

# **Crelan**

## **Inaugural EUR Senior Non-Preferred Notes Offering**

**Investor Presentation**

**September 2022**



**Crelan**



**BANK**

**europabank**



# Content

1

**Inaugural Senior Non-Preferred transaction**

**p. 3**

2

**Focus on Crelan Group**

**p. 6**

3

**Financial performance and asset quality**

**p. 15**

4

**Solvency and liquidity**

**p. 21**

5

**Additional information**

**p. 26**



# 1. Inaugural Senior Non-Preferred transaction



# Overview of the proposed transaction

1

## Transaction Overview

- Inaugural EUR short-dated Senior Non-Preferred (“SNP”) issuance by Crelan SA/NV (“Crelan”) rated BBB+ (Stable Outlook) by S&P / A3 (Stable Outlook) by Moody’s
- Expected issue rating: Baa3 by Moody’s
- Size: Benchmark
- Listing on Euronext Brussels

2

## Transaction rationale

- Build up a new layer of MREL instruments and ensure continued compliance with regulatory requirements
  - Crelan currently expects that the 8% TLOF will continue to drive its MREL requirements resulting in EUR ~2 billion of new MREL issuances<sup>(1)</sup> over the 2022-2023 period
- Build up a layer of bail-inable instruments to contribute towards S&P additional loss absorbing capital (ALAC) buffer and Moody’s loss given failure (LGF)
- Set the cornerstone for future issuances
- Establish a broad investor base and diversify funding sources

3

## Investment proposition

- Crelan is one of the leading banks in Belgium (#5 by total assets, with 1.8m clients) following the completion of the acquisition of AXA Bank Belgium on 31/12/2021
  - Attractive Belgian market
  - Simple business model focused on Belgian retail and professional clients primarily served through a network of exclusive independent agents
  - Strong cooperative roots and robust internal solidarity mechanisms
  - Simple balance sheet, strong risk management, solid capitalisation and prudent risk profile with high quality credit book
- Crelan intends to be a regular issuer of SNP notes, to be issued under its newly established EMTN Programme

(1) Assuming the retail notes from the Issuer’s eligible liabilities are excluded from MREL calculation.



# Proposed inaugural Senior Non-Preferred transaction

## Summary of the Terms and Conditions

<b>Issuer</b>	Crelan SA/NV
<b>Issuer Ratings</b>	BBB+ (Stable Outlook) by S&P / A3 (Stable Outlook) by Moody's
<b>Expected Issue Rating</b>	Baa3 by Moody's
<b>Status of the Notes</b>	Senior Non-Preferred Fixed to Floating Notes
<b>Format</b>	RegS, Bearer, Dematerialised
<b>Ranking</b>	The Senior Non-Preferred Notes will be direct, unconditional, senior and unsecured (chirographaires/chirografaïre) obligations of the Issuer and rank at all times (i) pari passu, without any preference among themselves, with all other Senior Non-Preferred Obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights, (ii) senior to the Subordinated Notes of the Issuer and other present and future claims otherwise ranking junior to Senior Non-Preferred Obligations and (iii) junior to present or future claims of (a) depositors of the Issuer, (b) any other unsubordinated creditors of the Issuer that are not creditors in respect of Senior Non-Preferred Obligations of the Issuer and (c) all other present and future claims as may be preferred by laws of general application or otherwise ranking in priority to Senior Non-Preferred Obligations
<b>Size</b>	Benchmark
<b>Structure</b>	Callable
<b>Maturity</b>	Short-dated
<b>Redemption</b>	100% of the Nominal Amount
<b>Documentation</b>	Issued under the EMTN Programme, dated 21 June 2022
<b>Denomination</b>	EUR 100k and integral multiples of EUR100k in excess thereof
<b>Substitution clause</b>	The Issuer (but not any company which has been substituted for Crelan SA/NV under these Conditions) may, at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Notes any company within the Crelan Group that has been specified as the resolution entity within the resolution group (as defined under BRRD) of the Group under its resolution plan from time to time (the "MREL Notes Substitute")
<b>Loss absorption</b>	Statutory loss absorption
<b>Early Redemption Events</b>	MREL Disqualification Event, Tax Event
<b>Substitution and Variation</b>	Following a MREL Disqualification Event, the Issuer may at its sole discretion and without the consent of the Noteholders, by giving not less than 30 nor more than 60 days notice to the Noteholders in accordance with Condition 8 of the Prospectus (section Terms and conditions of the notes) substitute or vary the terms of all, but not some only, of the Notes then outstanding so that they become or, as appropriate, remain, Qualifying Securities
<b>Issuer Call Due to MREL Disqualification Event</b>	At par, in whole but not in part, at their principal amount plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption
<b>Tax Call</b>	At par, in whole but not in part, at their principal amount plus any accrued but unpaid interest up to (but excluding) the date fixed for redemption
<b>Governing Law</b>	Belgian Law
<b>Listing</b>	Euronext Brussels
<b>Clearing</b>	The Securities Settlement System of the National Bank of Belgium
<b>Use of Proceeds</b>	General corporate purposes and to improve the regulatory capital structure of the Issuer
<b>Global coordinators</b>	Deutsche Bank, Credit Agricole CIB
<b>Joint Lead Managers</b>	Deutsche Bank, Credit Agricole CIB, ING, Natixis



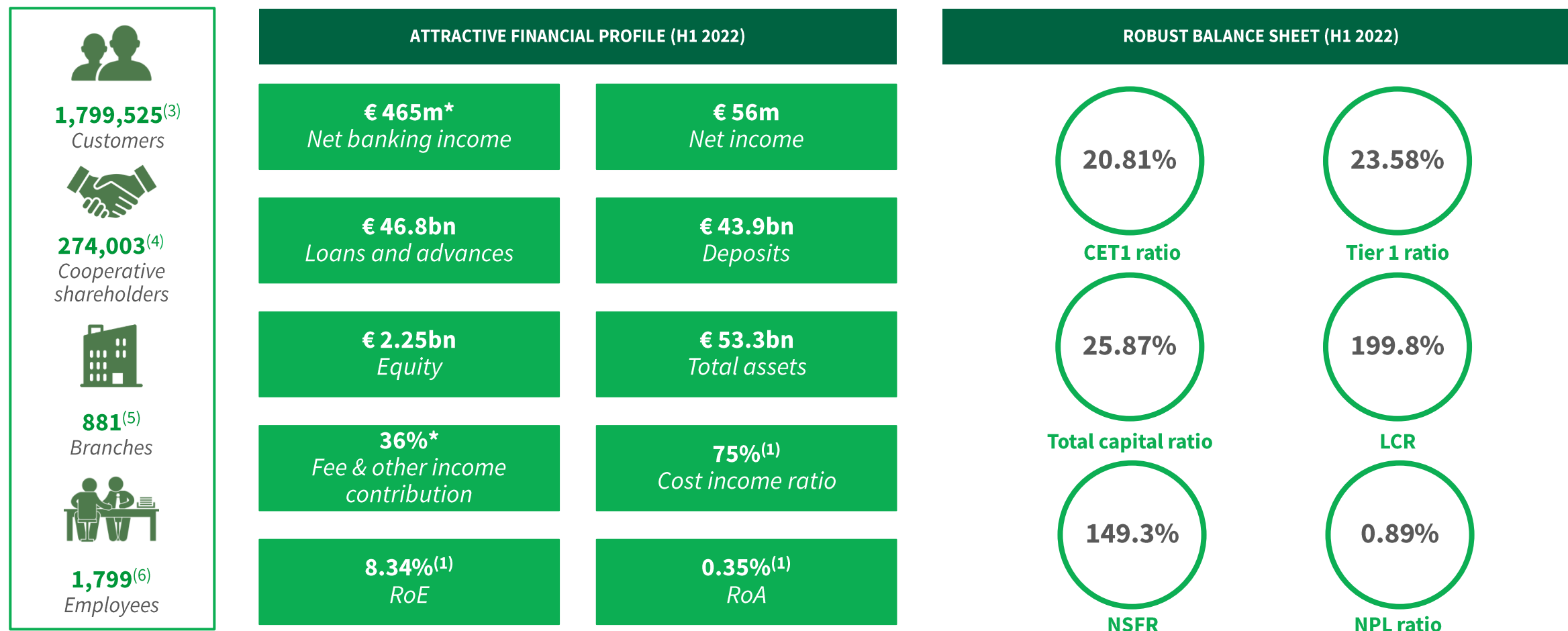
## 2. Focus on Crelan Group





# Crelan Group business snapshot

Leading cooperative Belgian banking group serving 1.8m clients primarily through an exclusive<sup>(2)</sup> network of independent agents – strong H1 2022 Net results of 56m, in line with expectations (94m with linearization of bank levies)



Sources: Group H1 2022 financial report. (\*) Internal computations based on audited data

(1) Adjusted for IFRIC 21

(2) Agents are exclusive to the Issuer/ AXA Bank Belgium for the provision of banking services and acting as brokers of insurance products, as of 31/12/2021

(3) Including 758,207 Crelan customers, 168,092 Europabank customers and 873,226 AXA Bank Belgium customers, as of 31/12/2021

(4) Cooperative shareholders figures, as of 31/12/2021

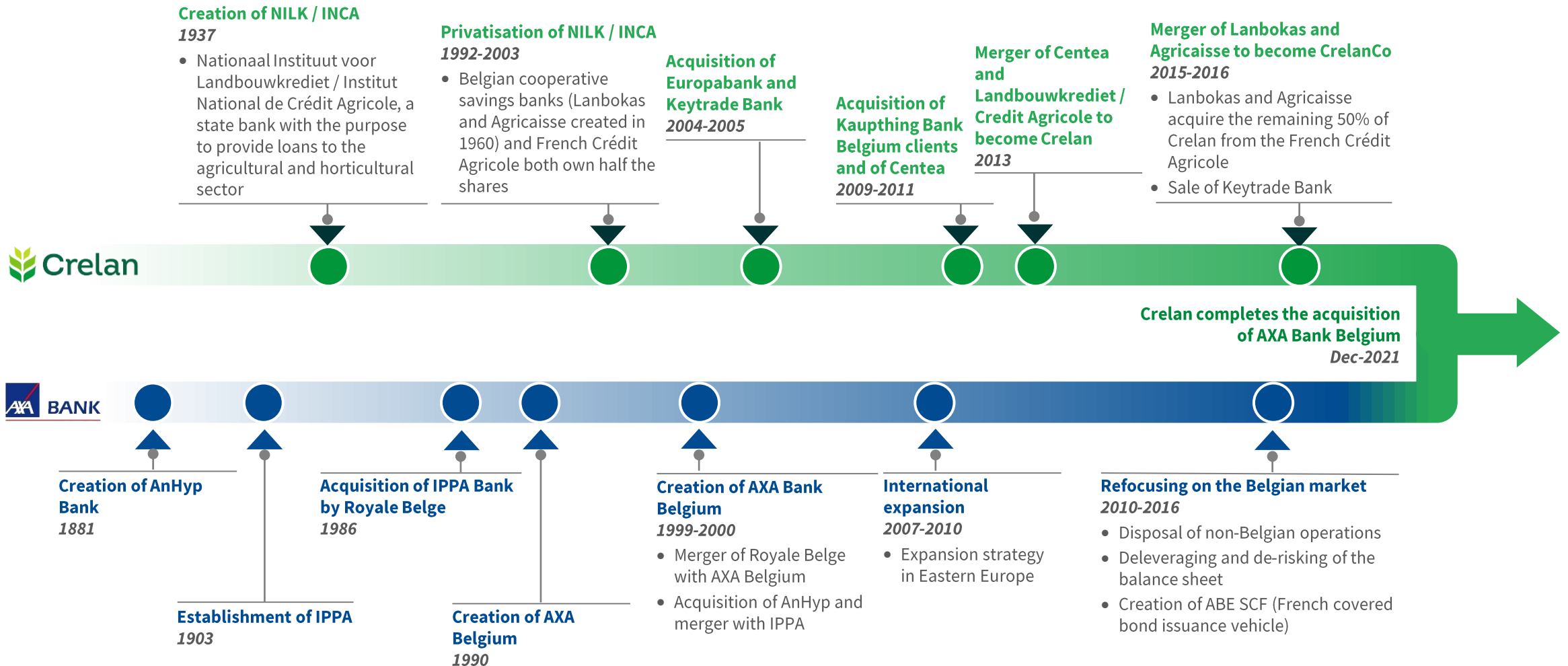
(5) Including 467 Crelan branches operated by independent agents, 47 Europabank proprietary branches and 367 AXA Bank Belgium branches operated by independent agents, as of 31/12/2021

