2023 Consolidated Financial Statements

Consolidated balance sheet
Consolidated statement of the comprehensive income
Consolidated cash report
Consolidated statement of equity adjustments

Notes

2023 Consolidated Financial Statements

This English version is merely a translation of the Dutch and French versions of the annual accounts filed with the Central Balance Sheet Office.

Consolidated balance sheet

Assets (in EUR)	Note	31/12/2023	31/12/2022
Cash, cash balances at central banks and other demand deposits	4.1.	5,566,112,903	7,130,436,023
Financial assets held for trading	4.2.	9,716,707	11,751,718
Financial assets mandatorily recognised at fair value through profit or loss	4.3.	6,526,593	6,494,954
Financial assets designated at fair value through profit or loss	4.3.	0	0
Financial assets measured at fair value through other comprehensive income (FVOCI)	4.3.	172,661,185	242,148,851
Financial assets measured at amortised cost		49,611,915,035	48,748,763,581
Debt securities	*4.3.*	*600,006,711*	*969,923,456*
Loans and advances (including finance leases)	*4.4.*	*49,011,908,324*	*47,778,840,125*
Derivatives used for hedging	4.14.	223,665,533	325,518,582
Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk	4.15.	-2,006,576,306	-3,149,398,494
Property, plant and equipment	4.5.	84,691,819	84,612,482
Goodwill and intangible assets	4.6.	41,675,353	47,118,576
Investments in subsidiaries, joint ventures and associates		11,282,364	12,686,005
Tax assets	4.7.	70,334,761	216,807,015
Other assets	4.8.	195,981,383	165,356,098
Total Assets		**53,987,987,330**	**53,842,295,391**

Liabilities (in EUR)	Note	31/12/2023	31/12/2022
Financial liabilities held for trading	4.2.	22,299,112	36,418,642
Financial liabilities at fair value through profit or loss	4.11.2.	295,405,427	376,190,783
Financial liabilities measured at amortised cost		50,540,241,806	50,483,073,823
Deposits from Credit institutions	*4.11.1.1.*	*1,164,677,515*	*1,388,156,060*
Deposits other than from Credit Institutions	*4.11.1.1.*	*42,390,668,879*	*42,404,600,558*
Debt securities including bonds	*4.11.1.2.*	*6,377,702,359*	*5,950,058,478*
Subordinated liabilities	*4.11.1.3.*	*205,245,661*	*209,047,595*
Other financial liabilities	*4.11.1.4.*	*401,947,392*	*531,211,132*
Derivatives – Hedge accounting	4.14.	16,879,274	7,076,007
Fair value changes of the hedged items in portfolio hedge of interest rate risk	4.15.	15,252,824	-40,456,212
Provisions	4.12.	298,681,649	*246,758,423*
Tax liabilities	4.7.	66,319,932	237,499,893
Other liabilities	4.8.	222,841,273	*164,607,600*
Total Liabilities		**51,477,921,297**	**51,511,168,959**

Equity (in EUR)	Note	31/12/2023	31/12/2022
Capital		940,638,816	912,298,467
Paid up capital	*4.17.*	940,638,816	*912,298,467*
Unpaid capital which has been called up		0	*0*
Share premium		0	0
Equity instruments issued other than capital	4.17.	244,559,551	245,171,946
Accumulated other comprehensive income		-4,099,980	5,784,762
Items that will not be reclassified to profit and loss		-6,506,047	2,873,857
Actuarial gains or loss on defined benefit pension plans	4.17.	*-13,301,963*	*-13,917,633*
Changes in fair value of equity instruments measured at fair value through other comprehensive income	4.17.	*-1,454,118*	*-33,863*
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	4.17.	*8,250,034*	*16,825,353*
Items that may be reclassified to profit and loss		2,406,067	2,910,905
Fair value changes of debt instruments measured at fair value through other comprehensive income	*4.17.*	*2,406,067*	*2,910,905*
Reserves (including retained earnings)	4.17.	1,121,950,890	1,009,671,703
Income from current year	4.17.	207,016,756	158,199,554
Minority interests		0	0
Total Equity		**2,510,066,033**	**2,331,126,432**
Total Equity and total Liabilities		**53,987,987,330**	**53,842,295,391**

Consolidated statement of the comprehensive income

Consolidated Statement of profit or loss (in EUR)	Note	31/12/2023	31/12/2022
CONTINUING OPERATIONS			
TOTAL OPERATING INCOME, NET		**1,039,908,667**	**774,105,912**
Interest income	5.1.	1,875,802,386	813,288,828
Interest expenses	5.1.	-888,125,423	-135,192,782
Dividend income	5.3.	303,195	791,622
Fee and commission income	5.2.	255,329,513	247,213,736
Fee and commission expenses	5.2.	-242,726,483	-193,623,813
Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net	5.4.	-15,520,013	7,459,366
Gains or (-) losses on financial assets and liabilities held for trading, net	5.5.	27,998,989	-64,492,840
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net		-8,240,807	51,220,887
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net		123,257	-186,253
Gains or (-) losses from hedge accounting, net	5.5.	3,816,929	10,498,903
Exchange differences [gain or (-) loss], net	5.5.	2,193,931	1,406,942
Gains (losses) on derecognition of assets other than held for sale, net	5.7.	9,648	-2,744
Other operating income	5.8.	29,112,104	36,028,219
Other operating expenses	5.8.	-168,559	-304,159
Administrative Expenses		**-589,979,264**	**-492,809,145**
Staff Expenses	5.9.1.	-193,880,227	-184,374,299
Other administrative Expenses	5.9.2.	-396,099,037	-308,434,846
Cash contributions to resolution funds and deposit guarantee schemes	5.9.3.	**-47,047,875**	**-45,362,850**
Depreciation		**-23,708,644**	**-15,740,263**
Property, Plant and Equipment	4.5.	-17,385,528	-11,064,188
Intangible assets (other than goodwill)	4.6.	-6,323,116	-4,676,075
Modification gains or (-) losses, net		**147,659**	**147,659**
Provisions	4.12.	**-52,410,495**	**13,974,347**
Impairment	5.10.	**-50,643,669**	**-24,651,363**
Impairment losses on financial assets not measured at fair value through profit or loss		-50,643,669	-24,651,363
Financial assets at fair value through other comprehensive income (FVOCI)		*0*	*0*
Financial assets at amortised cost		*-50,643,669*	*-24,651,363*
Impairment on Property, plant and equipment		0	0
Negative goodwill recognised in profit or loss		**0**	**3,731,000**
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		276,266,379	213,395,297
Tax Expenses or (-) income related to profit or loss from continuing operations	5.11.	-69,249,623	-55,195,743
Current taxes		*-79,558,925*	*-37,889,458*
Deferred taxes		*10,309,302*	*-17,306,285*
NET PROFIT OR LOSS		**207,016,756**	**158,199,554**
Statement of comprehensive income			
Comprehensive income that may be reclassified to profit or loss		-504,839	-95,552
Revaluation of financial assets at fair value through other comprehensive income (FVOCI)		-673,118	-82,277
Income tax related to items transferable to profit or (-) loss		168,279	-13,275
Comprehensive income that will not to be reclassified to profit or loss		-9,379,906	1,224,670
Actuarial gains (losses) on defined benefit pension plans		820,891	-21,356,835
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk		-1,420,255	-33,863
Fair value changes of equity instruments measured at fair value with other comprehensive income		-11,433,759	22,433,804
Income tax on items that will not be reclassified		2,653,217	181,564
Total comprehensive income (net)		**-9,884,745**	**1,129,118**
Total profit or loss and comprehensive income for the year		**197,132,011**	**159,328,672**

Consolidated cash report

OPERATING ACTIVITIES	31/12/2023 in EUR	31/12/2022 in EUR
Net profit (loss)	207,016,758	158,199,554
Adjustments to reconcile net profit or loss to net cash provided by operating activities:	**41,250,635**	**119,688,584**
(Current and deferred tax income, recognised in income statement)	0	0
Current and deferred tax expenses, recognised in income statement	69,249,623	55,195,744
Unrealised foreign currency gains and losses	0	0
FV through P&L	-27,998,988	64,492,840
INVESTING AND FINANCING	**128,166,451**	**26,320,305**
Depreciation	25,112,287	15,643,288
Impairment	50,643,669	24,651,364
Provisions net	52,410,495	-13,974,347
Net gain (loss) on sale of property, plant and equipment	0	0
Other adjustments	**-6,817,332**	**1,076,648**
Cash flows from operating profits before changes in operating assets and liabilities	**369,616,512**	**305,285,091**
Decrease (increase) in working capital (excl. cash & cash equivalents):	**-1,805,067,230**	**1,927,607,791**
Decrease (increase) in operating assets (excl. cash & cash equivalents):	**-694,210,868**	**-2,353,001,571**
Decrease (increase) in balances with central banks	0.00	0.00
Decrease (increase) in financial assets at amortised cost	-913,647,463	-2,025,503,396
Decrease (increase) in financial assets at fair value through other comprehensive income	68,982,827	175,305,905
Decrease (increase) in financial assets held for trading	2,035,011	34,457,433
Decrease (increase) in financial assets designated at fair value through profit or loss	-31,639	322,971
Decrease (increase) in non-trading financial assets mandatorily at fair value through profit or loss	0	0
Decrease (increase) in asset-derivatives, hedge accounting	101,853,049	-308,448,563
Decrease (increase) in other assets (definition balance sheet)	46,597,347	-229,135,921
Increase (decrease) in operating liabilities (excl. cash & cash equivalents):	**-1,110,856,362**	**4,280,609,362**
Increase (decrease) in deposits from credit institutions	-223,478,545	-61,194,129
Increase (decrease) in deposits (other than credit institutions)	-220,783,893	1,203,513,566
Increase (decrease) in debt certificates (including bonds)	427,643,881	-412,829,642
Increase (decrease) in financial liabilities held for trading	13,879,459	-72,472,450
Increase (decrease) in financial liabilities designated at fair value through profit or loss	-80,785,357	-366,457,880
Increase (decrease) in liability-derivatives, hedge accounting	-1,077,309,885	3,489,943,749
Increase (decrease) in other financial liabilities	77,588,473	233,782,190
Increase (decrease) in other liabilities (definition balance sheet)	-27,610,495	266,323,958
	-1,435,450,718	**2,232,892,882**
Income taxes (paid) refunded	-86,435,461	-39,007,704
Net cash flow from operating activities	**-1,521,886,179**	**2,193,885,178**

INVESTING ACTIVITIES	31/12/2023 in EUR	31/12/2022 in EUR
(Cash payments to acquire tangible assets)	-17,464,865	-11,315,293
Cash receipts from the sale of tangible assets	0	0
(Cash payments to acquire intangible assets)	-879,893	-7,261,709
Proceeds from the disposal of joint ventures, associates and subsidiaries, net of cash acquired	0	0
(Cash payments for investment in joint ventures, associates and subsidiaries, net of cash acquired)	0	0
Other cash receipts from investing activities	0	0
Net cash flow from investing activities	**-18,344,758**	**-18,577,002**

