidity Coverage Ratio		
Total high-quality liquid assets (HQLA) (Weighted value -average)	8.416.181.821	8.649.180.631
Cash outflows - Total weighted value	4.787.772.115	4.735.084.792
Cash inflows - Total weighted value	378.054.206	315.317.020
Total net cash outflows (adjusted value)	4.409.717.910	4.419.767.772
Liquidity coverage ratio (%)	190,86%	195,69%
Net Stable Funding Ratio		
Total available stable funding	50.191.787.165	49.265.289.833
Total required stable funding	33.900.856.333	33.072.276.792
NSFR ratio (%)	148,05%	148,96%

Since 01/01/2023, Crelan must apply an O-SII of 0,75%. Hence the increase from 0,37% to 0,75% from 30/06/2023. There is no change from other capital requirements.

9. Note on subsequent events

Note 21: Post-balance sheet events (Note 8.27.2 in the annual statements of 2022)

No material events have occurred since the balance sheet date that require an adjustment of the Company's consolidated financial statements as of 30 June 2023 or a disclosure therein.

10. Annex 1 – The statutory Auditor’s Report

Statutory auditor's report to the board of directors of Crelan nv/sa on the review of the condensed consolidated interim financial information as at 30 June 2023 and for the 6-month period then ended

Introduction

We have reviewed the accompanying condensed consolidated balance sheet of Crelan nv/sa (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2023, the condensed consolidated statement of profit and loss, the condensed consolidated statement of changes in equity and the condensed consolidated interim cash flow statement for the 6-month period then ended, and the notes ("the condensed consolidated interim financial information"). The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information as at 30 June 2023 and for the 6-month period then ended is not prepared, in all material respects, in accordance with IAS 34, "Interim Financial Reporting" as adopted by the European Union.

Brussels, 25 August 2023

EY Réviseurs d'Entreprises srl/EY Bedrijfsrevisoren bv
Statutory auditor
represented by

**Christel
Weymeersch
(Signature)**

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Weymeersch (Signature)
DN: cn=Christel Weymeersch
(Signature), c=BE
Date: 2023.08.25 10:24:11
+02'00'

Christel Weymeersch*
Partner
*Acting on behalf of a bv/srl

**Christophe
Boschmans (**
Signature)

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Boschmans (Signature)
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Christophe Boschmans*
Partner
*Acting on behalf of a bv/srl

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