(6) Including 722 Crelan employees (excluding 1,548 independent agents and employees thereof), 351 Europabank employees and 726 AXA Bank Belgium employees (excluding 1,522 independent agents and employees thereof), as of 31/12/2021



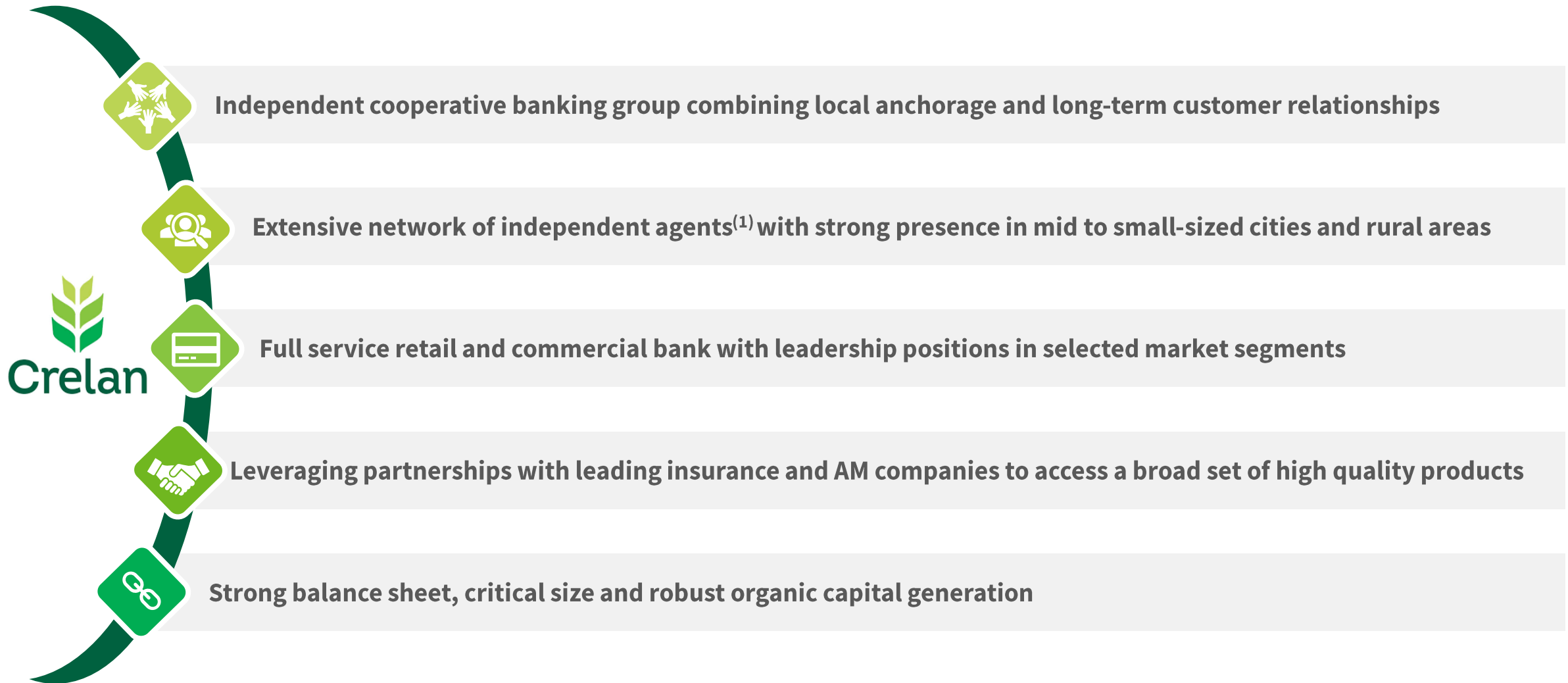
# Crelan Group history

Strong cooperative roots, longstanding history of building strategic partnerships and growing through carefully planned and executed acquisitions





# Crelan Group key strategic highlights

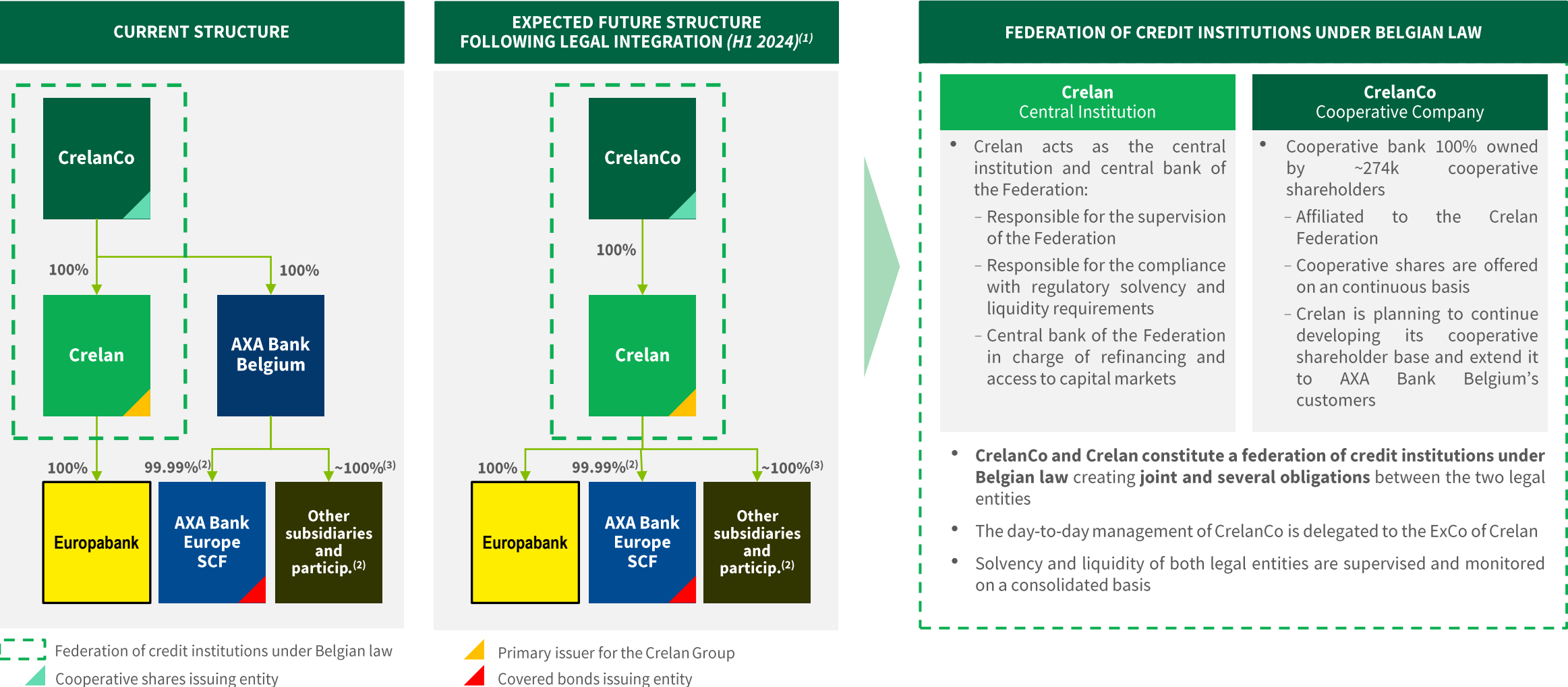


(1) Exclusive for banking products and acting as brokers of insurance products



# Crelan Group organisational structure

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



Federation of credit institutions under Belgian law

Cooperative shares issuing entity

Primary issuer for the Crelan Group

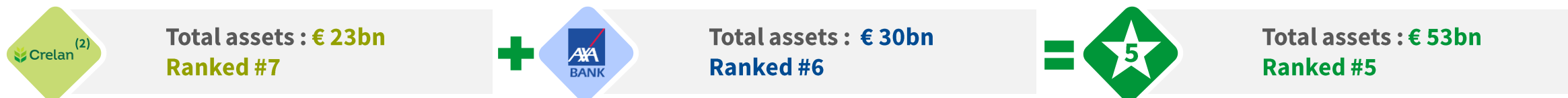
Covered bonds issuing entity

Note : Future structure expected to be finalized in H1 2024  
(1) Legal integration contemplated in order to have all banking activities of AXA Bank Belgium integrated within the Federation Crelan – CrelanCo  
(2) 1 share held by Crelan Co  
(3) Including 10% of Royal Street (RMBS), 100% of AXA Belgium Finance (issuer of retail notes), ~100% of Beran (Berchem building) and 10% stake in Bancontact Payconic

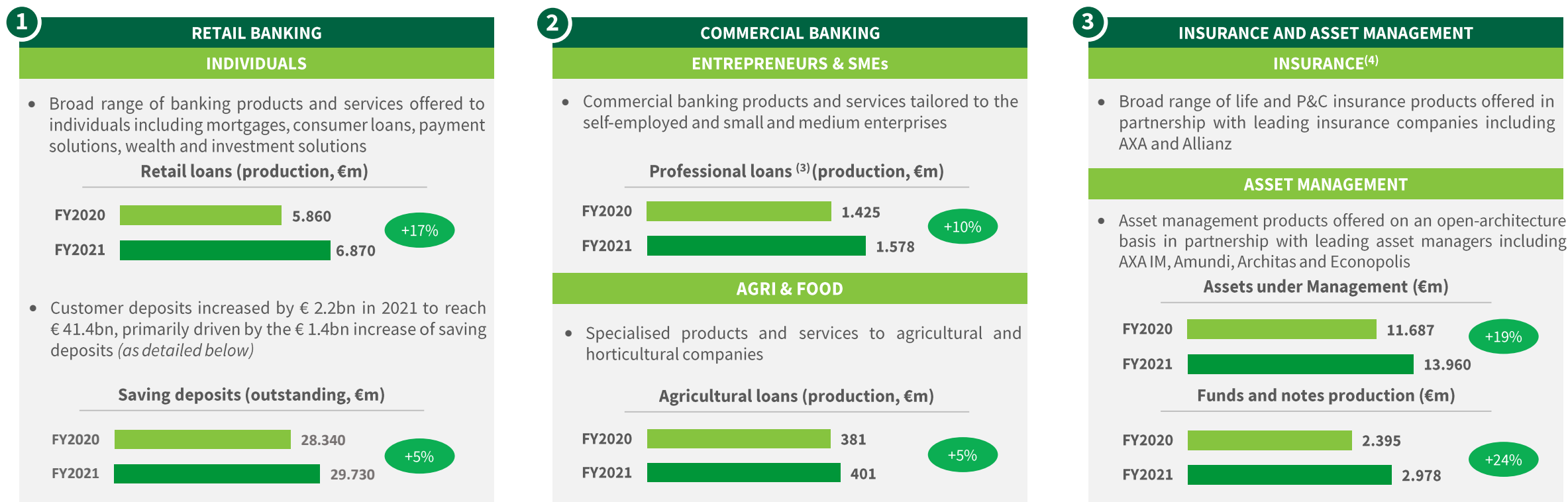


# Crelan Group retail and commercial banking offering

Fifth Belgian banking group after the acquisition of AXA Bank Belgium<sup>(1)</sup>



Crelan + AXA Bank Belgium: a full-service retail and commercial banking offering to individuals and SME



Source: Aggregated numbers, Group 2021 annual report and press release

(1) Based on 2020 numbers

(2) Scope includes Crelan, CrelanCo and Europabank but excludes AXA Bank Belgium and its subsidiaries