FINANCING ACTIVITIES	31/12/2023 in EUR	31/12/2022 in EUR
(Dividends paid)	-35,510,599	-26,604,530
(Paid coupon on AT1)	-13,120,000	-13,230,113
Cash proceeds from the issuance of subordinated liabilities	-3,801,933	0
(Cash repayments of subordinated liabilities)	0	-17,268,487
Cash repayments from issuance of shares or other equity instruments	-23,527,028	-28,078,572
Cash proceeds from issuing shares or other equity instruments	51,867,377	44,920,587
(Other cash payments from financing activities)	0	0
Net cash flow from financing activities	**-24,092,183**	**-40,261,115**
Effect of exchange rate changes on cash and cash equivalents	0	0

	31/12/2023 in EUR	31/12/2022 in EUR
NET INCREASE IN CASH AND CASH EQUIVALENTS	-1,564,323,120	2,135,047,061
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	7,130,436,024	4,995,388,966
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,566,112,904	7,130,436,027
Components of cash and cash equivalents:	0	0
On hand (cash)	104,941,773	105,854,410
Cash and balances with central banks	5,380,646,337	6,931,111,039
Financial assets at amortised cost	80,524,794	93,470,575
Financial assets at fair value through other comprehensive income	0	0
Total cash and cash equivalents at end of the period	**5,566,112,904**	**7,130,436,024**
Of which: amount of cash and cash equivalents held by the enterprise, but not available for use by the group	445,838,138	419,513,333
Undrawn borrowing facilities (with breakdown if material)	0	0
Supplemental disclosures of operating cash flow information:	0	0
Interest income received	1,875,802,385	1,009,709,842
Dividend income received	303,195	791,622
Interest expense paid	888,125,424	333,070,103

Consolidated statement of equity adjustments

	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	28,340,349	0	0	0	0	28,340,349
Dividends	0	0	0	-48,631,344	0	-48,631,344
Other increase or (-) decrease in equity	0	-612,395	0	55,848,627	-53,137,648	2,098,584
Transfers among components of equity	0	0	0	105,061,905	-105,061,905	0
Total profit or loss and comprehensive income for the year	0	0	-9,884,743	0	207,016,755	197,132,012
Closing balance at 31 December 2023	**940,638,816**	**244,559,551**	**-4,099,980**	**1,121,950,890**	**207,016,756**	**2,510,066,033**

	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**	**367,314,442**	**682,192,266**	**2,194,019,192**
Issuance of Ordinary Shares	16,842,015			0		16,842,015
Dividends				-39,834,643		-39,834,643
Other increase or (-) decrease in equity		771,508		682,191,903	-682,192,266	771,145
Total profit or loss and comprehensive income for the year			1,129,169		158,199,554	159,328,723
Closing balance at 31 December 2022	**912,298,467**	**245,171,946**	**5,784,763**	**1,009,671,702**	**158,199,554**	**2,331,126,432**

Abbreviations and acronyms

ABS :	Asset-Backed Securities
ALM :	Asset & Liability Management
ALMM :	Additionnal Liquidity Monitoring Metrics
AML/CFT :	Anti-Money Laundering and Combating the Financing of Terrorism
ARCC :	Audit Risk & Compliance Committee
AT1 :	Additionnal Tier 1
ATM :	Automated Teller Machine
BCBS :	Basel Committee on Banking Supervision
BEPS :	Base Erosion and Profit Shifting
BIA :	Business Indicator Approach
BSRC :	Balance Sheet Risk Committee
CAD :	Capital Adequacy
CCF :	Credit Conversion Factor
CCR :	Counterparty Credit Risk
CCyB :	Countercyclical Capital Buffer
CDS :	Credit Default Swap
CFC :	Capital and Funding Committee
CIR :	Crelan Insurance
CO :	Compliance Officer
COREP :	Common Solvency Ratio Reporting
CRD :	Capital Requirements Directive
CRO :	Chief Risk Officer
CRR :	Capital Requirements Regulation
CS :	Cooperative Society
CSA :	Credit Support Annex
CSO :	Chief Security Officer
CTP :	Capacity To Pay
CVA :	Credit Valuation Adjustment
DBO :	Defined Benefit Obligation
DFR :	Deposit Facility Rate
DORA :	Digital Operational Resilience Act
DPD :	Days Past Due
DPO :	Data Protection Officer
DTI :	Definitively Taxed Income
DVA :	Debit Valuation Adjustment
EAD :	Exposure At Default
EB :	Europabank
EBA :	European Banking Authority
ECAP :	Economic Capital Requirements
ECB :	European Central Bank
ECL :	Expected Credit Loss
EL :	Expected Loss
EMIR :	European Market Infrastructure Regulation
EMTN :	European Medium Term Notes
EONIA :	Euro OverNight Index Average

EPC :	Energy Performance Certificate
ERM :	External Risk Management
ESG :	Environmental, Social and Governance
ESTER :	European Short Term Rate
EUR :	Euro
FATCA :	Foreign Account Tax Compliance
FSMA :	Financial Services and Markets Authority
FTE :	Full Time Equivalent
FVOCI :	Fair Value through Other Comprehensive Income
FVPL :	Fair Value through Profit and Loss
GDP :	Gross Domestic Product
GDPR :	General Data Protection Regulation
GMRA :	Global Repurchase Master Agreement
GRC :	Governance, Risk, and Compliance
HQLA :	High Quality Liquid Asset
HTC :	Hold-to-Collect
IAS :	International Accounting Standards
IBNR :	Incurred But Not Reported
ICAAP :	Internal Capital Adequacy Assessment Process
IFRIC :	International Financial Reporting Interpretations Committee
IFRS :	International Financial Reporting Standards
ILS :	Internal Liquidity Stress
IPC :	Irrevocable Payment Commitment
IRB :	Internal Ratings Based
IRRBB :	Interest Rate Risks for the Banking Book
IRS :	Interest Rate Swap
ISDA :	International Swap and Derivatives Association
ISMS :	Information Security Management System
KPI :	Key Performance Indicator
KRI :	Key Risk Indicator
LCH :	London Clearing House
LCR :	Liquidity Coverage Ratio
LGD :	Loss Given Default
LL :	Lease Liabilities
LLCS :	Limited Liability Cooperative Society
LRC :	Lending Risk committee
MBS :	Mortgage-Backed Securities
MIFID :	Markets in Financial Instruments Directive
MREL :	Minimum Requirement for Own Funds and Eligible Liabilities
MRO :	Main Refinancing Operation
MtM :	Mark to Market
NBB :	National Bank of Belgium
NII :	Net Interest Income
NIS :	Network and Information Security
NPL :	Non-Performing Loans
NSFR :	Net Stable Funding ratio
OCI :	Other Comprehensive Income
OCR :	Overall Capital Requirements
OECD :	Organisation for Economic Co-operation and Development
OFR :	Own Fund Requirements
OLO :	Obligation Lineaire Obligaties (Linear Obligation)
OR :	Operational Risk
ORM :	Operational Risk Management

O-SII :	Other Systemically Important Institution
OTC :	Over-The-Counter
PD :	Probability of Default
PIT :	Point-In-Time
PLC :	Public Limited Company
POCI :	Purchased or Originated Credit-Impaired
PUC :	Projected Unit Credit
QRR :	Quarterly Risk Report
RAF :	Risk Appetite Framework
REPO :	Sale and Repurchase Agreement
RMSA :	Risk & Monitoring Self-Assessment
RoU :	Right-of-Use
RP :	Risk Presentation
RWA :	Risk-Weighted Asset
SCF :	Société de Crédit Foncier
SEC-IRBA :	Securitisation – Internal Ratings-Based Approach
SI :	Solvency Indicator
SICR :	Significant Increase in Credit Risk
SME :	Small or Medium Enterprise
SNP :	Senior Non Preferred
SPPI :	Solely Payments of Principal and Interest
SREP :	Supervisory Review and Evaluation Process
SRT :	Significant Risk Transfer
SSRB :	Sectoral Systemic Risk Buffer
STA :	Standardised Approach
STeLF :	Short-Term Liquidity Framework
TLOF :	Total Liabilities and Own Funds
TLTRO :	Targeted Longer-Term Refinancing Operation
TREA :	Target based on Risk Weighted Assets
TRIM :	Targeted Review of Internal Models
USD :	US Dollar
VaR :	Value-at-Risk

Notes

1. General notes in relation to the evolution of the balance sheet and income statement.

1.1. General notes in relation to the evolution of the balance sheet.

Regarding the composition of the balance sheet on the asset side, financial assets measured at amortised cost remain the largest component of assets at 91.9%. Cash and current accounts with central banks are the second largest component at 10.3%.

The balance sheet total increased by EUR +146.0 million during 2023. On the asset side, the largest increases in 2023 relate to the items "Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk", amounting to EUR +1.143 billion, and "Financial assets measured at amortised cost", amounting to EUR +863 million. These increases are due, on the one hand, for "Changes in fair value of hedged items", to the change in market value due to the evolution of financial markets (including rising interest rates) and, on the other hand, for "Assets measured at amortised cost", to the good production of loans, which exceeded repayments in 2023. In 2023, new loans totalled EUR 6.3 billion, mainly in the retail segment. "Cash, cash balances at central banks" recorded the highest decrease with EUR -1.564 billion.

Tax assets decreased by EUR -146 million compared to 2022. Current taxes at Crelan decreased in 2023 due to an excess of prepaid taxes of EUR10 million, which was not the case in 2022. In addition, there was a decrease in deferred taxes at AXA Bank Belgium and AXA Bank Europe SCF (Société de Crédit Foncier) due to netting since 2023. Regarding liabilities subject to hedge accounting, AXA Bank Belgium assessed and concluded in the first half of 2023 that the fair value hedge adjustment related to the micro-hedge relationship should be allocated at entity level to AXA Bank Belgium. This results in a significant decrease in recognised deferred tax assets and liabilities.

The liabilities side consists of 98.2% of liabilities measured at amortised cost. Most of this amount (93.6% of the balance sheet total) concerns customer deposits.

"Financial liabilities at fair value through profit or loss" decreased by EUR -81 million in 2023 due to the maturities of EMTNs (European Medium Term Notes) for EUR -102 million, an increase in MtM for EUR +10 million and, finally, an increase in DVA (Debt Value Adjustment) for an amount of EUR +11 million.

"Financial liabilities measured at amortised cost" increased by EUR +57 million. Debt securities and subordinated liabilities (treasury bills, certificates of deposit and subordinated bonds, respectively) increased by EUR +424 million. It should be noted that this increase is mainly due to the evolution of covered bonds (EUR -525 million), the decrease in certificates of deposit (EUR -148 million) and subordinated bonds (EUR -4 million), offset by the issuance of EUR 1.1 billion of SNP (Senior Non Preferred) certificates by Crelan in the course of 2023. Deposits with credit institutions decreased by EUR -223 million while customer deposits decreased by EUR -14 million. Finally, other financial liabilities decreased by EUR -129 million.

The item "Provisions" shows an increase of EUR +52 million compared to 2022. This change is due, on the one hand, to the creation of new provisions for the transformation of the agent network (EUR +32 million), for IPC (EUR +7 million), for phishing (EUR +6 million), for migration (EUR +11 million), for FATCA (EUR +2 million) and for litigation and miscellaneous claims (EUR +4 million), and, on the other hand, from the decrease in 2023 of provisions for personnel (Jubilee, pension plan, IAS19, etc.) (EUR -8 million), and, finally, from the decrease in provisions for commitments and guarantees given (EUR -1 million).

Taxes decreased by EUR -171 million compared to 2022, mainly due to a change in the presentation of deferred taxes, which are now netted at AXA Bank Belgium and AXA Bank Europe SCF. See notes to the assets.

Changes in equity included an increase in capital of EUR +28.3 million due to the sale of cooperative shares in 2023. Secondly, reserves increased by EUR +6.3 million due to the allocation to reserves of the 2022 net profit, following the assigning of the EUR 35.6 million dividend to cooperative shareholders. Finally, there was a change in retained earnings of EUR 106.0 million, divided between the allocation of 2022 profits (EUR +116.4 million) and the booking of dividends on AT1 in the amount of EUR -10.4 million.

Profit increases by EUR +48.8 million between 2022 and 2023.

The CAD ratio is 30.80% at the end of 2023, compared to 26.28% at the end of 2022. The Tier I ratio is 28.39% compared to 24.02% at the end of 2022.

1.2. General notes in relation to the evolution of the income statement

The "Total operating income" increased by EUR +266 million compared to 2022. Despite a difficult start to 2023, with market conditions still unstable due to the war in Ukraine and high inflation, which led to lower investment results, interest rates rose again throughout the year and we ended the year with higher interest income from the loan portfolios. Interest expenses rose less sharply than interest income which thus resulted in a net increase of EUR +309 million.

We also had a positive impact in treasury, which generated additional results thanks to a rise in short-term interest rates and an efficient transformation policy.

The commissions paid to agents increased by EUR +49 million compared to 2022. This increase can be explained by the following elements: increase in trailer fees, offset by a decrease in growth fees, but essentially an increase due to an adjustment in commission fees to bring the ratio of these commissions to Net Banking Income in line with the contractually agreed ratio.

Administrative expenses and depreciation increased by +105.1 million compared to 2022. On the one hand because of a +9.5 million increase in staff expenses, mainly due to wage indexations, and on the other hand an overall +87.7 million increase in Other administrative Expenses. The main items here are: increase in project costs linked to the merger (EUR +56 million), higher IT costs (EUR +25.6 million), additional expenses for the marketing campaign at the launch of the new logo (EUR +4.4 million).

Depreciation increased by EUR 8 million compared to 2022. These relate to one-off additional depreciation linked to old project costs.

The cost-to-income ratio (CIR) decreased to 66.70% in 2023 (compared to 77% in 2022).

Provisions increased significantly by EUR +66 million and are mainly the result of the creation of a provision for the announced network transformation (EUR 32.5 million) as well as other provisions (EUR +24.5 million). These other provisions are linked to the harmonization of collective labor agreements between AXA Bank Belgium and Crelan and an additional provision for IPC.

Impairments increased by EUR +26 million in 2023. The still unstable geopolitical situation has a negative impact on the macroeconomic parameters used in the calculation and valuation models of the loan portfolio. This led to a specific management overlay of EUR 5.1 million and, in addition, old files in pre-contentious 100% were provided at the regulator's request (impact EUR 16.5 million). Furthermore, we also carried out a harmonization of the models between Crelan and AXA Bank Belgium which resulted in the creation of an additional provision of EUR 9.6 million.

General result

Pre-tax profit thus rose from EUR 213 million to EUR 276 million. The main underlying factors are: the EUR +266 million increase in financial and operating income, partly offset by the EUR +107 million increase in administrative costs and an increase in provisions due to a number of specific issues in the run-up to the migration.

Taxes increased by EUR 28 million. The net result thus ended up at EUR 207 million, or EUR 49 million more than in 2022.

2. General information

2.1. Official name and legal form of the entity

The Crelan Group (hereinafter to be referred to as the "Group") comprises Crelan NV, the cooperative bank (society) CrelanCo CV, Europabank NV and AXA Bank Belgium NV (including subsidiaries).

2.2. The domicile, country of formation and address of the registered office

Crelan NV was formed and is established in Belgium. The main office is at Sylvain Dupuislaan 251, 1070 Brussels.

2.3. Main activities

The Crelan Group now has 4,455 employees (2022: 4,551 employees), 792 points of sale (2022: 833 points of sale), 1,798,373 customers (2022: 1,790,823 customers) and 283,629 shareholders (2022: 277,755 shareholders).

Crelan NV is a medium-sized Belgian retail bank and has 283,629 shareholders, a strong cooperative anchoring. The bank offers full banking services to farmers and horticulturists, private customers, self-employed persons and businesses through a network of independent branch managers (bank branches).

Europabank NV is a true niche bank because of the very specific products and services it offers. The greatest area of expertise of Europabank NV is granting credit to customers with a different risk profile when compared to the Crelan NV customer base. Granting credit takes place through a simple network of agencies and through self-employed brokers. On the deposit side, the emphasis is on traditional savings products. In addition, Europabank NV attracts more and more businesses and dealers with its unique card business: Europabank NV has, after all, international Visa and MasterCard licences.

The Group opted to give the niche bank Europabank NV a large degree of autonomy to further expand their specialised activities.

On 31 December 2021, the takeover of AXA Bank Belgium was completed. The legal consolidation scope of AXA Bank Belgium comprises the Belgian banking, the subsidiaries AXA Belgium Finance B.V. and AXA Bank Europe SCF (Société de Crédit Foncier), the special purpose vehicle (SPV) Royal Street NV as well as the Caspr S.à r.l. formed in 2020. The subsidiary Beran NV has not been included in the consolidation scope in view of its negligible significance.

AXA Bank Belgium offers a range of banking products for private and professional customers. It mainly concerns loans, investment solutions, easily marketable bank transactions and securities accounts.

The Crelan Group is taking an important position in the Belgian banking landscape with the takeover of AXA Bank Belgium.

By combining forces, Crelan and AXA Bank Belgium can better anticipate on the strongly changing financial world with ever faster digitisation and additional investments. During the coming year, both banks will continue to prepare the merger in order to continue all banking activities thereafter under the Crelan logo. Until then, both banks will continue to exist alongside each other. Nothing will change in the short term for customers.

2.4. Structure of the Crelan Group

Crelan NV and the authorised cooperative bank CrelanCo CV, of which the commitments support each other, together form a federation of credit institutions in the meaning of Article 61 of the Act of 22 March 1993 regarding the status of credit institutions where Crelan NV assumes the role of central institution in accordance with Article 239 of the Act of 25 April 2014 regarding the status of credit institutions and their supervision. There is total solidarity between the different entities of the Group.

CrelanCo CV was formed on 5 November 2015 after the merger of CV Lanbokas, CV Agricaisse and eight regional cooperative banks. The cooperative values are, in this way, combined in one strong and creditworthy cooperative society.

The cooperative capital of CrelanCo CV is the property of 283,629 shareholders, farmers and private customers. The operational management of CrelanCo CV is implemented by the executive board of Crelan NV.

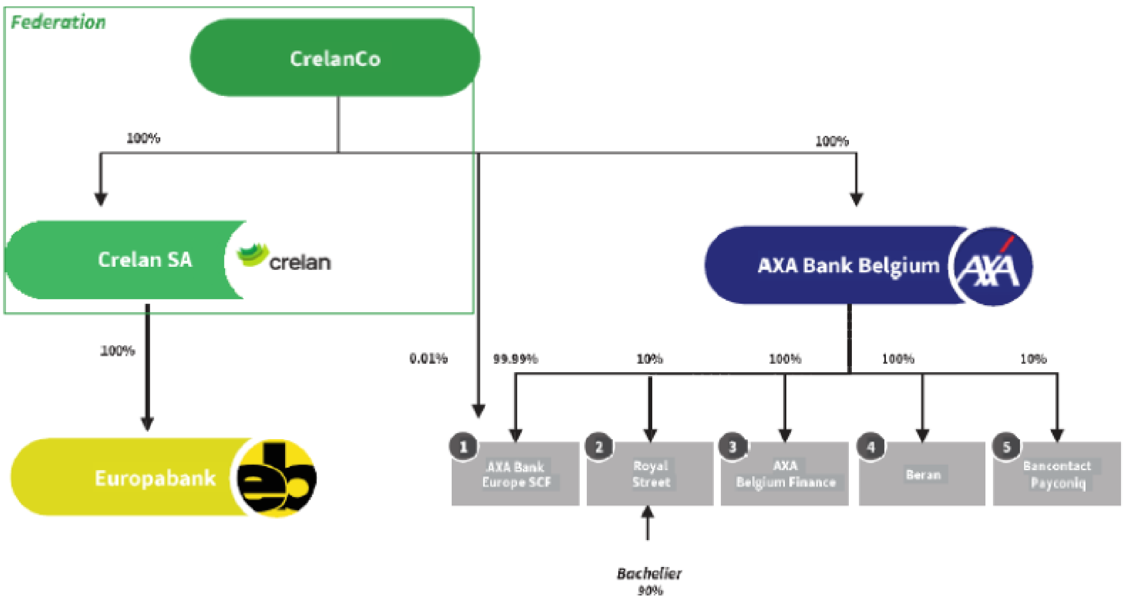
Since halfway through 2015, the authorised cooperative bank CrelanCo CV holds 100% of the total number of shares and rights to vote in Crelan NV. On 31 December 2021, the cooperative bank CrelanCo CV is also the full owner of AXA Bank Belgium.

Crelan NV owns 100% of the Europabank NV shares. Europabank NV has been part of the Crelan Group since 2004.

The Consolidated Financial Statements of the Crelan Group therefore comprise the figures of the authorised cooperative bank CrelanCo CV, Crelan NV and its subsidiaries Europabank NV and AXA Bank Belgium NV.

There is no significant limitation that applies to the Group with regard to its access to or use of assets within the Group; or to settle the liabilities within the Group.

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



2.5. Geographic location

The Crelan Group only focuses on the Belgian market.

2.6. Employees of the Group

At the end of December 2023, the Group had 4,455 employees of which 1,713 employees and 2,743 self-employed agents and employees of self-employed agents when compared to 4,551 employees at the end of 2022 (1,738 employees and 2,813 self-employed agents and employees of self-employed agents).

With regard to pension liabilities, the Group has various defined retirement benefit plans (see item 4.13).

2.7. Events after the balance sheet date

2.7.1. Dividend

The Board of Directors will propose that CrelanCo CV allocates a dividend of 4.25% or EUR 0.57 per share for an overall amount of EUR 38.7 million (2023: EUR 35.5 million) during the General Meeting of Shareholders to be held on 25 April 2024. This dividend provides an attractive return within the current climate of low interest rates.