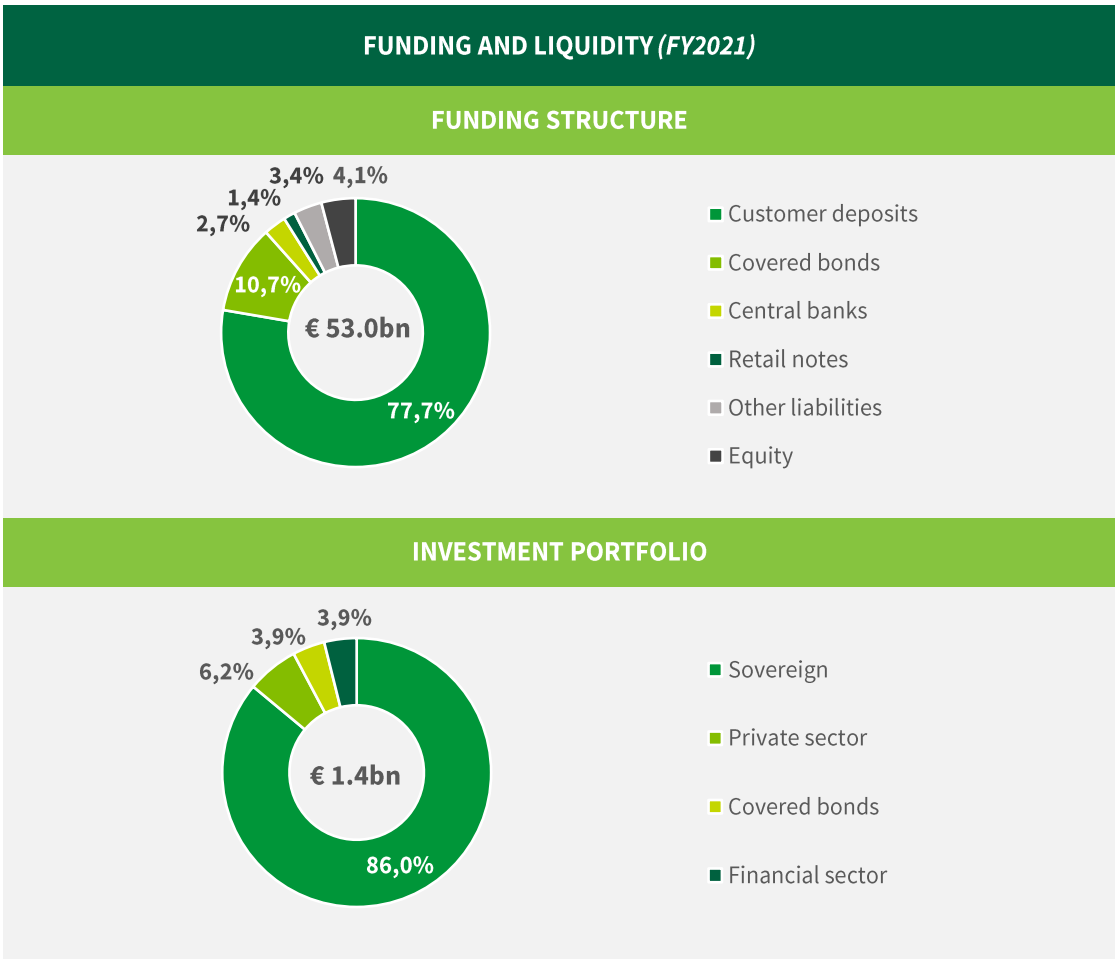
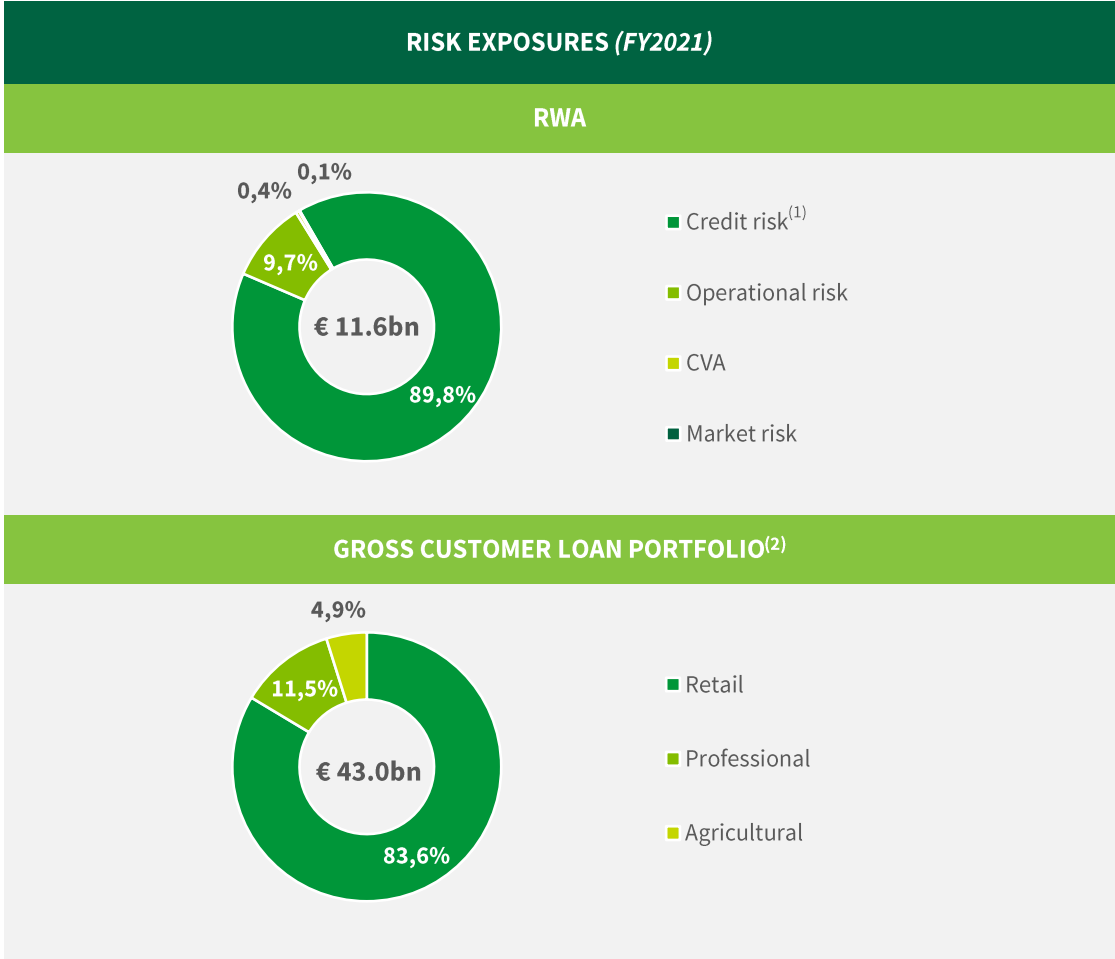
(3) Excluding Agri & Food

(4) Distributed via brokers



# Crelan Group risk profile

## Prudent risk profile



Sources: Group 2021 annual report

(1) Credit risk includes additional capital required for Belgian mortgage loans reported according to the IRB method and the Issuer's specific factors with which the risk-weighted assets reported according to the IRB method should be multiplied

(2) Customer loans exclude interbank loans and impact of loan revaluation under IFRS 3 following the acquisition of AXA Bank Belgium



# Crelan's identity and values

Crelan is the leading Belgian cooperative bank with a strong commitment to long term sustainability

## COOPERATIVE STRUCTURE

### PROXIMITY SOLIDARITY RESPONSIBILITY RESPECT

As a Belgian banking group with an extensive distribution network, Crelan is deeply rooted locally and involved in the development of local communities and the local economy

Crelan leverages its agent's network and digital platform to help individuals and entrepreneurs achieve their personal and professional goals

**100% BELGIAN  
COOPERATIVE BANK**  
large proportion of clients  
are also co-owners

- Allows Crelan to maintain deep and lasting client relationships
- This relationship is strengthened by the historical local roots of Crelan's agents, who are deeply rooted in their region often for generations

**28 PROJECTS** Sponsored in the fields of environment,  
in 2021 culture and health



Crelan enhances the board of directors' structure, ensuring a focus on gender and experiences diversity in diverse domains

## COMMITMENT TO SUSTAINABILITY

### SUSTAINABILITY REPORT Since 2018

Crelan is committed to publish a sustainability report annually to communicate its values, goals and achievements to its stakeholders

This report takes into consideration the 17 Sustainable Development Goals of the United Nations



Crelan's commitment has been iterated by setting up an ESG Office directly reporting to the CEO

In 2022 further focus on the ESG strategy will take place by consolidating the different strategies of both entities

In several domains of the organisation, Crelan embeds its engagement towards the different SDGs, such as in HR policies, car policy and in the operational processes of credit and investment



# ESG considerations in Crelan's commercial & financial activity

Crelan's commitments to long term sustainability are reflected through strong credit and investment policies



## CREDIT POLICY

Within the framework of its general credit policy validated annually by the Board of Directors, the following sustainability commitments are promoted

+	WE FAVOR	-	EXTREME CAUTION	X	EXCLUDED
	<ul style="list-style-type: none"> <li>• Para-agricultural</li> <li>• Liberal professions and Healthcare</li> <li>• Craft or high value-added business</li> <li>• Activities with positive impact on environment</li> <li>• Conservation residential real estate projects</li> </ul>		<ul style="list-style-type: none"> <li>• HORECA<sup>(1)</sup></li> <li>• Stud farm / haras, sport and leisure business</li> <li>• Transportation</li> <li>• Resale real estate projects</li> <li>• Low value-added businesses</li> </ul>		<ul style="list-style-type: none"> <li>• Trading activities</li> <li>• Diamonds business</li> <li>• Nightclubs</li> <li>• Investment property</li> </ul>



### Green Loans

Crelan offers "ECO-Energy" financing to customers residing in Belgium. These are instalment loans offering an advantageous rate of interest for energy-saving investments (replacement of a boiler, green energy, insulation work, the installation of taps and thermostatic switches or an energy audit)

Crelan is compliant with the framework to capture the EPC value and is further working to embed the risk management framework on climate change as per supervisory expectations

(1) hotels, restaurant, coffee shops



## INVESTMENT POLICY

For funds, Crelan collaborates with strategic partners which incorporate ESG criteria in their investment policy

**Econopolis** follows the Norwegian State Pension Fund's exclusion list and assigns sustainability score to issuers through Sustainalytics



**Amundi** aims to become 100% ESG in its rating of analysed companies, in the management of its funds and in its voting policy at AGM



**AXA Investment Managers** has the ambition to be the world's leading responsible asset manager



**50%** of the structured notes offered obtained an ESG compliance score from **Sustainalytics**

Crelan also follows the **Norwegian State Pension Fund's exclusion list** to build its own investment portfolio and takes into account the following criteria when considering to invest in companies/countries:

### EXCLUSION CRITERIA

#### Human rights

Exclude companies that violate ILO or OECD guidelines such as child labour, forced labour, discrimination...

#### Human beings

Exclude companies involved in arms production, gambling, illegal activities, etc.

#### Health and environment

Excluded companies related to the tobacco sector, uncertified palm oil, illegal deforestation, coal



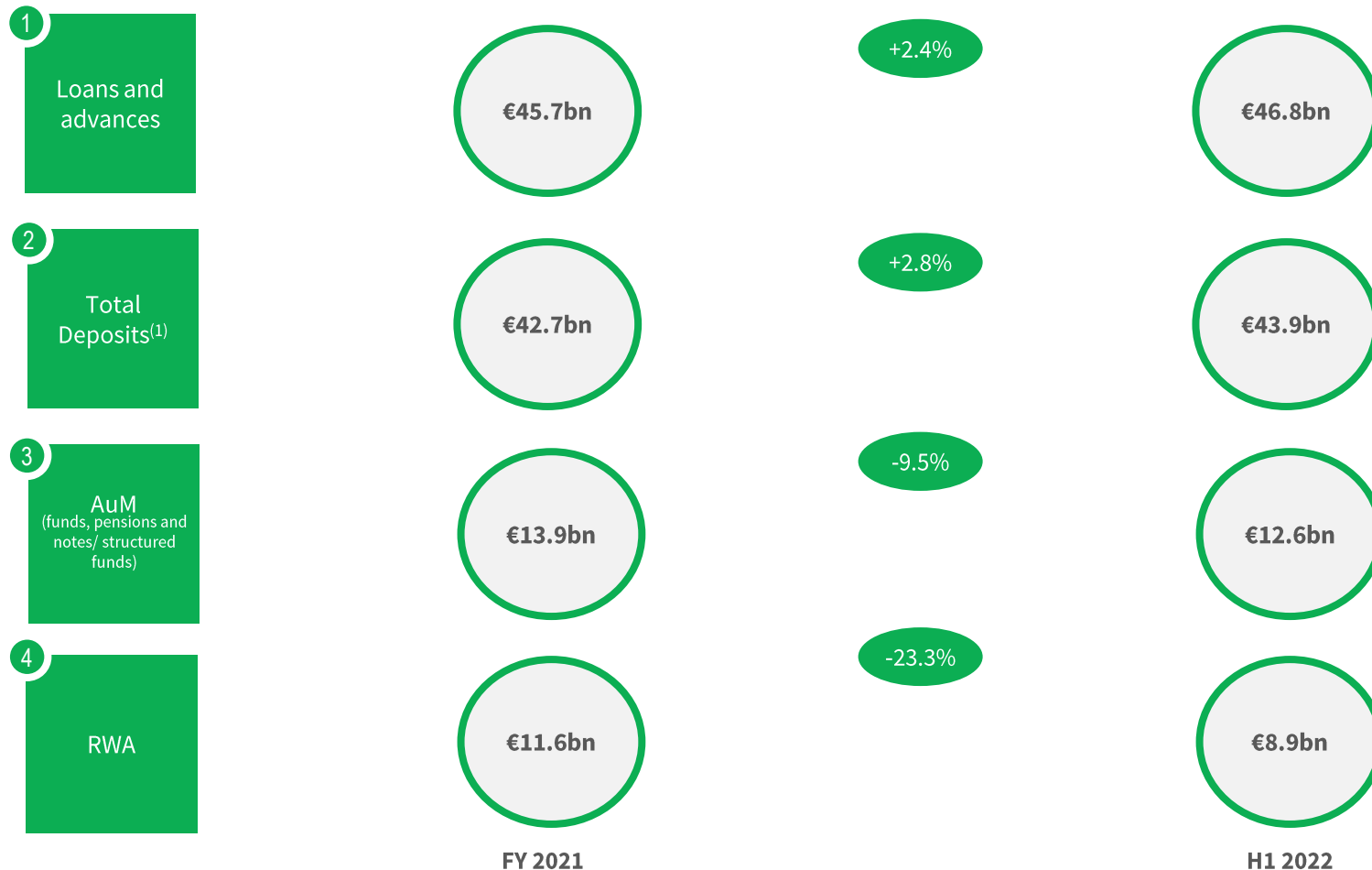
# **3. Financial performance & Asset quality**