2.7.2. Important events after balance sheet date

The year 2024 started well with Crelan successfully issuing a senior non-preferred note for a EUR 750 million 8-year on the market in January. This issue is an important step in the build-up of Crelan's issuance programme and supports the bank's MREL ratio.

No other material events have occurred since the balance sheet date that require adjustment to the company's consolidated financial statements as at 31 December 2023 or notes thereto.

3. IAS/IFRS Statement of Compliance

The Consolidated Financial Statements of the quoted companies within the European Union must be drawn up since 1 January 2005 with an opening balance sheet on 1 January 2004 in accordance with the standards of International Financial Reporting Standards ("IFRS") defined by the European Union. In various countries including Belgium, national supervisors have determined that all financial corporations that draw up Consolidated Financial Statements must also draw them up in accordance with the IFRS regardless of whether they are quoted on the stock market or not. As a consequence, the Crelan Group also presents the Consolidated Financial Statements (periodic reports) drawn up in accordance with the IAS and IFRS standards that apply on the balance sheet date as accepted by the European Union.
On 26 March 2024, the Board of Directors assessed the financial statements and approved them for publication. The financial statements will be presented to the General Meeting of Shareholders on 25 April 2024 for adoption.

3.1. Application of new standards and interpretations

Standards and interpretations applicable for the annual period beginning on or after 1 January 2023 :

- IFRS 17 Insurance Contracts, including amendments to IFRS 17 Initial Application of IFRS 17 and IFRS 9 – Comparative Information :
  IFRS 17 is a new standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 - Insurance Contracts (IFRS 4), which was published in 2005. As the Group does not carry out its own insurance business, this standard is not applicable.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies :
  The amendments provide guidance on the application of materiality assessments to accounting policy disclosures. The amendments to IAS 1 replace the requirement to disclose "significant" accounting policies with a requirement to disclose "material" accounting policies.
  These amendments help us in our judgements on materiality and classification of issues related to the above, but otherwise have no immediate impact.
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates :
  The amendments introduce a new definition of estimates. Estimates are defined as "monetary amounts in the financial statements for which there is uncertainty about measurement".
  The amendments clarify what changes in estimates are and how they differ from changes in accounting policies and corrections of errors. They also clarify how entities use valuation techniques and inputs to make estimates.
  Again, these changes help us in our judgements regarding the distinction between estimates and changes in accounting policies and corrections of errors, respectively, but have no other impact.
- Amendments to IAS 12 Income Taxes :
  - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
  - International Tax Reform – Pillar Two Model Rules (effective immediately – disclosures are required for annual periods beginning on or after 1 January 2023)

  The amendments introduce a new definition of estimates. Estimates are defined as "monetary amounts in the financial statements for which there is uncertainty about measurement".
  The amendments clarify what changes in estimates are and how they differ from changes in accounting policies and corrections of errors. They also clarify how entities use valuation techniques and inputs to make estimates.
  Again, these changes help us in our judgements regarding the distinction between estimates and changes in accounting policies and corrections of errors, respectively, but have no other impact.

Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2023 :

- 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)
  The amendments clarify the criteria for determining whether a debt should be classified as short-term or long-term and also improved the information to be delivered if the entity has a right to defer settlement of its debt for at least 12 months is subject to covenant agreement.
  Given that group members are mainly credit institutions for which a presentation between short- or long-term is not really relevant, the amendments to IAS 1 Presentation of Financial Statements for determining a debt as short- or long-term have no impact.
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (applicable for annual periods beginning on or after 1 January 2024)
  The amendments specify the requirements relating to subsequent measurement for Sale and Leaseback transactions.
  The Group is currently not involved in such Sale and Leaseback transactions, consequently these amendments currently have no impact on the Group's consolidated financial statements.
- 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)
  New disclosure requirements for such supplier financing arrangements so that :
    - assess how the latter affect an entity's liabilities and cash flows; and
    - understand the effect of these arrangements on liquidity risk exposure and how the entity might be affected if the arrangements were no longer available to it.

  The group does not currently use such supplier financing arrangements, consequently these new requirements have no impact on the group's consolidated financial statements.
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (applicable for annual periods beginning on or after 1 January 2025, but not yet endorsed in the EU)
  An entity should adopt a consistent approach in assessing whether a currency is convertible into another currency and, if not, in how it determines the exchange rate to be used. The entity should provide information that enables users of its financial statements to understand how the fact that the currency is not convertible into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.
  In most cases, the currencies used in the group's operations are 'hard' currencies that are readily available and, as such, it is not expected that they would not be convertible. Consequently, the current expectation is that these changes will have no impact on the group.

4. Notes regarding the balance sheet

4.1. Liquid assets and current accounts at central banks

The liquid assets and current accounts at central banks have been compiled as follows as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Cash	104,941,772	105,854,410
Cash balances at central banks	5,380,646,337	6,931,111,039
Other demand deposits	80,524,794	93,470,574
Total Cash, cash balances at central banks and other demand deposits	**5,566,112,903**	**7,130,436,023**

The "cash" item matches the cash in the agencies.
In addition, this section comprises the deposits at central banks as well as the monetary reserve deposits at the National Bank of Belgium.

For more information about the liquidity management of the bank, refer to the notes in 7.3 "Liquidity risk".

4.2. Financial assets and liabilities held for trading

(in EUR)	31/12/2023	31/12/2022
Assets		
Derivatives held for trading	8,987,711	11,211,935
Debt securities	728,996	539,783
Total Financial assets held for trading	**9,716,707**	**11,751,718**
Liabilities		
Derivatives held for trading	22,299,112	36,418,642
Debt securities	0	0
Total Financial liabilities held for trading	**22,299,112**	**36,418,642**

For more information about the Derivatives of the Group, we refer to the notes in 4.14.

4.3. Investment portfolio

In view of the takeover of AXA Bank Belgium on 31 December 2021, the policy principles of AXA Bank Belgium are not those used by the Crelan Group. The notes below are split into, on the one hand, the Crelan Group excluding AXA Bank Belgium and, on the other hand, AXA Bank Belgium.

The tables below show the compilation of the securities portfolio as on 31 December 2023 and 31 December 2022 :

(in EUR)	2023			
	At amortised cost	At fair value through OCI	Mandatory at fair value through profit or loss	At fair value through profit or loss
Government bonds				
- Crelan	489,745,257	0	0	0
- Axa Bank Belgium	63,463,274	159,087,534	0	0
Bonds and other fixed income securities				
- Crelan	0	0	0	0
- Axa Banque Belgium	46,798,180	0	0	0
Shares and other non-fixed income securities				
- Crelan	0	0	6,526,593	0
- Axa Bank Belgium	0	38,463	0	0
Financial fixed assets				
- Crelan	0	13,426,959	0	0
- Axa Bank Belgium	0	108,229	0	0
Total	**600,006,711**	**172,661,185**	**6,526,593**	**0**

(in EUR)	2022			
	At amortised cost	At fair value through OCI	Mandatory at fair value through profit or loss	At fair value through profit or loss
Government bonds	0	0	0	0
- Crelan	763,758,984	0	0	0
- Axa Bank Belgium	60,686,496	76,605,453	0	0
Bonds and other fixed income securities	0	0	0	0
- Crelan	145,477,976	0	0	0
- Axa Banque Belgium	0	152,165,423	0	0
Shares and other non-fixed income securities	0	0	0	0
- Crelan	0	0	6,494,954	0
- Axa Bank Belgium	0	55,075	0	0
Financial fixed assets	0	0	0	0
- Crelan	0	13,214,671	0	0
- Axa Bank Belgium	0	108,229	0	0
Total	**969,923,456**	**242,148,851**	**6,494,954**	**0**

Crelan Group excl. AXA Bank Belgium

The portfolios are classified based on the IFRS 9 guidelines for the classification and measurement of financial assets. The classification category is based on the business model and the test of principal and interest payments (SPPI test, i.e., SPPI = "solely payments of principal and interest"). Based on the business model that is documented by the financial strategy of the Group, the portfolio is nearly completely allocated to the hold to collect (HTC) category measured at amortised cost. The Crelan business model consists of investing in assets with a low risk and keeping them subsequently until the due date. In the first half of 2023, however, Crelan sold bonds for an equivalent of EUR 312 million in nominal value from the HTC portfolio. The reason for these sales was to better protect the bank against the risk of further widening of credit spreads in volatile market conditions characterised by high uncertainties, related among others to the effects of the rapid tightening of monetary policy by central banks worldwide, and geopolitical tensions. The sale of the bonds resulted in a loss of EUR -19.4 million.

The investments in the private equity fund portfolio and a limited number of participating interests were reported using the fair value through other comprehensive income (FVOCI). To conclude, the property certificates and a limited investment in a bond loan and share fund was catalogued as fair value through profit and loss (FVPL) in a mandatory fashion given that it is not in accordance with the SPPI criteria.

AXA Bank Belgium

Financial assets for amortized cost
Part of the bond portfolio that is managed is included in the "held for receiving cash flows" business model and measured at amortised cost to agree with the assessed maturity of the liabilities without set due date (such as saving accounts) and because of the return.

Financial assets measured at fair value with processing of value changes in the other components of the total result (OCI)
A bond loan is measured at fair value with the processing of value changes in the other components of the total result (OCI) if it complies with the following conditions and it is not earmarked as measured at fair value with processing of value changes in profits or losses:

- Keeping the financial asset fits in with the business model that has the goal of keeping financial assets to obtain both the contractual cash flows and to sell the financial assets ("held to receive cash flows and to sell")
- The contractual provisions of the asset led to contractual cash flows that only consist of refunds of capital and interests on the outstanding amount on specific dates.

This measurement category is used by AXA Bank Belgium for the component of the bond portfolio held for liquidity goals, balance sheet management and optimisation of the risk versus performance.

When initially including a share that is not being held for trading, AXA Bank Belgium may make a non-revocable choice to include the fair value measurement changes in the other components of the comprehensive income (OCI) (with the exception of dividends that continue to be included in the profits or losses). This choice is made instrument-by-instrument. AXA Bank Belgium has used this option of its entire portfolio of shares because it is of the opinion that a measurement at fair value through the result would not be the correct reflection of the fact that these shares are really kept because of strategic reasons and not for trading. Except for non-consolidated participating interests in subsidiaries and associated enterprises, this portfolio includes the following shares:

Description	Fair value 2023.12 in EUR	Fair value 2022.12 in EUR
SWIFT	59,672	59,672
Privatrust	24,789	24,789
Europay	22,776	22,776
VISA	992	992
NCR Corporation	38,258	54,871
Chardon Lagache Jouvenet	204	204
TOTAL	**146,691**	**163,304**

The measurement of these financial assets and then mainly the bond portfolio is determined based on market prices on an operational market. For some shares, use is made of measurement techniques based on market data and dividend yield.

No indications are recorded either by AXA Bank Belgium that would point to a less liquid or operational market with regard to these securities. The information is still sufficiently available and no abnormal evolutions in margins or asking prices were determined, which means that the information is still sufficiently representative for the calculation of the fair market value.
This is in line with the expectations since AXA Bank Belgium's investment strategy consists of almost exclusively in investing in very liquid securities.

The table below shows the evolution of the consolidated financial portfolio during the course of the 2023 and 2022 accounting periods :

(in EUR)	2023			
	At amortised cost	At fair value through OCI	Mandatory at fair value through profit or loss	At fair value through profit or loss
Opening balance	969,923,456	242,148,851	6,494,954	0
Acquisitions	103,777,684	103,618,468	0	0
Sales and maturities	-474,356,537	-172,972,650	0	0
Changes in fair value				
- via result	-1,282,852	0	28,632	0
- via equity	0	371,922	0	0
Changes in provisions (stage 1)	3,209	0	0	0
Use and reversal of impairment losses (stage 3)	0	0	0	0
Exchange rate fluctuations	0	0	0	0
Other movements	1,941,751	-505,406	3,007	0
Closing balance	**600,006,711**	**172,661,185**	**6,526,593**	**0**

(in EUR)	2022			
	At amortised cost	At fair value through OCI	Mandatory at fair value through profit or loss	At fair value through profit or loss
Opening balance	1,021,065,405	417,550,258	6,817,925	0
Acquisitions	136,189,530	0	0	0
Sales and maturities	-155,917,526	-181,590,022	0	0
Changes in fair value				
- via result	-2,540,368	0	-321,539	0
- via equity	0	1,016,400	0	0
Changes in provisions (stage 1)	-6,750	0	0	0
Use and reversal of impairment losses (Stage 3)	0	0	0	0
Exchange rate fluctuations	0	0	0	0
Other movements	-28,866,835	5,172,215	-1,432	0
Closing balance	**969,923,456**	**242,148,851**	**6,494,954**	**0**

Crelan Group excl. AXA Bank Belgium

During 2023, investments totalled EUR 59 million, mainly in commercial paper with a maturity of less than 1 year. The sum of sales (described above), together with maturing bonds amounted to EUR 474 million.
In addition to the above guidance, IFRS 9 also includes requirements for a provisioning model whereby potential credit losses are recognised based on an expected loss model. The estimated loss is calculated on all debt instruments classified under amortised cost or at fair value through OCI. The estimated loss calculated based on this model increased by EUR 3,209 at the end of 2023.

Macro hedging is applied to a part of the financial portfolio. The interest rate risk of a portfolio of bonds and debentures with analogue characteristics is hedged by using a portfolio of interest rate swap agreements. Changes to the fair value of the bond portfolio that can be allocated to the hedged risk leads to an amendment of the book value of these bonds and debentures when compared to the income statement. Changes in the fair value of the portfolio of current hedging assets leads to an opposite development in the income statement. Possible inefficiencies of the hedging relationship remain below the section "Adjustments to the fair value in relation to the administrative processing of hedging transactions" with regard to the result.

AXA Bank Belgium

This portfolio decreased slightly by EUR 24 million net in 2023, given that more securities came to maturity (for EUR 173 million at fair value through OCI) than were purchased (EUR 45 million of very high-quality covered bonds at amortised cost; and EUR 104 million of commercial paper with a maturity of less than 1 year at fair value through OCI).

IFRS 9: no IFRS 9 provision for possible credit loss has been started by AXA Bank Belgium.

Hedging: "Micro hedging of fixed rate securities other than shares with interest rate swaps:
Specific fixed rate securities other than shares of the investment portfolio of AXA Bank Belgium are hedged individually through an interest rate swap to compensate the part of the fair value fluctuation of the securities other than shares due to interest rate changes. Only the interest rate risk is hedged. This is usually the largest part of the total fair value fluctuation. The other risks that are not hedged are mainly the credit spreads and liquidity. The individual hedge ratio agrees with the ratio between the notional amount of the interest rate swap and the notional amount of the hedged security. If the efficiency of this fair value hedging can be proven, the value fluctuation of the hedged instrument that arises from the evolution of the interest rate of the fixed-income security is included in the result."

For the management of the interest rate risk of the investment portfolio, refer to 7.4.
For a discussion of the market risk of the investment portfolio, refer to 7.6.

4.4. Loans and receivables

4.4.1. Loans and receivables

The loans and receivables have been split up as follows:

(in EUR)	31/12/2023				
	Stage 1	Stage 2	Stage 3	POCI's	Total
Total Outstanding	**44,724,284,419**	**3,931,818,058**	**399,502,216**	**166,740,749**	**49,222,345,442**
Interbank loans Crelan	35,025,028	0	0	0	35,025,028
Interbank loans Axa Bank Belgium	543,337,359	0	0	0	543,337,359
Home loans Crelan	12,524,359,507	882,171,924	61,961,550	0	13,468,492,981
Home loans Axa Bank Belgium	21,966,324,111	2,195,674,287	111,442,217	125,666,173	24,399,106,788
Retail loans	859,221,800	81,895,969	51,611,906	0	992,729,675
Agricultural loans	1,879,497,999	148,371,701	45,760,352	0	2,073,630,052
Corporate loans	2,100,324,884	180,823,555	59,241,840	0	2,340,390,279
Instalment loans Crelan	842,386,792	22,614,816	4,641,355	0	869,642,963
Instalment loans Axa Bank Belgium	903,905,032	82,914,434	6,716,533	1,766,283	995,302,282
Cash collateral deposited	186,806,782	0	0	0	186,806,782
Term loans Axa Bank Belgium	2,213,982,094	297,409,445	31,157,413	36,863,353	2,579,412,305
Other loans and receivables Crelan	471,596,051	30,246,260	24,043,537	0	525,885,848
Other loans and receivables Axa Bank Belgium	197,516,980	9,695,667	2,925,513	2,444,940	212,583,100
Impairment losses	**-49,468,483**	**-44,851,730**	**-105,148,210**	**-10,968,695**	**-210,437,118**
Interbank loans Crelan	-7,551	0	0	0	-7,551
Interbank loans Axa Bank Belgium	0	0	0	0	0
Home loans Crelan	-3,426,724	-9,595,813	-12,755,559	0	-25,778,096
Home loans Axa Bank Belgium	-5,093,531	-15,193,571	-9,330,865	-7,368,413	-36,986,380
Retail loans	-6,661,289	-1,606,232	-8,960,837	0	-17,228,358
Agricultural loans	-13,829,748	-1,268,187	-22,060,620	0	-37,158,555
Corporate loans	-7,787,473	-2,203,966	-26,438,295	0	-36,429,734
Instalment loans Crelan	-701,228	-189,089	-1,894,021	0	-2,784,338
Instalment loans Axa Bank Belgium	-4,946,179	-5,916,785	-2,284,288	-229,170	-13,376,422
Cash collateral deposited	0	0	0	0	0
Term loans Axa Bank Belgium	-2,789,177	-7,413,268	-6,274,983	-3,100,468	-19,577,896
Other loans and receivables Crelan	-4,148,799	-1,153,090	-14,079,943	0	-19,381,832
Other loans and receivables Axa Bank Belgium	-76,784	-311,729	-1,068,799	-270,644	-1,727,956
Total Loans and receivables	**44,674,815,936**	**3,886,966,328**	**294,354,006**	**155,772,054**	**49,011,908,324**

(in EUR)	31/12/2022				
	Stage 1	Stage 2	Stage 3	POCI's	Total
Total circulation	**42,861,509,863**	**4,551,179,062**	**345,365,648**	**192,498,325**	**47,950,552,898**
Interbank loans Crelan	57,198,900	0	0	0	57,198,900
Interbank loans Axa Bank Belgium	415,760,623	0	0	0	415,760,623
Home loans Crelan	12,185,199,886	853,829,505	50,597,987	0	13,089,627,378
Home loans Axa Bank Belgium	20,974,496,927	2,877,962,494	81,555,993	142,464,831	24,076,480,245
Retail loans	820,510,177	77,747,455	35,763,425	0	934,021,057
Agricultural loans	1,888,838,230	156,125,841	57,390,170	0	2,102,354,241
Corporate loans	2,007,975,664	198,264,934	65,633,305	0	2,271,873,903
Instalment loans Crelan	763,000,219	21,439,407	3,805,295	0	788,244,921
Instalment loans Axa Bank Belgium	855,092,471	78,187,259	5,193,556	3,321,322	941,794,608
Cash collateral deposited	189,223,514	0	0	0	189,223,514
Term loans Axa Bank Belgium	2,199,224,616	247,825,006	21,649,579	43,130,584	2,511,829,785
Other loans and receivables Crelan	374,996,692	29,075,384	21,403,069	0	425,475,145
Other loans and receivables Axa Bank Belgium	129,991,944	10,721,777	2,373,269	3,581,588	146,668,578
Impairment losses	**-42,683,538**	**-37,847,077**	**-85,658,281**	**-5,523,877**	**-171,712,773**
Interbank loans Crelan	0	0	0	0	0
Interbank loans Axa Bank Belgium	0	0	0	0	0
Home loans Crelan	-2,609,713	-7,441,250	-12,407,924	0	-22,458,887
Home loans Axa Bank Belgium	-4,173,647	-15,534,707	-3,937,661	-3,054,540	-26,700,555
Retail loans	-6,815,074	-1,874,391	-8,416,760	0	-17,106,225
Agricultural loans	-13,029,108	-1,108,795	-19,428,078	0	-33,565,981
Corporate loans	-5,677,035	-2,514,190	-21,329,403	0	-29,520,628
Instalment loans Crelan	-687,561	-146,933	-1,581,450	0	-2,415,944
Instalment loans Axa Bank Belgium	-3,532,738	-3,807,006	-639,990	-255,915	-8,235,649
Cash collateral deposited	0	0	0	0	0
Term loans Axa Bank Belgium	-2,494,564	-4,061,525	-3,251,003	-1,852,998	-11,660,090
Other loans and receivables Crelan	-3,556,986	-995,052	-13,668,654	0	-18,220,692
Other loans and receivables Axa Bank Belgium	-107,112	-363,228	-997,358	-360,424	-1,828,122
Total Loans and receivables	**42,818,826,325**	**4,513,331,985**	**259,707,367**	**186,974,448**	**47,778,840,125**

The total loan portfolio increases further in 2023 to EUR 49 billion (EUR +1 billion).

Despite the difficult conditions on the retail market, the Crelan Group also managed to record an increase of the total outstanding amounts by 2.6% in 2023. The growth is largely attributable to housing loans (EUR +701 million or +1.88%) and loans to corporates (+3%).

The healthy outstanding loans increase for almost all loan categories.

Overall, the quality of the loan portfolio has remained stable. There has been an increase in loans in Stage 3, mainly in the retail segment, as well as an increase in impairments recorded for this purpose.

The tables below show the breakdown on 31 December 2023 and 31 December 2022 of the consolidated portfolio of loans and receivables with a healthy turnover, loans and receivables that have already matured but that are not (yet) the object of a special impairment and loans and receivables regarding which a special impairment was recorded.