# Business and financial performance in 2021 & H1 2022

Increase of total balance sheet supported by strong commercial momentum

## CRELAN GROUP CONSOLIDATED BALANCE SHEETS<sup>(1)</sup> (FY 2021 - H1 2022)



## COMMENTS ON H1 2022 RESULTS

- 1 The balance sheet total grew by 0.6% (0.3 billion EUR) to 53.3 billion EUR with loan portfolio increasing by 1.1 billion EUR, reflecting strong mortgage production.
- 2 Current and savings accounts continue to grow leading to an increase of client deposit of 2.8%, +€1.2bn (including deposit from credit institutions).
- 3 Slight decrease of AuM (€-1.3bn) mainly driven by challenging market evolutions.
- 4 Sharp drop in RWA due to the introduction of a sectoral systemic risk buffer by the NBB, which replaces the previously higher macro prudential credit risk IRB add-ons.

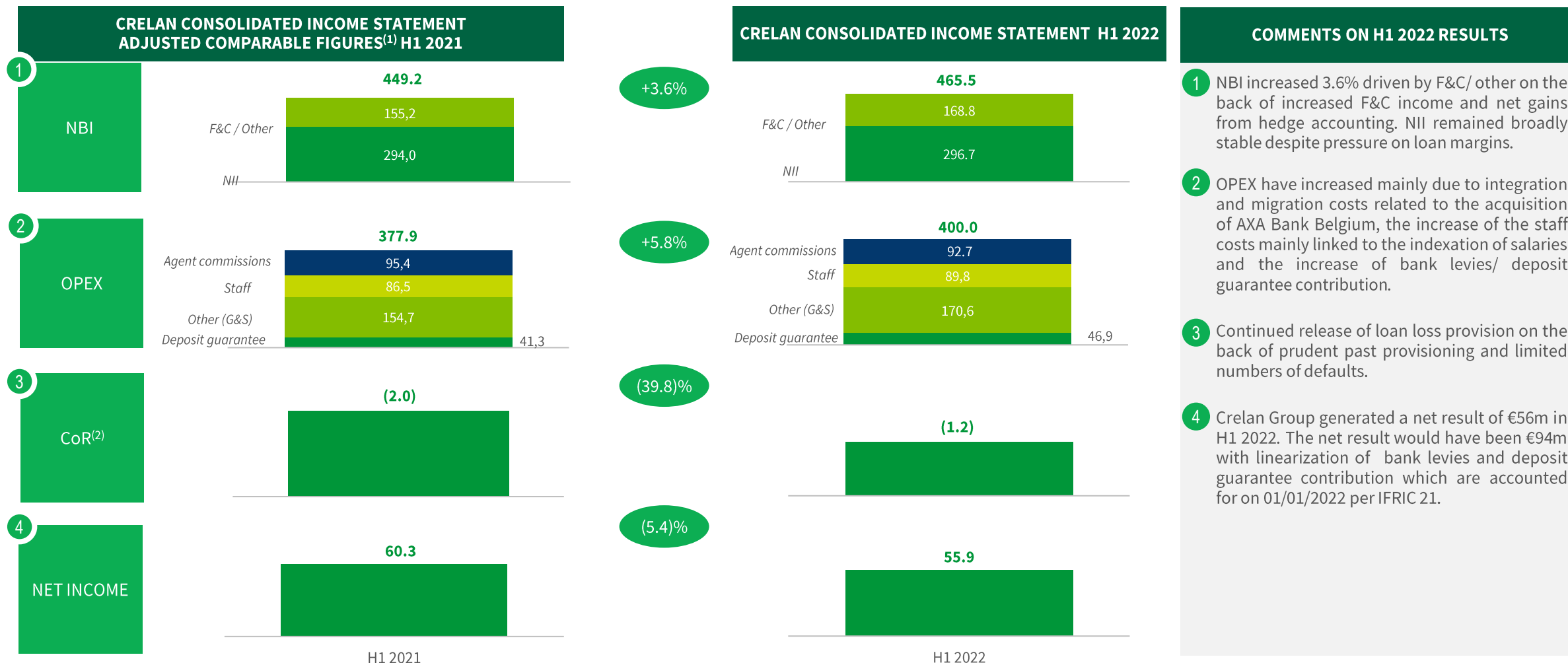
Source: Group 2021 annual report (audited) and The Group 2022 semi annual report (audited)

<sup>(1)</sup> Including deposits from credit institutions



# Business and financial performance in H1 2021 & H1 2022

**Strong financial performance.** Crelan generated €94m net income in H1 2022, adjusted for upfront bank levies, **well in line with the strategic objective of the combined bank.** P&L evolution over the period was driven by strong commercial momentum leading to an increase in fees, partially offset by higher costs (including integration and migration costs).



Sources: Group H1 2021 adjusted comparable financial figures (unaudited), the Group H1 2022 semi annual financial statements (audited).

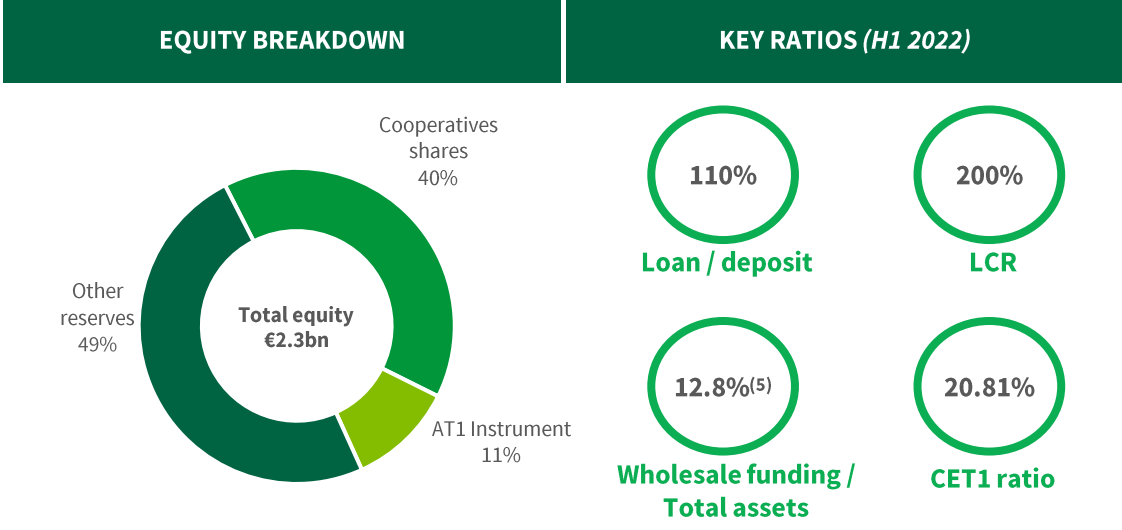
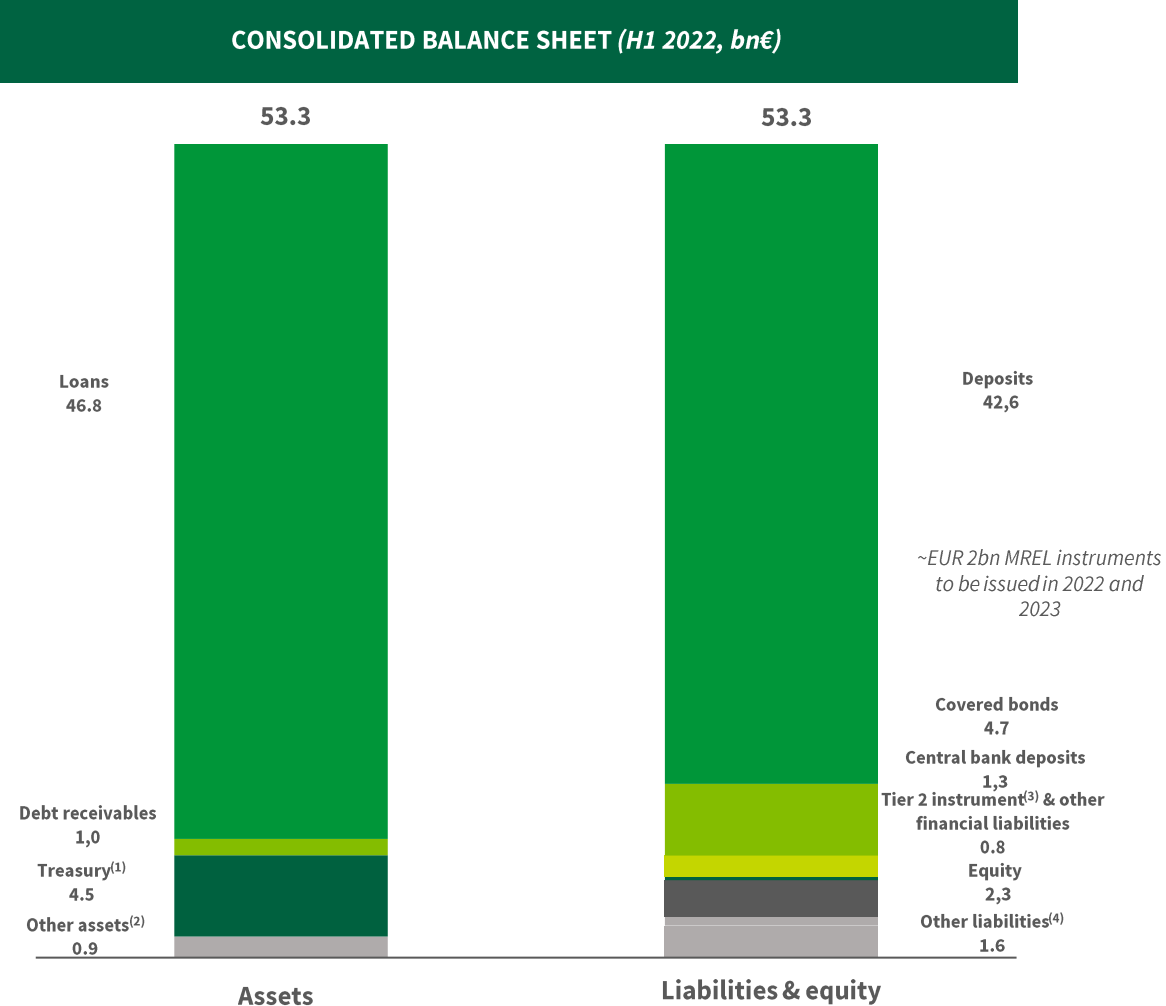
(1) Group H1 2021 figures are based on unaudited H1 2021 adjusted comparable financial figures after excluding specific items related to the acquisition of AXA Bank Belgium and the sale of Crelan Insurance. Comparable figures prepared according to the principles that have been used to prepare the pro forma financial figures for FY 2021 included in the base prospectus (see glossary for more info), including €14.8m positive net income impact related to the amortization of fair value remeasurements made under IFRS3 €6.9m positive net income impact from alignment of accounting policies and €2.5m as negative net income impact from the tier 2 issuance. The impact of the sale of Crelan Insurance (+€49.6m) and the negative goodwill arising from the acquisition of AXA Bank Belgium (+€528.2m) have been excluded from the adjusted comparable financial figures.

(2) Negative CoR indicates a net release of loan loss provision.