(in EUR)	31/12/2023	31/12/2022
Healthy circulation	46,674,537,795	45,858,898,515
Expired	2,071,045,164	1,643,614,215
Loans and receivables in default	476,762,483	448,040,168
Total	49,222,345,442	47,950,552,898
Impairments incurred	-210,437,118	-171,712,773
Total loans and receivables	**49,011,908,324**	**47,778,840,125**

The loans with a healthy turnover can be detailed as follows:

(in EUR)	31/12/2023
Loans and receivables - healthy outstandings	
- Interbank loans Crelan	35,025,028
- Interbank loans AXA Bank Belgium	543,337,359
- Housing loans Crelan	12,335,137,018
- Housing loans AXA Bank Belgium	24,078,968,861
- Retail loans	613,764,779
- Agricultural loans	1,932,729,398
- Business loans	2,077,833,942
- Instalment loans Crelan	838,069,522
- Instalment loans AXA Bank Belgium	906,450,881
- Deposited cash collateral	186,806,782
- Term loans AXA Bank Belgium	2,517,030,255
- Other loans and advances Crelan	404,263,190
- Other loans and advances AXA Bank Belgium	205,120,780
Total healthy outstandings	46,674,537,795
Impairments	-82,424,200
Total healthy loans and receivables	**46,592,113,595**

(in EUR)	31/12/2022
Loans and receivables - healthy outstandings	
- Interbank loans Crelan	57,198,900
- Interbank loans AXA Bank Belgium	415,760,623
- Housing loans Crelan	12,217,642,841
- Housing loans AXA Bank Belgium	23,796,929,562
- Retail loans	626,780,403
- Agricultural loans	1,965,867,226
- Business loans	2,040,120,026
- Instalment loans Crelan	767,757,282
- Instalment loans AXA Bank Belgium	868,159,647
- Deposited cash collateral	189,223,514
- Term loans AXA Bank Belgium	2,434,341,239
- Other loans and advances Crelan	348,353,474
- Other loans and advances AXA Bank Belgium	130,763,778
Total healthy outstandings	45,858,898,515
Impairments	-70,788,427
Total healthy loans and receivables	**45,788,110,088**

The loans with payment arrears regarding which no individual impairment has (yet) been recorded can be detailed as follows as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	
Loans in default	**<= 30 days**	**> 30 days**
- Interbank loans Crelan	0	0
- Interbank loans AXA Bank Belgium	0	0
- Housing loans Crelan	1,038,509,331	32,885,082
- Housing loans AXA Bank Belgium	127,603,988	18,664,103
- Retail loans	295,405,981	31,947,010
- Agricultural loans	94,213,071	927,232
- Business loans	191,725,503	11,588,993
- Instalment loans Crelan	24,612,800	2,319,285
- Instalment loans AXA Bank Belgium	77,357,031	3,920,206
- Deposited cash collateral	0	0
- Term loans AXA Bank Belgium	14,147,321	4,561,357
- Other loans and advances Crelan	92,111,248	5,467,871
- Other loans and advances AXA Bank Belgium	2,600,875	476,876
Total Loans in default	1,958,287,149	112,758,015
Impairments	-9,624,105	-3,008,034
Total Loans and receivables in default	**1,948,663,044**	**109,749,981**

(in EUR)	31/12/2022	
Loans in default	**<= 30 days**	**> 30 days**
- Interbank loans Crelan	0	0
- Interbank loans AXA Bank Belgium	0	0
- Housing loans Crelan	800,578,004	20,808,546
- Housing loans AXA Bank Belgium	101,789,858	19,311,102
- Retail loans	233,562,931	35,845,361
- Agricultural loans	78,116,989	979,856
- Business loans	153,030,688	11,598,114
- Instalment loans Crelan	15,136,029	1,546,316
- Instalment loans AXA Bank Belgium	63,551,415	3,072,038
- Deposited cash collateral	0	0
- Term loans AXA Bank Belgium	34,446,495	3,609,977
- Other loans and advances Crelan	50,035,604	5,197,573
- Other loans and advances AXA Bank Belgium	10,764,709	632,610
Total Loans in default	1,541,012,722	102,601,493
Impairments	-7,196,752	-2,545,436
Total Loans and receivables in default	**1,533,815,970**	**100,056,057**

The table below provides the details for the loans and receivables regarding which a special impairment (Stage 3) was recorded:

(in EUR)	31/12/2023	
Impaired loans and receivables	**Gross**	**Impairment**
- Interbank loans Crelan	0	0
- Interbank loans AXA Bank Belgium	0	0
- Housing loans Crelan	61,961,550	-12,755,559
- Housing loans AXA Bank Belgium	173,869,835	-16,369,791
- Retail loans	51,611,906	-8,960,837
- Agricultural loans	45,760,352	-22,060,620
- Business loans	59,241,840	-26,438,295
- Instalment loans Crelan	4,641,355	-1,894,021
- Instalment loans AXA Bank Belgium	7,574,164	-2,458,894
- Deposited cash collateral	0	0
- Term loans AXA Bank Belgium	43,673,370	-9,048,997
- Other loans and advances Crelan	24,043,539	-14,079,943
- Other loans and advances AXA Bank Belgium	4,384,572	-1,313,822
Total Impaired loans and receivables	**476,762,483**	**-115,380,779**

(in EUR)	31/12/2022	
Impaired loans and receivables	**Gross**	**Impairment**
- Interbank loans Crelan	0	0
- Interbank loans AXA Bank Belgium	0	0
- Housing loans Crelan	50,597,987	-12,407,924
- Housing loans AXA Bank Belgium	158,449,723	-6,619,843
- Retail loans	37,832,362	-8,278,948
- Agricultural loans	57,390,170	-19,428,079
- Business loans	67,125,075	-21,376,823
- Instalment loans Crelan	3,805,294	-1,581,450
- Instalment loans AXA Bank Belgium	7,011,508	-824,937
- Deposited cash collateral	0	0
- Term loans AXA Bank Belgium	39,432,074	-4,845,776
- Other loans and advances Crelan	21,888,495	-13,759,045
- Other loans and advances AXA Bank Belgium	4,507,480	-2,059,333
Total Impaired loans and receivables	**448,040,168**	**-91,182,158**

Special impairment is recorded when there are objective indications that the client can no longer meet his or her payment obligations. The following is, for example, meant with objective indications: arrears and starting bankruptcy proceedings. The special impairment shows the loss that the Group expects to suffer. This amount is determined as being the maximum credit risk of the client reduced by the fair value of the received provisions of security and other credit improvements.

If a counterparty continues to be in default after repeated attempts of the Group to come to a friendly arrangement, the received securities and guarantees will be enforced. When all normal efforts to recover the claim have been used, the outstanding balance will be amortised.

The table below shows the changes of the impairment:

	Opening balance 01/01/2023	Additions	Recovery and Depreciation	Others	Closing balance 31/12/2023
Interbank loans Crelan	**0**	**7,551**	**0**	**0**	**7,551**
Stage 1	0	7,551	0	0	7,551
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
Interbank loans Axa Bank Belgium	**0**	**0**	**0**	**0**	**0**
Stage 1	0	0	0	0	0
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
Home loans Crelan	**22,458,887**	**1,543,233**	**-752,169**	**2,528,145**	**25,778,096**
Stage 1	2,609,713	217,771	-14,916	614,156	3,426,724
Stage 2	7,441,250	1,311,049	-234,708	1,078,222	9,595,813
Stage 3	12,407,924	14,413	-502,545	835,767	12,755,559
Home loans Axa Bank Belgium	**26,700,555**	**2,670,675**	**-1,384,065**	**8,999,215**	**36,986,380**
Stage 1	4,173,647	1,165,206	-107,162	-138,160	5,093,531
Stage 2	15,534,707	1,049,102	-609,844	-780,394	15,193,571
Stage 3	3,937,661	456,367	-555,659	5,492,496	9,330,865
POCI	3,054,540	0	-111,400	4,425,273	7,368,413
Retail loans	**17,106,225**	**1,507,424**	**-1,478,354**	**93,063**	**17,228,358**
Stage 1	6,815,074	-151,398	-2,128	-259	6,661,289
Stage 2	1,874,391	-265,973	-1,558	-628	1,606,232
Stage 3	8,416,760	1,924,795	-1,474,668	93,950	8,960,837
Agricultural loans	**33,565,981**	**1,494,136**	**-1,369,931**	**3,468,369**	**37,158,555**
Stage 1	13,029,108	98,205	-20,548	722,983	13,829,748
Stage 2	1,108,795	184,103	-65,607	40,896	1,268,187
Stage 3	19,428,078	1,211,828	-1,283,776	2,704,490	22,060,620
Corporate loans	**29,520,628**	**8,317,138**	**-5,005,358**	**3,597,326**	**36,429,734**
Stage 1	5,677,035	270,959	-41,380	1,880,859	7,787,473
Stage 2	2,514,190	72,661	-89,421	-293,464	2,203,966
Stage 3	21,329,403	7,973,518	-4,874,557	2,009,931	26,438,295
Instalment loans Crelan	**2,415,944**	**561,671**	**-222,748**	**29,471**	**2,784,338**
Stage 1	687,561	223,292	-31,042	-178,583	701,228
Stage 2	146,933	47,248	-5,577	485	189,089
Stage 3	1,581,450	291,131	-186,129	207,569	1,894,021
Instalment loans Axa Bank Belgium	**8,235,649**	**3,664,309**	**-651,430**	**2,127,894**	**13,376,422**
Stage 1	3,532,738	3,562,787	-272,112	-1,877,234	4,946,179
Stage 2	3,807,006	94,118	-323,970	2,339,631	5,916,785
Stage 3	639,990	7,404	-43,184	1,680,078	2,284,288
POCI	255,915	0	-12,164	-14,581	229,170
Cash collateral deposited	**0**	**0**	**0**	**0**	**0**
Stage 1	0	0	0	0	0
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
Term loans Axa Bank Belgium	**11,660,090**	**2,069,482**	**-489,632**	**6,337,956**	**19,577,896**
Stage 1	2,494,564	980,978	-34,474	-651,891	2,789,177
Stage 2	4,061,525	849,989	-208,886	2,710,640	7,413,268
Stage 3	3,251,003	238,515	-145,757	2,931,222	6,274,983
POCI	1,852,998	0	-100,515	1,347,985	3,100,468
Other loans and receivables Crelan	**18,220,692**	**3,287,101**	**-1,893,058**	**-232,903**	**19,381,832**
Stage 1	3,556,986	609,708	-15,695	-2,200	4,148,799
Stage 2	995,052	183,743	-49,664	23,959	1,153,090
Stage 3	13,668,654	2,493,650	-1,827,699	-254,662	14,079,943
Other loans and receivables Axa Bank Belgium	**1,828,122**	**574,528**	**-331,516**	**-343,178**	**1,727,956**
Stage 1	107,112	114,780	-51,052	-94,056	76,784
Stage 2	363,228	403,029	-91,124	-363,404	311,729
Stage 3	997,358	56,719	-73,430	88,152	1,068,799
POCI	360,424	0	-115,910	26,130	270,644
Total	**171,712,773**	**25,697,248**	**-13,578,261**	**26,605,358**	**210,437,118**
Stage 1	**42,683,538**	**7,099,839**	**-590,509**	**275,615**	**49,468,483**
Stage 2	**37,847,077**	**3,929,069**	**-1,680,359**	**4,755,943**	**44,851,730**
Stage 3	**85,658,281**	**14,668,340**	**-10,967,404**	**15,788,993**	**105,148,210**
POCI	**5,523,877**	**0**	**-339,989**	**5,784,807**	**10,968,695**

4.4.2. Forbearance

Receivables on which forbearance measures apply are defined by the European Banking Authority (EBA) as contracts where the client can or will no longer meet his/her obligations due to financial difficulties, which means that the institution will take one of the following measures:

- Amend the duration or conditions of the contract so that the client can repay its debt.
- A full or partial refinance of the contract.