# Crelan Group balance sheet

Simple balance sheet with robust funding, liquidity and solvency metrics



- KEY TAKEAWAYS**
- Simple balance sheet composed primarily of loans (88% of total assets) and customer deposits (80% of total liabilities).
  - Diversified funding structure including customer deposits, covered bonds, TLTRO/ repos and retail notes/ certificates.
  - High quality treasury portfolio mainly composed of sovereign, supranational and covered bonds with a prudent risk profile.
  - Sizeable stock of highly liquid assets contributing to a strong LCR (200%).
  - Robust financial position and a conservative risk profile, the consolidated CET1 ratio and total capital ratio of the Group stood at 20.81% and 25.87% as of 30/06/2022.

Source: Group 2022 semi annual report (audited)

(1) Including €(2.2bn) fair value changes of the hedged items in portfolio hedge of interest rate risk

(2) Including €160m DTA, €43m goodwill & intangible assets, €185m derivatives

(3) Issued Tier 2 instrument amounts to €214m

(4) Including €544m payable liabilities, €177m provisions, €186m DTL

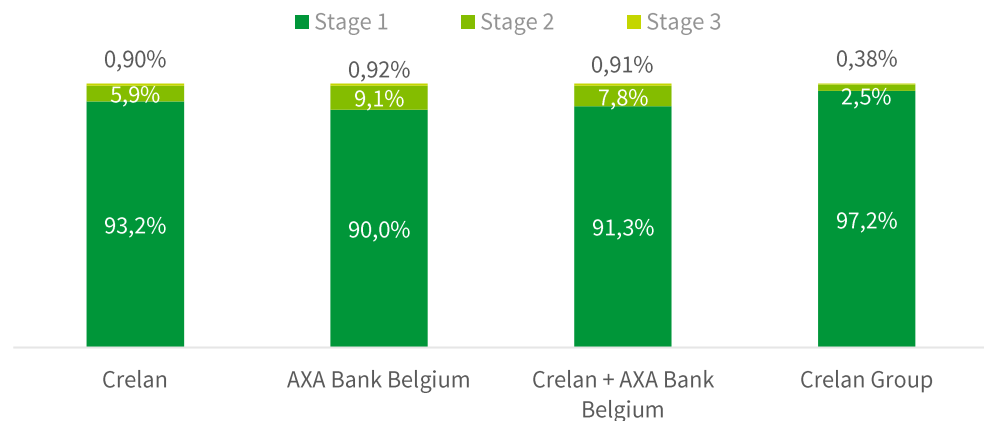
(5) Including covered bonds, central bank deposits, Tier 2 instrument & other financial liabilities



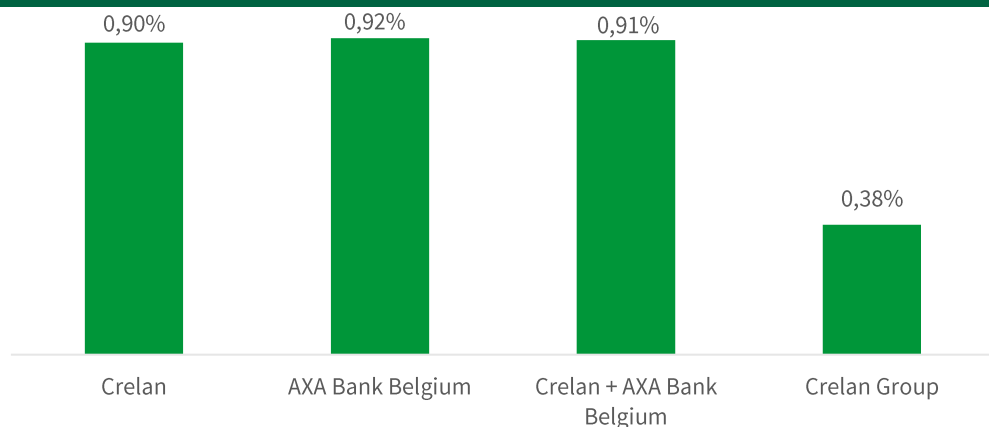
# Loan portfolio

Low risk profile owing to the high proportion of Belgian mortgages and to the high quality of prime mortgage collateral

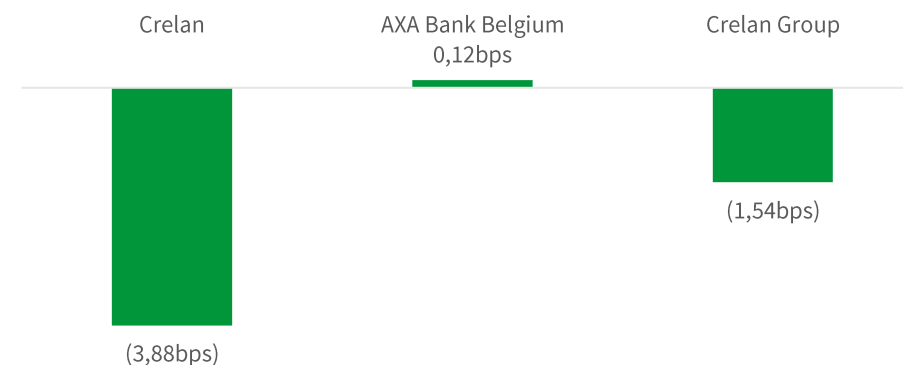
**LOANS AND ADVANCES PORTFOLIO COMPOSITION BY IFRS 9 STAGE**  
(FY 2021, based on amount outstanding net on loan loss provision)



**PROPORTION OF STAGE 3 LOANS AND ADVANCES**  
(FY 2021, based on amount outstanding net on loan loss provision)



**COST OF RISK RATIO<sup>(1)</sup>**  
(FY2021, excl. non-recurring items)



## LOAN PORTFOLIO – KEY TAKEAWAYS

- Stage 3 loans represented less than 1% of Crelan (stand alone) and AXA Bank Belgium (stand alone) loan portfolios as at 31/12/2021
- Stage 3 loans represented 0.38% of the Crelan Group loan portfolio as at 31/12/2021 which takes into account the revaluation of AXA Bank Belgium loan portfolio and the corresponding resetting of loan loss provisions as part of purchase accounting (IFRS 3)
- Crelan Group cost of risk ratio for FY2021 was (1.54bps), limited number of defaults and a strong base effect due to the high level of impairment recorded in 2020 in the context of the pandemic

Sources: Group 2021 annual report (audited), the Issuer 2021 financial information (unaudited), AXA Bank Belgium 2021 annual financial statements (audited)

Note: Group is based on audited financial information for FY2021. The Issuer (stand alone) based on FY2021 unaudited financial information. AXA Bank Belgium (stand alone) is based on FY2021 audited financial statements. The Issuer + AXA Bank Belgium (stand alone) is based on the aggregation of the Issuer and AXA Bank Belgium stand alone information

(1) Excluding the Group €22.2m IFRS 9 stages 1&2 impairments / Negative CoR indicates a net release of loan loss provision

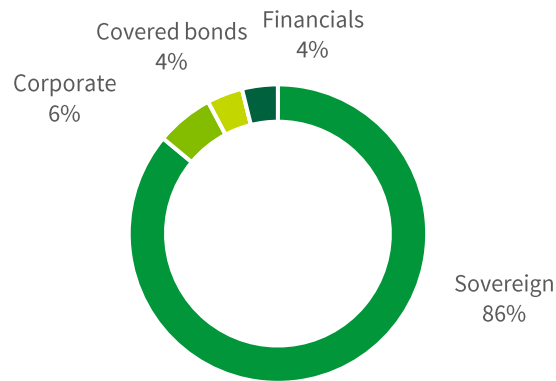


# Investment portfolio

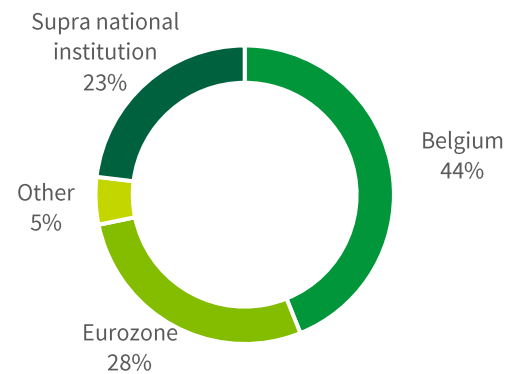
High quality investment portfolio mainly composed of investment grade EU (primarily core Europe) sovereign and supranational bonds

CRELAN GROUP (€1.4bn carrying value, FY2021)

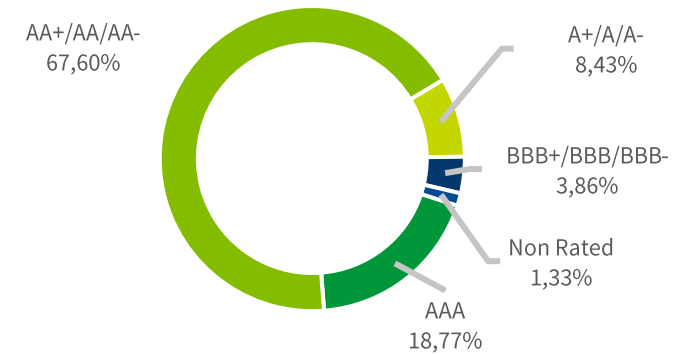
Investment portfolio by counterparty



Sovereign portfolio by geography



Investment portfolio by credit quality



- Crelan investment policy follows both a liquidity and balance sheet structure strategy:
  - Investment horizon which matches the asset and liability structure of the balance sheet
  - Analysis and management of the liquidity cost
  - Ensure the autonomy under stress
  - Trading activities are not authorized
- The investment portfolio has three main characteristics:
  - **Counterparty:** mainly composed of sovereign
  - **Credit rating:** only investment grade bonds are considered
  - **Country:** mainly composed of Belgian (sovereign) debts
- Willingness to invest in low risk “local” debt securities
- Investment scope is based on Norges Bank exclusion list

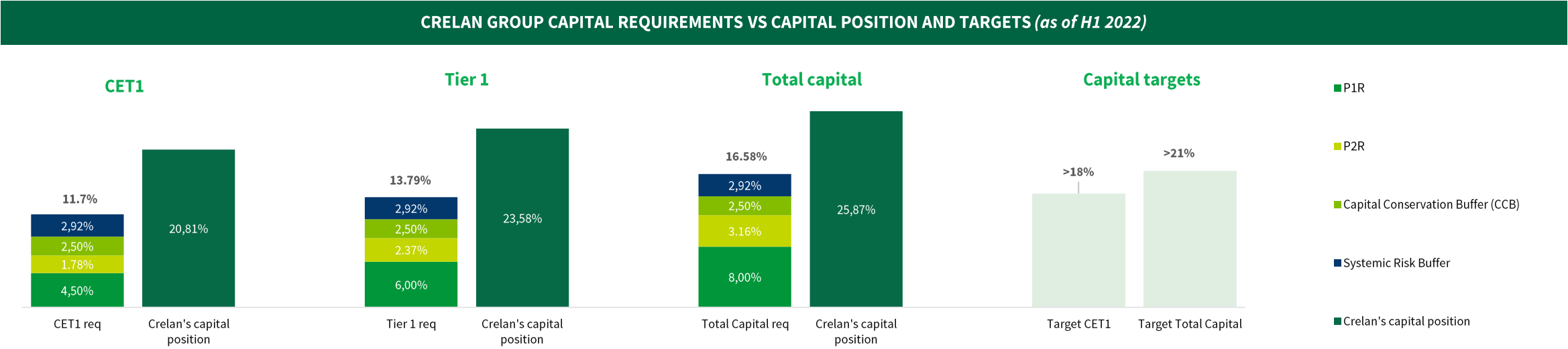


# 4. Solvency and liquidity



# Crelan Group capital position and requirements

Significant buffers above requirements



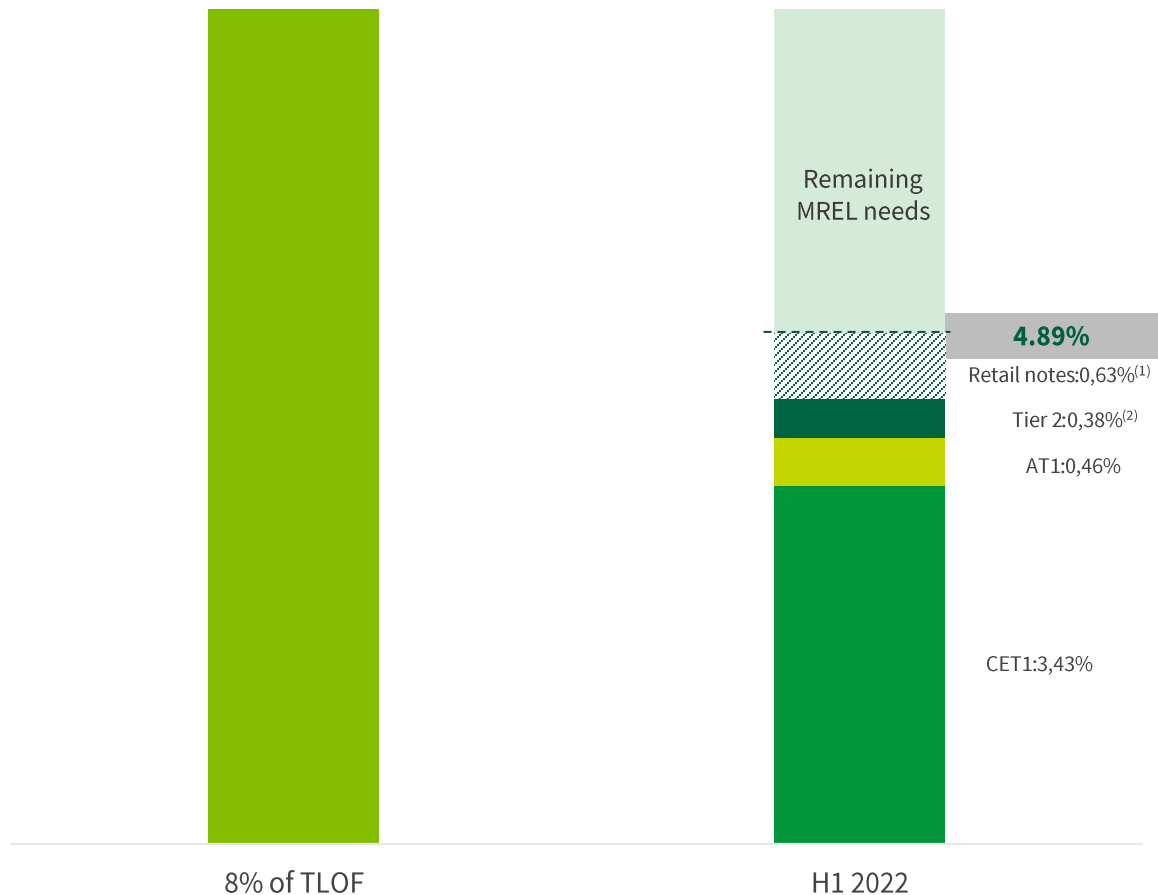
- Capital requirements are based on the requirements applicable to Crelan Group as at 30/06/2022 on a consolidated basis. Note that Crelan Group already applied a weighted average P2R as per the ECB guide on the supervisory approach to consolidation in the banking sector;
- Crelan Group has been under the direct supervision of the European Central Bank since the completion of the acquisition of AXA Bank Belgium on 31/12/2021.  
In this regard :
  - A P2R of 3.16% applies
  - A O-SII buffer of 0.75% will apply to Crelan Group as from 1 January 2023
- As of May 1, 2022 the NBB introduced a new Belgian macro-prudential tool (Sectoral Systemic Risk Buffer) to ensure capital buffers will be available when risks on the mortgage market materialize. This buffer replaced the macro-prudential RWA add-ons on the IRB portfolio (5% on Belgian real estate exposure and 33% on Belgian real estate RWA). Note that this systemic risk buffer depends on the proportion of exposures secured by real estate to all exposures and can therefore vary throughout the year;

Source: Group 2022 semi annual report  
Notes: The Issuer's position is based on unaudited consolidated regulatory reporting (COREP) for the Group at 30/06/2022



# Crelan Group MREL position and expected requirements

MREL stood at 4.89% of TLOF as at 30/06/2022. Crelan Group is planning to issue an additional €2bn of MREL instruments to comply with a 8% TLOF requirement by the end of 2023



- The National Bank of Belgium notified Crelan at the end of 2019 that it had to achieve by the end of 2023 a MREL ratio of 8% of TLOF on a consolidated basis. At the end of H1 2022, the consolidated ratio amounted to 4.89%.
- The own funds and eligible liabilities included in the calculation of the MREL ratio include:
  - the CET1 capital of Crelan on a consolidated basis;
  - the AT1 equity securities issued by Crelan to AXA (€245m issued amount);
  - the Tier 2 subordinated securities issued by Crelan to AMUNDI and ALLIANZ (€200m issued amount);
  - the retail notes issued by AXA Bank Belgium and eligible under BRRD I.
- **Crelan currently expects that the 8% TLOF will continue to drive the MREL requirements resulting in aggregate €2bn of MREL issuances in 2022 and 2023 (excluding the retail notes from Crelan's eligible liabilities)**

Source: Group 2022 Interim report

(1) Instruments eligible under BRRD I

(2) Tier 2 includes subordinated debt instruments held by retail investors (partially Tier 2, partially not eligible for Tier 2, total amount approx. €9m per 31/12/2021)



# Dividend policy and cooperative capital

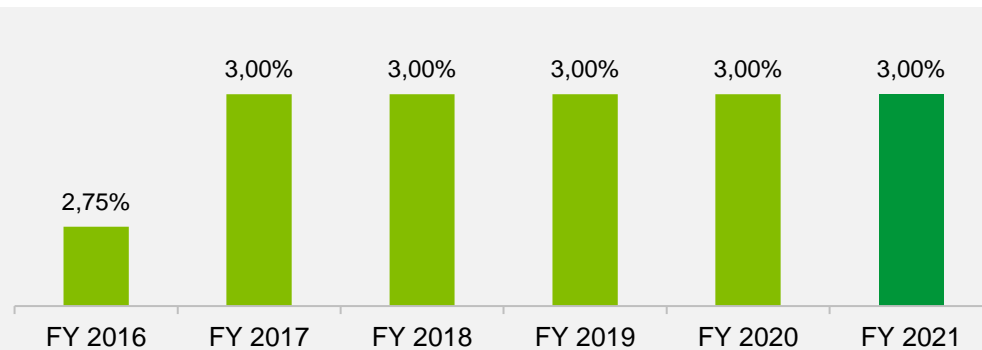
## Stable dividend policy and cooperative capital over the recent years

### DIVIDEND POLICY

In order to determine the level of dividend to be paid to cooperative shareholders, Crelan takes into account:

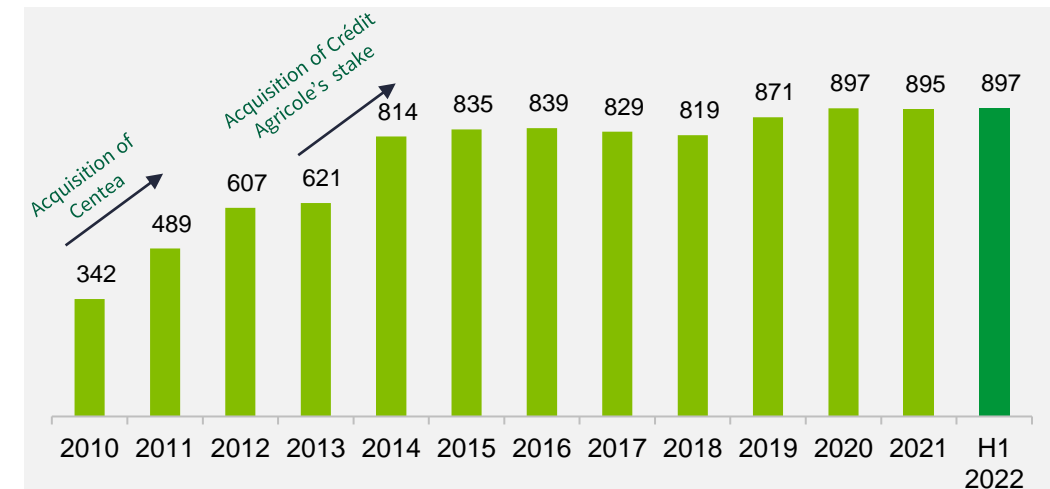
- the legal and statutory framework, in particular the rules of the Crelan Federation setting the maximum dividend that can be distributed (6% of nominal value);
- the solvency position and the profitability of the Crelan Group; and
- market conditions

### DIVIDEND PAID<sup>(1)</sup> TO COOPERATIVE SHAREHOLDERS (% of nominal value)



- Crelan has paid a dividend of 3% for FY 2021 in May 2022 which amounts to 26.6 million euros

### COOPERATIVE CAPITAL OUTSTANDING (€m)



(1) Dividend paid in respect of financial year



# Funding strategy

Crelan Group is planning to continue being a regular issuer into the wholesale funding markets in order to: (i) diversify its funding sources, (ii) optimise its funding costs and (iii) comply with MREL requirements

- **Funding strategy**

- Continued use of stable retail customer deposits in the form of current, savings and term accounts
- Diversification of funding sources by increasing funding from institutional markets in particular via AXA Bank Europe SCF, the covered bond issuer for the Crelan Group
- Issuance of capital instruments and senior non preferred to ensure continued compliance with regulatory requirements
- Opportunistic usage of other available sources of funding including central bank funding, retail notes, repos and certificate of deposits

- **Crelan group intends to maintain a strong liquidity position supported by its evidenced capacity to raise funding from diversified sources:**

- The Group's main source of funding will continue to be its broad retail deposit base in Belgium
- AXA Bank Europe SCF is an established and regular covered bonds issuer, it provides secured long-term funding at relatively low funding costs
- Over the next 2 years, Crelan intends to be a frequent issuer of senior non-preferred debt to comply with MREL requirements with a target of ~EUR 2bn to be issued until the end of 2023
- Crelan has issued AT1 and Tier 2 instruments to institutional investors ahead of the completion of the acquisition of AXA Bank Belgium. Crelan might consider to issue additional amount of AT1 in the coming months
- CrelanCo will continue issuing cooperative shares in the combined network



# 5. Additional information



# Detail of specific items

€M	1H 2021 COMPARABLE	EXCLUDING SPECIFIC ITEMS		1H 2021 ADJUSTED COMPARABLE
		GAIN ON SALE OF CRELAN INSURANCE	NEGATIVE GOODWILL(2)	
Net banking income	502	(53)		449
Operating expenses	(378)			(378)
Cost of risk	2			2
Provisions	6			6
Negative goodwill	528		(528)	--
Taxes	(19)	--	--	(19)
<b>Net income</b>	<b>641</b>	<b>(53)</b>	<b>(528)</b>	<b>60</b>

Source: Group H1 2021 figures are based on unaudited H1 2021 adjusted comparable financial figures after excluding specific items related to the acquisition of AXA Bank Belgium and the sale of Crelan Insurance

(1) Transaction costs related to the acquisition of AXA Bank Belgium and the sale of Crelan Insurance which are included in other expenses.

(2) Negative goodwill related to the acquisition of AXA Bank Belgium and directly accounted for as a gain in the income statement.