The table below provides an overview of the loans and receivables that are regarded as forborne within the Group:

(in EUR)	31/12/2023								
	Gross carrying amount/nominal amount of exposures subject to renegotiation measures			Accumulated impairment, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received on renegotiated exposures		
	Performing Forbearance	Non-Performing Forbearance	POCI's	On Performing Forbearance	On Non-Performing Forbearance	POCI's	Performing Forbearance	Non-Performing Forbearance	POCI's
Interbank loans Crelan	0	0	0	0	0	0	0	0	0
Interbank loans Axa Bank Belgium	0	0	0	0	0	0	0	0	0
Home loans Crelan	87,708,146	20,079,523	0	-555,339	-2,674,396	0	84,416,473	17,347,306	0
Home loans Axa Bank Belgium	332,653,288	77,474,551	0	-1,649,410	-5,502,418	0	321,659,893	70,117,187	0
Retail loans	12,922,479	6,380,012	0	-128,191	-190,073	0	12,093,247	5,957,133	0
Agricultural loans	16,810,122	26,511,784	0	-147,359	-13,037,942	0	16,412,226	13,384,008	0
Corporate loans	18,297,395	26,334,789	0	-151,999	-9,430,906	0	16,987,399	16,629,176	0
Instalment loans Crelan	26,784	26,033	0	-73	-7,890	0	0	0	0
Instalment loans Axa Bank Belgium	0	0	0	0	0	0	0	0	0
Cash collateral deposited	0	0	0	0	0	0	0	0	0
Term loans Axa Bank Belgium	34,464,239	21,404,871	0	-570,937	-3,730,675	0	33,877,371	17,468,338	0
Other Loans and receivables Crelan	625,692	531,332	0	-16,528	-116,012	0	384,416	361,611	0
Other Loans and receivables Axa Bank Belgium	0	0	0	0	0	0	0	0	0
Total Forborne Loans and Receivables	**503,508,145**	**178,742,895**	**0**	**-3,219,836**	**-34,690,312**	**0**	**485,831,025**	**141,264,759**	**0**

(in EUR)	31/12/2022								
	Gross carrying amount/nominal amount of exposures subject to renegotiation measures			Accumulated impairment, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received on renegotiated exposures		
	Performing Forbearance	Non-Performing Forbearance	POCI's	On Performing Forbearance	On Non-Performing Forbearance	POCI's	Performing Forbearance	Non-Performing Forbearance	POCI's
Interbank loans Crelan	0	0	0	0	0	0	0	0	0
Interbank loans Axa Bank Belgium	0	0	0	0	0	0	0	0	0
Home loans Crelan	86,277,067	20,238,943	0	-433,403	-2,768,854	0	82,995,245	17,321,651	0
Home loans Axa Bank Belgium	370,868,430	71,543,418	0	-1,756,673	-2,861,182	0	357,760,932	67,125,639	0
Retail loans	15,272,573	1,851,298	0	-156,686	-168,039	0	14,716,821	1,537,113	0
Agricultural loans	15,045,755	34,445,305	0	-99,095	-11,354,535	0	14,514,406	22,818,143	0
Corporate loans	29,882,176	30,730,481	0	-265,508	-6,545,986	0	27,544,425	24,017,325	0
Instalment loans Crelan	216,874	81,827	0	-534	-26,431	0	0	0	0
Instalment loans Axa Bank Belgium	0	0	0	0	0	0	0	0	0
Cash collateral deposited	0	0	0	0	0	0	0	0	0
Term loans Axa Bank Belgium	53,112,782	22,737,512	0	-422,616	-2,339,442	0	50,743,228	20,373,357	0
Other Loans and receivables Crelan	890,377	182,772	0	-26,498	-43,556	0	487,807	59,016	0
Other Loans and receivables Axa Bank Belgium	0	0	0	-1	0	0	0	0	0
Total Forborne Loans and Receivables	**571,566,034**	**181,811,556**	**0**	**-3,161,014**	**-26,108,025**	**0**	**548,762,864**	**153,252,244**	**0**

In 2020-2021, we saw an increase of the exposure of loans that led to forbearance measures being taken within the framework of the coronavirus crisis where monthly payment interruptions were allowed. In 2022-2023, the impact of this decreases as the 2-year period of enhanced supervision for these loans has expired.

The decrease in the number of forbearance customers is limited given that many forbearance measures were taken in 2022 as part of the energy crisis. This had the most impact within the retail segment. All residential customers with energy deferrals were considered forborne regardless of other conditions. This ensures that even in 2023, the decline in the number of forbearance customers is still limited.

Non-performing forbearance customers followed the trend of the rest of the portfolio and also showed a decline.

For businesses and agricultural loans, the impact of energy deferrals is more limited. Here we see a stronger decrease in forborne loans in percentage terms.

Special impairments on restructured/forborne loans are only reversed when the following conditions have been met:

- The contract is not in arrears by not a single day and there are no longer any indications of a problem with the repayment;
- At least 1 year has elapsed since taking forbearance measures;

If both conditions are met and the impairment is reversed, the contract will continue for 2 years under tightened supervision. This means that if the contract is in arrears for more than 30 days for an amount of more than EUR 50, again an impairment is recorded.

Loans and receivables are no longer regarded as a topic of forbearance when the following conditions are met:

- An impairment has not been entered during the past 2 years with regard to unpaid debts of the debtor;
- The debtor does not have any outstanding receivable with arrears of more than 30 days and an amount of more than EUR 50.

4.4.3. Performing and non-performing exposures

The portfolio of performance and non-performance exposures increased in 2023. The portfolio of non-performing exposures accounts for 0.98% of the total portfolio (was 0.93% in 2022).

4.4.3.1. Per exposure type

The mix of performance and non-performance exposures on 31 December 2023 and 31 December 2022 is as follows:

(in EUR)	31/12/2023				
	Gross carrying amount / Nominal amount				
	Performing exposures		Non-performing exposures		
	Not overdue or ≤ 30 days overdue	Overdue > 30 days ≤ 90 days	Payment unlikely and not overdue or ≤ 1 year	> 1 year and ≤ 5 years overdue	Overdue > 5 years
Interbank loans Crelan	35,025,028	0	0	0	0
Interbank loans Axa Bank Belgium	543,337,359	0	0	0	0
Home loans Crelan	13,373,646,348	32,885,082	43,792,982	11,484,954	6,683,615
Home loans Axa Bank Belgium	24,206,572,849	18,664,103	134,848,630	27,878,732	11,142,473
Retail loans	909,170,759	31,947,010	36,851,314	14,243,254	517,338
Agricultural loans	2,026,942,469	927,231	38,052,463	3,823,545	3,884,344
Corporate loans	2,269,559,446	11,588,993	39,404,444	14,569,131	5,268,266
Instalment loans Crelan	862,682,321	2,319,286	3,055,895	1,466,647	118,814
Instalment loans Axa Bank Belgium	983,807,912	3,920,206	6,168,666	1,385,977	19,521
Cash collateral deposited	186,806,782	0	0	0	0
Term loans Axa Bank Belgium	2,531,177,576	4,561,357	33,667,295	9,284,452	721,623
Other loans and receivables Crelan	490,961,514	5,467,871	21,944,736	6,987,870	523,858
Other loans and receivables Axa Bank Belgium	207,721,654	476,876	3,089,813	687,481	607,277
Total Performing and non-performing according to days past due	**48,627,412,017**	**112,758,015**	**360,876,238**	**91,812,043**	**29,487,129**

(in EUR)	31/12/2022				
	Gross carrying amount / Nominal amount				
	Performing exposures		Non-performing exposures		
	Not overdue or ≤ 30 days overdue	Overdue > 30 days ≤ 90 days	Payment unlikely and not overdue or ≤ 1 year	> 1 year and ≤ 5 years overdue	Overdue > 5 years
Interbank loans Crelan	57,198,900	0	0	0	0
Interbank loans Axa Bank Belgium	415,760,623	0	0	0	0
Home loans Crelan	13,018,220,845	20,808,546	32,534,834	11,764,291	6,298,862
Home loans Axa Bank Belgium	23,898,719,420	19,311,102	127,890,909	19,748,656	10,810,158
Retail loans	860,380,669	35,845,362	23,210,756	13,463,979	1,120,291
Agricultural loans	2,043,984,214	979,856	49,809,292	3,227,303	4,353,576
Corporate loans	2,193,133,810	11,598,114	38,564,905	14,059,052	14,518,022
Instalment loans Crelan	782,893,309	1,546,316	2,415,702	1,305,358	84,236
Instalment loans Axa Bank Belgium	931,711,063	3,072,038	6,162,218	837,221	12,069
Cash collateral deposited	189,223,514	0	0	0	0
Term loans Axa Bank Belgium	2,468,787,734	3,609,977	33,741,896	4,997,491	692,687
Other loans and receivables Crelan	398,368,648	5,197,573	14,677,852	6,738,183	492,890
Other loans and receivables Axa Bank Belgium	141,528,486	632,610	2,862,923	888,813	755,744
Total Performing and non-performing according to days past due	**47,399,911,234**	**102,601,495**	**331,871,287**	**77,030,347**	**39,138,536**

4.4.3.2. Per stage

Below, we give the presentation of performance and non-performance exposures per stage in 2023:

(in EUR)	31/12/2023						
PERFORMING	Gross carrying amount/nominal amount			Accumulated impairment losses, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received
Total circulation	of which Stage 1	of which Stage 2	POCI's Stage 1 and 2	of which Stage 1	of which Stage 2	POCI's Stage 3	
Interbank loans Crelan	35,025,028	0	0	-7,551	0	0	0
Interbank loans Axa Bank Belgium	543,337,359	0	0	0	0	0	75,593,331
Home loans Crelan	12,524,359,507	882,171,924	0	-3,426,724	-9,595,813	0	12,999,255,071
Home loans Axa Bank Belgium	21,966,324,111	2,195,674,287	63,238,554	-5,093,531	-15,193,571	-329,487	23,456,157,868
Retail loans	859,221,800	81,895,969	0	-6,661,289	-1,606,232	0	745,655,414
Agricultural loans	1,879,497,999	148,371,701	0	-13,829,749	-1,268,187	0	1,703,525,547
Corporate loans	2,100,324,884	180,823,555	0	-7,787,473	-2,203,966	0	1,872,440,887
Instalment loans Crelan	842,386,792	22,614,816	0	-701,228	-189,089	0	0
Instalment loans Axa Bank Belgium	903,905,032	82,914,434	908,651	-4,946,179	-5,916,785	-54,564	12,729,121
Cash collateral deposited	186,806,782	0	0	0	0	0	0
Term loans Axa Bank Belgium	2,213,982,094	297,409,445	24,347,395	-2,789,177	-7,413,268	-326,454	2,330,896,830
Other loans and receivables Crelan	471,596,051	30,246,258	0	-4,148,799	-1,153,090	0	175,223,740
Other loans and receivables Axa Bank Belgium	197,516,979	9,695,667	985,885	-76,784	-311,729	-25,621	20,146,065
Total Performing by stages	**44,724,284,418**	**3,931,818,056**	**89,480,485**	**-49,468,484**	**-44,851,730**	**-736,126**	**43,391,623,874**