# Income statements comparison H1 2021 – H1 2022

	Crelan Group Adjusted Comparable	Crelan Group	Evolution	
Financial statements (in EUR)	30/06/2021	30/06/2022		
<b>Financial and operating income and expenses</b>	353 819 609	372 831 823	19 012 214	5.37%
Interest income	533 482 226	440 114 088	-93 368 138	-17.50%
Interest expense	-239 495 670	-143 394 397	96 101 273	-40.13%
<b>Net Interest Income</b>	<b>293 986 556</b>	<b>296 719 691</b>	2 733 135	0.93%
Dividend income	331 624	327 814	-3 810	-1.15%
Fee and commission income	117 775 497	123 945 082	6 169 585	5.24%
Fee and commission expense	-95 385 359	-92 642 014	2 743 345	-2.88%
Realised gains (losses) on financial assets & liabilities not measured at fair value through profit or loss, net	3 986 702	4 463 446	476 744	11.96%
<i>Gains (losses) on financial assets and liabilities held for trading (net)</i>	<i>900 942</i>	<i>-32 582 361</i>	<i>-33 483 303</i>	<i>-</i>
<i>Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net</i>	<i>88 127</i>	<i>-143 328</i>	<i>-231 455</i>	<i>-</i>
<i>Gains (losses) on financial assets and liabilities designated at fair value through profit or loss (net)</i>	<i>4 680 423</i>	<i>35 802 034</i>	<i>31 121 611</i>	<i>-</i>
<i>Gains (losses) from hedge accounting</i>	<i>9 929 420</i>	<i>19 677 048</i>	<i>9 747 628</i>	<i>-</i>
<i>Exchange differences (net)</i>	<i>-4 115 794</i>	<i>-3 706 241</i>	<i>409 553</i>	<i>-</i>
<b>Total<sup>(3)</sup></b>	<b>11 483 118</b>	<b>19 047 152</b>	7 564 034	65.87%
Gains (losses) on derecognition of assets other than held for sale (net)	23 980	-6 848	-30 828	-
Other operating income	21 703 431	21 089 876	-613 555	-2.83%
Other operating expense	-85 940	-112 376	-26 436	30.76%
<b>Administration costs</b>	<b>-275 164 834</b>	<b>-300 580 776</b>	-25 415 942	9.24%
Personnel expenses	-86 407 589	-89 810 981	-3 403 392	3.94%
General and administrative expenses	-147 383 378	-163 850 387	-16 467 009	11.17%
Cash contributions to resolution funds and deposit guarantee schemes	-41 373 867	-46 919 408	-5 545 541	13.40%
<b>Depreciation</b>	<b>-7 120 938</b>	<b>-6 757 861</b>	363 077	-5.10%
Property, Plant, Equipment	-5 487 003	-4 758 136	728 867	-13.28%
Intangible fixed assets (other than goodwill)	-1 633 935	-1 999 725	-365 790	22.39%
<b>Modification gains or (-) losses</b>	<b>-222 824</b>	<b>0</b>	222 824	-
<b>Provisions</b>	<b>6 416 667</b>	<b>8 380 130</b>	1 963 463	30.60%
<b>Impairments</b>	<b>1 987 869</b>	<b>1 197 396</b>	-790 473	-39.76%
<b>Negative goodwill immediately recognised in profit or loss</b>	<b>0</b>	<b>3 750 173</b>	3 750 173	-
<b>TOTAL PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>79 715 545</b>	<b>78 820 885</b>	-894 660	-1.12%
Tax expense (income) related to profit or loss from continuing operations	-19 394 948	-22 872 689	-3 477 741	17.93%
<b>NET PROFIT OR LOSS</b>	<b>60 320 597</b>	<b>55 948 196</b>	-4 372 401	-7.25%

Sources: Group H1 2021 comparable adjusted financial figures (unaudited), the Group H1 2022 semi annual financial statements (audited).

Group H1 2021 figures are based on unaudited H1 2021 adjusted comparable financial figures after excluding specific items related to the acquisition of AXA Bank Belgium and the sale of Crelan Insurance

1. Comparable figures prepared according to the principles that have been used to prepare the pro forma figures included in the base prospectus, see glossary for more info
2. Movements of interest income and expenses reflects mainly IFRS3, accounted for on a net basis in the comparable figures
3. The sections "Gains or (-) losses on financial assets & liabilities held for trading, net", "Gains or (-) losses on financial assets & liabilities designated at fair value through profit or loss, net", "Gains (losses) on non-trading financial assets mandatorily at fair value through profit or loss (net)", "Gains or (-) from hedge accounting, net" and "Exchange differences" are to be considered together. Due to IFRS3, the value of assets and liabilities of ABB are integrated at fair value. This leads to less interest income and less interest expense. Increase of operational costs due to integration and migration



# Overview of Europabank

Consumer loans, mortgages, leasing and other banking and payment services for individuals and SMEs



**+73**

Net Promotor Score



**168,092**

Clients



**47**

Proprietary branches



**351**

Employees

## europabank

### KEY HIGHLIGHTS



Niche client base of individuals and SMEs with a different credit profile than Crelan's and AXA Bank Belgium's

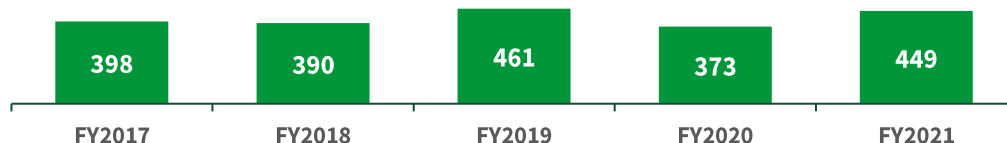


Limited savings and credit offering including loans, mortgages and leasing



Domestic payments acquirer offering merchant services for MasterCard and Visa

### LOAN PRODUCTION (€m)



### KEY FINANCIAL DATA (FY2021)

**€1.3bn**  
Customer loans

**€1.6bn**  
Customer deposits

**54%**  
Cost income ratio

**0.28%**  
Loan loss ratio

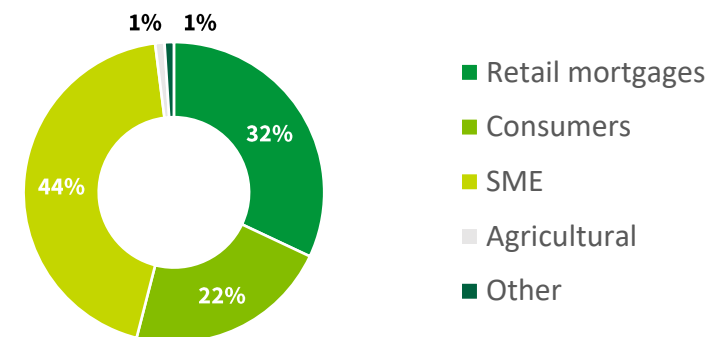
**18.3%**  
ROE

**16.4%**  
CET1 ratio

### BRANCH NETWORK



### CREDIT RISK EXPOSURES (FY 2021)





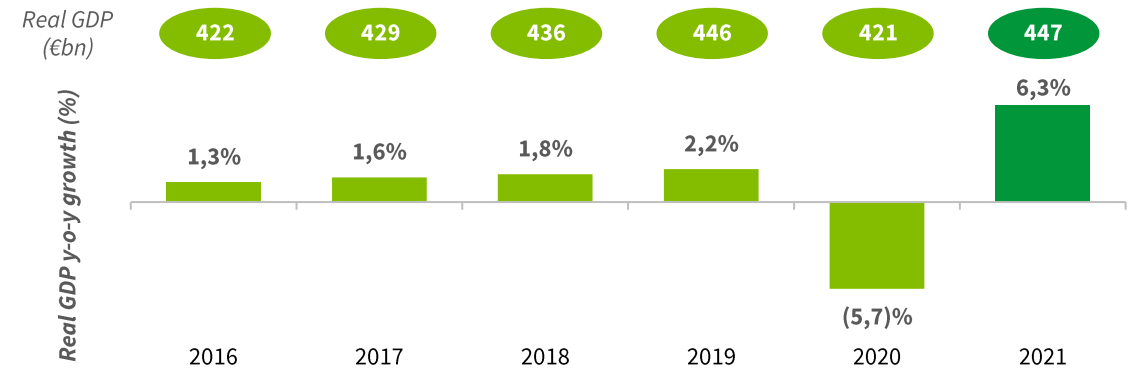
# Belgian macroeconomic environment

Stable macroeconomic environment supported by a highly urbanised society and service-based economy

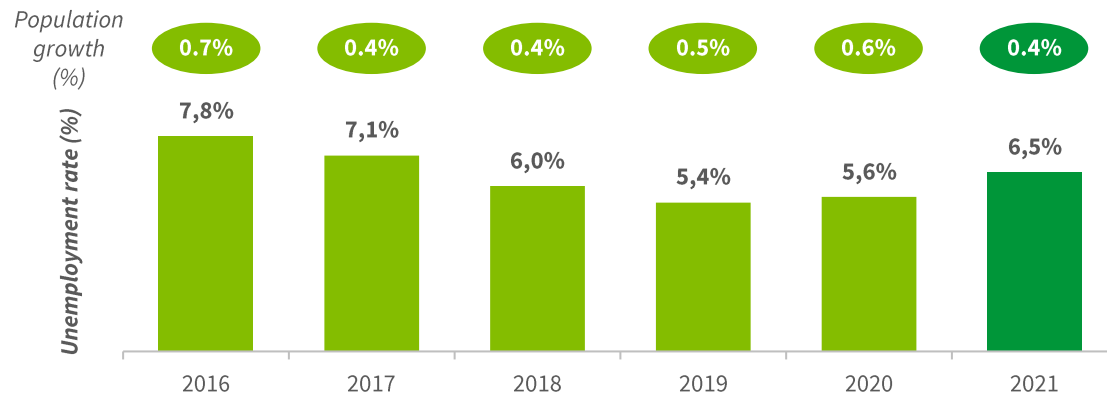
## OVERVIEW

- Belgium is a stable economy in the heart of Europe
- Real GDP has increased considerably in 2021 to compensate for the strong decrease in GDP in 2020, linked to the global pandemic
- The unemployment rate improved due to structural measures taken on the labour market, however it has increased slightly in 2021 vs. 2020 due to Covid-19
- Inflation has been stable at c. 2% from 2016 to 2018, then decreased to <1% in 2019 and 2020. However, it underwent a sharp increase in 2021 due to the current global macroeconomic environment

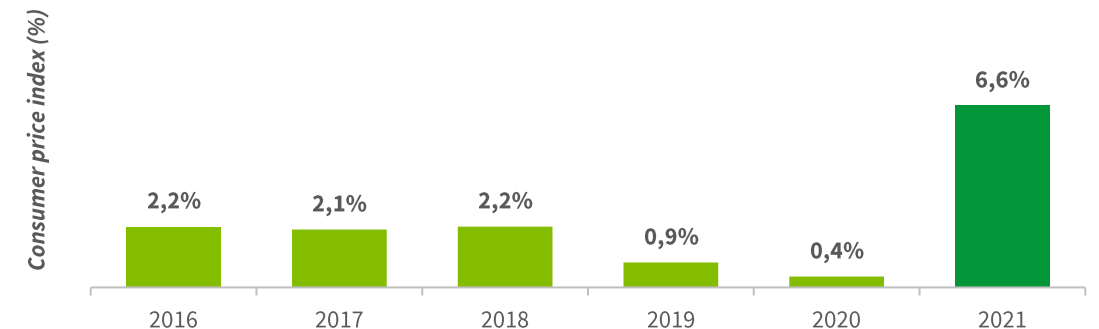
## REAL GDP GROWTH REBOUNDED IN 2021



## STABLE UNEMPLOYMENT RATE AND POPULATION GROWTH



## PRICE INCREASE IN 2021 IN LINE WITH MACRO ENVIRONMENT





# Belgian banking market

Attractive and sound Belgian banking market with robust growth prospects

## OVERVIEW

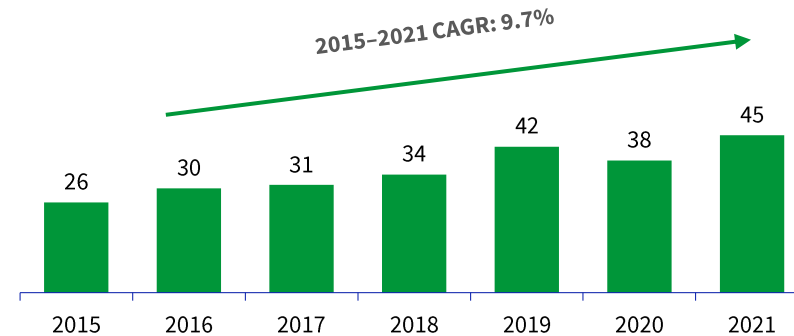
- Sound and resilient Belgian economy positively supporting banking market development. Very resilient mortgage books throughout the crisis underpinned by prudent lending and contained house price evolution
- Belgian households' indebtedness is in line with other European developed markets
- NPL ratio in Belgium is lower than EU average
- Belgian net financial assets per capita is the second highest in Europe
- An increase in interest rates would unlock an ideal opportunity to enter/grow in the banking landscape

1

## A SOUND AND GROWING BANKING MARKET IN BELGIUM...

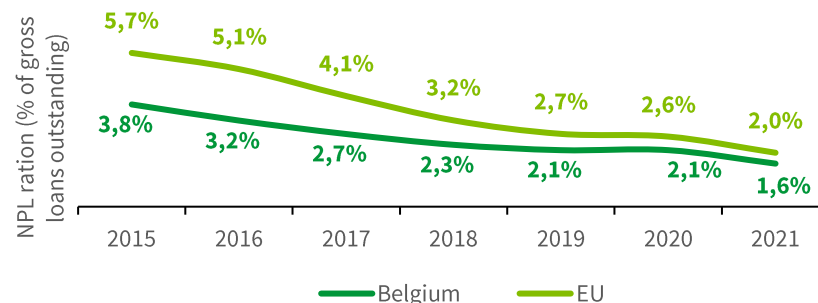
✓

### NEW MORTGAGE PRODUCTION (EXCL. REFINANCING) IN BELGIUM (€BN) GREW AT 10% 2015-2021 CAGR



✓

### LOW AND STABLE NPL RATIO IN BELGIUM VS. EU



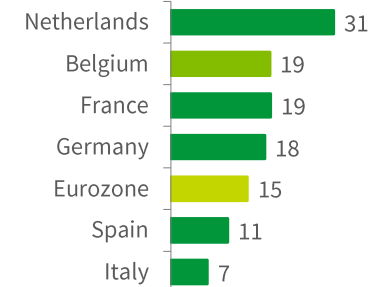
2

## ... WITH POTENTIAL FOR FURTHER GROWTH

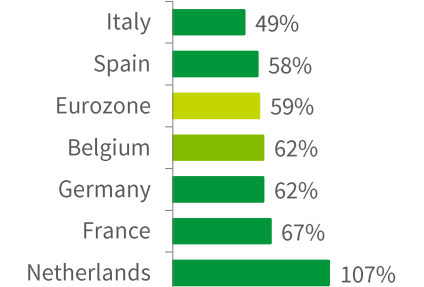
✓

### A MARKET WITH ROOM FOR FURTHER MORTGAGE LOAN DEVELOPMENT

#### Housing loans per capita by country (June 2022, €k)



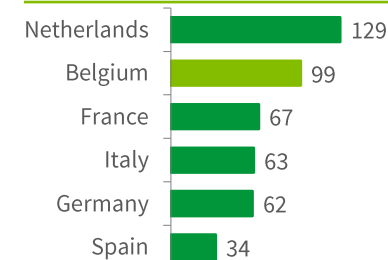
#### Households' debt as % GDP by country (December 2021)



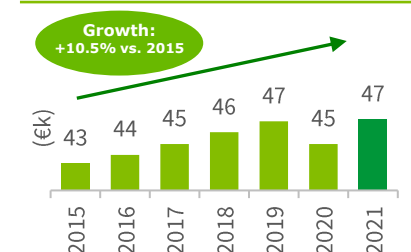
✓

### A WEALTHY MARKET WITH A HIGH LEVEL OF NET WORTH ACCUMULATION

#### Net financial assets per capita (€k, Dec-2021)



#### Increasing Belgian average household disposable income

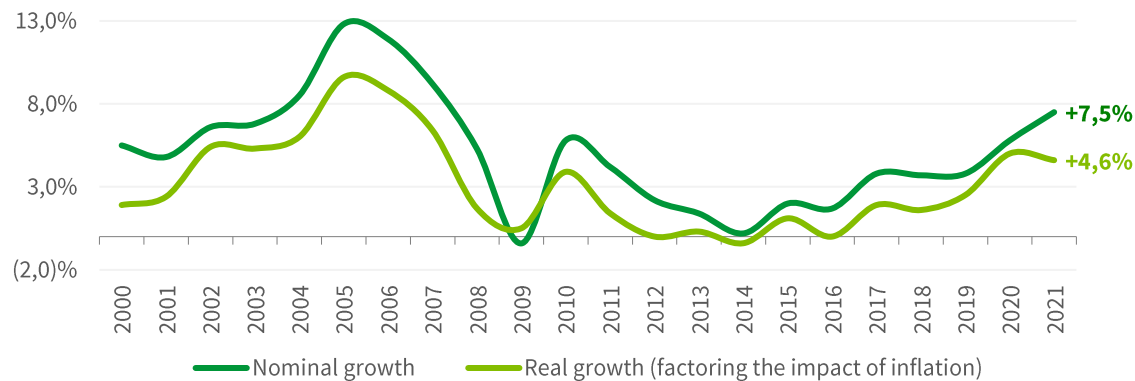




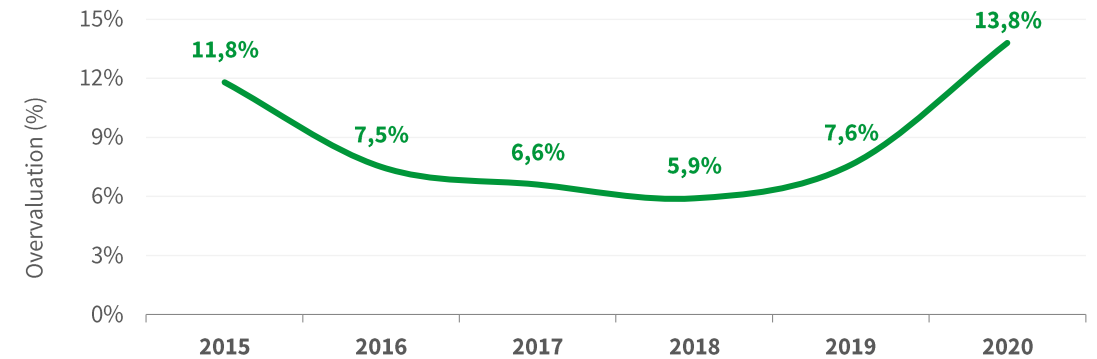
# Belgian real estate market

Steadily increasing house prices supported by low interest rate environment and low default rate

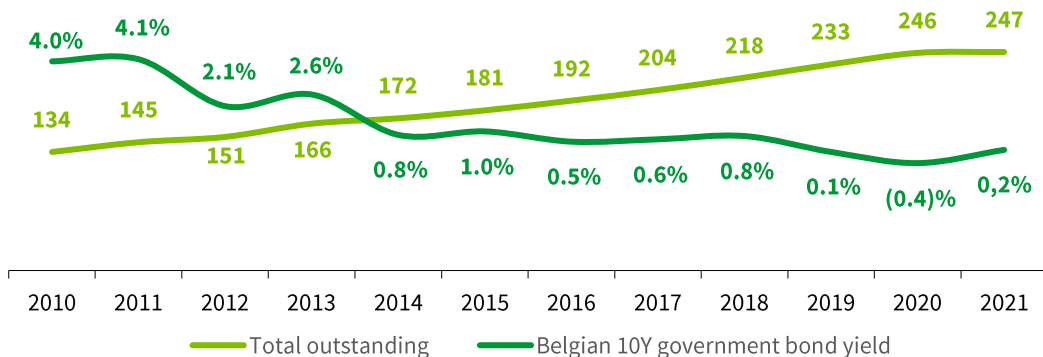
House prices steadily increased faster than inflation from 2010 to h2 2020 where inflation jumped to mid / high single digit



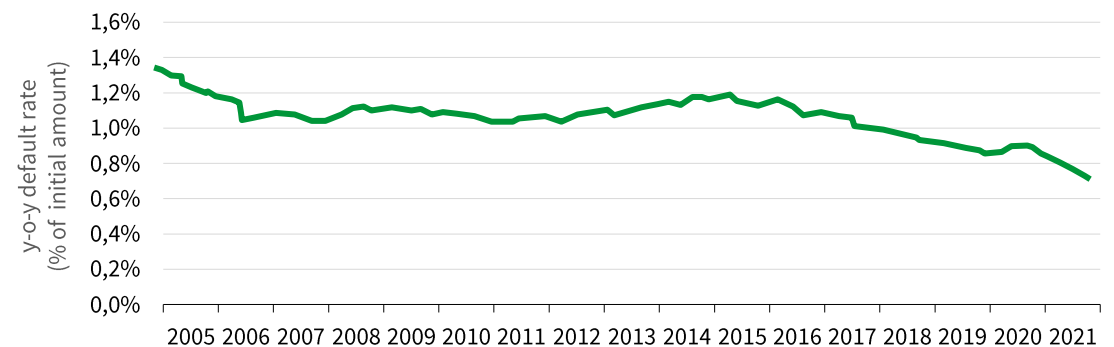
Limited risk of overvaluation with a market which evolved at a lower pace than in other European countries



Low interest rate environment triggers increasing new mortgages loan production in the last years resulting in a continuous increase in outstanding mortgages



Default rate reduced to record low 0.7% thanks to more stringent underwriting criteria with LTV reducing (62% of mortgages originated in 2021 had a LTV at origination  $\leq 80\%$ )





# Organisation of Crelan Federation

Organisation of the Federation governed by Belgian law and vetted by the Belgian banking supervisor



## FEDERATION CHARACTERISTICS

- The Federation of credit institutions of Crelan is governed by Articles 239 to 241 of the Act of 25 April 2014 on the status and supervision of credit institutions and by the Rules for affiliation of the Federation
- **Key characteristics of the Crelan Federation**
  - **Membership regulation approved by the National Bank of Belgium**
  - Members of the Federation must be **credit institutions**
  - Credit institutions must be **affiliated with a central institution** Crelan is the central institution
  - Obligations of affiliated institutions and the central institution are **joint and several**
  - **Central institution directly supervises affiliated institutions** and is authorised to give them instructions on their policies, operations and organisation. In addition, some important decisions (changes to articles, dissolution, mergers) can only be taken with the prior approval of the BoD of the central institution
  - **Accounts of the Federation are globalised** (ie. sub-consolidation under Be-Gaap) and include the perimeter Crelan and CrelanCo. For regulatory purposes Crelan NV and CrelanCo are considered as one reporting entity



## KEY RULES APPLICABLE TO THE FEDERATION

- Prudential supervision (Capital Requirements Regulation requirements (art. 86-92, 89, 94-107, 149-152, 412-413), of which liquidity, minimum equity, reporting ...) applies to the perimeter of the Federation as a whole
- Periodic reporting to the supervisor of the affiliated institutions contained in art. 106, §2 and 107 (Annual report and Quarterly reporting's) of the Banking Act with regard to the affiliated institutions applies to the perimeter of the Federation as a whole
- Supervision provided for in the Banking Act in Chapter IV of Title III of Book II is not applicable to the connected institutions individually
- Assignments and duties of the statutory auditors working for Crelan are applicable to the Federation as a whole



# ESG considerations with Crelan's employees, facilities and credit policy



HR

- At Crelan, human resources take initiatives to promote sustainable career development, for example by offering internal and external training (e.g. Febelfin Academy, ElanPlus, etc.), active career management led and monitored by specific personnel advisers according to professional expectations, an internal promotion policy,...
- In 2018:
  - 65.4% of employees followed a collective training;
  - 24.9% of employees followed e-learning about compliance, fire safety and evacuation;
  - 8.6% of employees followed external trainings related to IT, banking and legal matters
- For four years in a row, Crelan received the “Top Employer Belgium” certification. Based on an in-depth survey, the Top Employers Institute certifies companies worldwide every year that stand out for their excellent staff management. Employers' working conditions are measured against an international standard. An external audit guarantees the independent nature of this survey



TRANSPORTATION

- Crelan promotes home-to-work trips by bicycle which cycling space provided in the garage of the Anderlecht and Berchem building and showers available for staff
- Crelan encourages its staff to drive electrically and has installed charging stations for electric cars at its head office in Anderlecht
- Shuttle buses between the Brussels headquarters and the midi station are also organized in the morning and evening for staff who come to work at the central headquarters by train
- Crelan encourages car-sharing for its staff and gives priority to those who do so for the allocation of a parking space
- The bank also wants to make its car fleet cleaner. A new downward limit has been introduced since September 2018 on the CO2 emissions of new company cars: these are now limited to a maximum of 125 g/km for a diesel car and a maximum of 135 g/km for a petrol car



FACILITIES

- In 2017, an energy audit was carried out to understand of the different energy flows in buildings with the objective to reduce energy consumption by at least 5% per year
- With the relocation of its activities in Antwerpen, gas consumption has been reduced by 85%
- In 2018, photovoltaic panels were installed on the roof of the Brussels headquarters. To generate part of its own electricity needs. The installation should pay for itself after 6 years. This will result in a 2% saving on electricity consumption, which corresponds to a reduction in CO2 emissions of 9,600 kg/year.
- All fluorescent lamps in the Anderlecht headquarters have been replaced by energy-saving LED lamps which consume 60% less electricity than conventional neon lights resulting in a 12% saving on the bank's total electricity consumption
- The water consumption has also strongly decreased since 2016. This can be attributed to the relocation of Antwerpen's activities in a new building with better norms.



# Additional links to website

## Investor relations:

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

## Contacts

FULL NAME	POSITION	PHONE	EMAIL
Jean-Yves ULLENS	Head Strategy, Metrics, Investor Relations & Rating Agencies	+32 2 558 72 28	jeanyves.ullens@crelan.be
Olivier DEWELL	Director Balance Sheet Management	+ 32 2 678 69 05	olivier.dewell@axa.be
Philip TORTELBOOM	Deputy Head Balance Sheet Management	+32 2 558 74 28	philip.tortelboom@crelan.be
Lieven GOOSENS	Balance Sheet Management	+ 32 2 678 69 70	lieven.goosens@axa.be



# Glossary

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