(in EUR)	31/12/2023						
NON-PERFORMING	Gross carrying amount/nominal amount			Accumulated impairment losses, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received
Total circulation	of which Stage 2	of which Stage 3	POCI's Stage 1 and 2	of which Stage 2	of which Stage 3	POCI's Stage 3	
Interbank loans Crelan	0	0	0	0	0	0	0
Interbank loans Axa Bank Belgium	0	0	0	0	0	0	0
Home loans Crelan	0	61,961,550	0	0	-12,755,559	0	48,439,465
Home loans Axa Bank Belgium	0	111,442,217	62,427,618	0	-9,330,865	-7,038,926	149,854,165
Retail loans	0	51,611,906	0	0	-8,960,837	0	36,239,164
Agricultural loans	0	45,760,352	0	0	-22,060,620	0	23,114,013
Corporate loans	0	59,241,841	0	0	-26,438,295	0	29,832,973
Instalment loans Crelan	0	4,641,355	0	0	-1,894,021	0	0
Instalment loans Axa Bank Belgium	0	6,716,533	857,631	0	-2,284,288	-174,606	26,755
Cash collateral deposited	0	0	0	0	0	0	0
Term loans Axa Bank Belgium	0	31,157,413	12,515,957	0	-6,274,983	-2,774,014	33,672,827
Other loans and receivables Crelan	0	24,043,538	0	0	-14,079,943	0	4,355,847
Other loans and receivables Axa Bank Belgium	0	2,925,513	1,459,058	0	-1,068,798	-245,023	1,559,847
Total Non-performing by stages	**0**	**399,502,218**	**77,260,264**	**0**	**-105,148,208**	**-10,232,569**	**327,095,056**

Below, we give the presentation of performing and non-performing exposures per stage in 2022:

(in EUR)	31/12/2022						
PERFORMING	Gross carrying amount/nominal amount			Accumulated impairment losses, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received
Total circulation	of which Stage 1	of which Stage 2	POCI's	of which Stage 1	of which Stage 2	POCI's	
Interbank loans Crelan	57,198,900	0	0	0	0	0	0
Interbank loans Axa Bank Belgium	415,760,623	0	0	0	0	0	4,690,000
Home loans Crelan	12,185,199,886	853,829,505	0	-2,609,713	-7,441,250	0	12,603,602,244
Home loans Axa Bank Belgium	20,974,496,926	2,877,962,494	65,571,102	-4,173,647	-15,534,707	-372,357	23,080,785,046
Retail loans	820,455,005	75,701,351	0	-7,033,451	-1,787,890	0	687,318,381
Agricultural loans	1,888,838,230	156,125,841	0	-13,029,108	-1,108,795	0	1,686,074,964
Corporate loans	2,008,582,578	196,149,346	0	-5,763,873	-2,379,232	0	1,792,023,498
Instalment loans Crelan	763,000,220	21,439,407	0	-687,561	-146,933	0	0
Instalment loans Axa Bank Belgium	855,092,470	78,187,259	1,503,371	-3,532,738	-3,807,006	-70,968	12,185,995
Cash collateral deposited	189,223,514	0	0	0	0	0	0
Term loans Axa Bank Belgium	2,199,224,616	247,825,006	25,348,088	-2,494,564	-4,061,525	-258,224	2,272,697,198
Other loans and receivables Crelan	380,374,449	23,191,773	0	-3,251,767	-1,008,299	0	131,745,233
Other loans and receivables Axa Bank Belgium	129,991,946	10,721,777	1,447,374	-107,113	-363,229	-32,402	20,473,455
Total Performing by stages	**42,867,439,363**	**4,541,133,760**	**93,869,935**	**-42,683,535**	**-37,638,865**	**-733,951**	**42,291,596,014**

(in EUR)	31/12/2022						
NON-PERFORMING	Gross carrying amount/nominal amount			Accumulated impairment losses, accumulated negative fair value changes due to credit risk and provisions			Collateral and financial guarantees received
Total circulation	of which Stage 2	of which Stage 3	POCI's	of which Stage 2	of which Stage 3	POCI's	
Interbank loans Crelan	0	0	0	0	0	0	0
Interbank loans Axa Bank Belgium	0	0	0	0	0	0	0
Home loans Crelan	0	50,597,987	0	0	-12,407,924	0	37,907,956
Home loans Axa Bank Belgium	0	81,555,993	76,893,730	0	-3,937,662	-2,682,183	147,547,922
Retail loans	2,099,129	35,765,572	0	-86,927	-8,197,957	0	23,885,218
Agricultural loans	0	57,390,170	0	0	-19,428,078	0	35,239,889
Corporate loans	1,550,398	65,591,581	0	-96,391	-21,281,132	0	40,768,411
Instalment loans Crelan	0	3,805,294	0	0	-1,581,450	0	0
Instalment loans Axa Bank Belgium	0	5,193,556	1,817,952	0	-639,990	-184,948	42,098
Cash collateral deposited	0	0	0	0	0	0	0
Term loans Axa Bank Belgium	0	21,649,579	17,782,496	0	-3,251,004	-1,594,773	34,998,704
Other loans and receivables Crelan	466,277	21,442,647	0	-25,684	-13,934,942	0	3,541,807
Other loans and receivables Axa Bank Belgium	0	2,373,269	2,134,212	0	-997,357	-328,022	1,239,728
Total Non-performing by stages	**4,115,804**	**345,365,648**	**98,628,390**	**-209,002**	**-85,657,495**	**-4,789,926**	**325,171,733**

4.5. Tangible fixed assets

The mix of the tangible fixed assets as on 31 December 2023 and 31 December 2022is as follows:

(in EUR)	2023					
	Owner-occupied land and building	IT equipment	Office equipment	Other equipment	IFRS 16	Total
Opening balance 1 January 2023	55,007,932	6,814,955	2,103,693	13,201,782	7,484,120	84,612,482
Acquisition price	125,426,128	44,090,007	15,444,748	49,552,468	13,674,738	248,188,089
Accumulated depreciation	70,418,197	37,275,050	13,341,055	36,350,687	6,190,618	163,575,607
Total net carrying amount	55,007,931	6,814,957	2,103,692	13,201,782	7,484,120	84,612,482
Variations 2023	0	0	0	0	0	0
Acquisitions	3,115,802	1,065,825	605,010	4,447,292	2,004,994	11,238,923
Disposals	2,350	77,924	124,759	678,955	0	883,988
Depreciation	3,832,770	2,245,385	618,126	2,476,162	1,879,665	11,052,108
Reversals due to write-offs	0	0	127,704	664,665	7,764	800,133
Other	-198,442	-1,291	0	197,528	0	-2,205
Closing balance 31 December 2023	**54,090,171**	**5,556,182**	**2,087,631**	**15,356,150**	**7,601,685**	**84,691,819**
Closing balance 31 December 2023						
Acquisition price	127,752,808	44,008,568	15,891,178	50,247,628	15,289,809	253,189,990
Accumulated depreciation	73,662,636	38,452,386	13,803,547	34,891,478	7,688,124	168,498,171
Total Net carrying amount	54,090,171	5,556,181	2,087,631	15,356,150	7,601,685	84,691,819

(in EUR)	2022					
	Owner-occupied land and building	IT equipment	Office equipment	Other equipment	IFRS 16	Total
Opening balance 1 January 2022	57,022,486	5,380,672	2,207,395	13,202,464	6,548,359	84,361,376
Acquisition price	124,773,789	41,928,558	15,645,881	47,822,685	11,350,384	241,521,298
Accumulated depreciation	67,751,303	36,547,886	13,438,486	34,620,221	4,802,025	157,159,922
Total net carrying amount	57,022,486	5,380,672	2,207,395	13,202,464	6,548,359	84,361,376
Variations 2022						
Acquisitions	1,888,562	3,491,874	492,483	4,237,968	2,695,716	12,806,603
Disposals	0	0	0	2,120,444	0	2,120,444
Depreciation	3,903,116	2,057,591	594,884	2,171,621	1,661,828	10,389,040
Reversals due to write-offs	0	0	-1,301	53,415	-98,127	-46,013
Other	0	0	0	0	0	0
Closing balance 31 December 2022	**55,007,932**	**6,814,955**	**2,103,693**	**13,201,782**	**7,484,120**	**84,612,482**
Closing balance 31 December 2022						
Acquisition price	125,426,128	44,090,007	15,444,748	49,552,468	13,674,738	248,188,089
Accumulated depreciation	70,418,197	37,275,050	13,341,055	36,350,687	6,190,618	163,575,607
Total Net carrying amount	55,007,931	6,814,957	2,103,692	13,201,782	7,484,120	84,612,482

The rights of use that have been recorded in accordance with IFRS 16 were classified as tangible fixed assets. For the sake of clarity, we have separated the developments with regard to leasing from the other tangible fixed assets and have incorporated them under the same column regardless of their nature. Under the IFRS 16 column, all leasing assets are included and, in particular, vehicles, buildings and ATMs.
More details with regard to the various developments are described in item 4.9. (IFRS 16).

As can be seen from the table, there are no large changes in this section.

4.6. Goodwill and other intangible fixed assets

The mix of the goodwill and intangible fixed assets as on 31 December 2023 and 31 December 2022 is as follows:

(in EUR)	Goodwill	Internally developed software	Acquired software	Other intangible assets	Total
Opening balance 1 January 2023	23,642,057.0	20,674,827.0	2,801,693.0	0.0	47,118,577.0
Acquisition price	23,642,059	34,130,402	38,444,937	0	96,217,398
Accumulated depreciation	0	13,455,576	35,643,245	0	49,098,821
Total net carrying amount	23,642,059	20,674,826	2,801,692	0	47,118,577
Variations 2023					
Additions					
- from separate acquisition/from internal development	0	4,184,622	2,950,352	0	7,134,974
- from business combinations	0	0	0	0	0
Disposals	0	0	0	0	0
Depreciation	0	11,362,047	1,216,151	0	12,578,198
Reversals due to write-offs	0	0	0	0	0
Other	0	0	0	0	0
Closing balance 31 décembre 2023	**23,642,059**	**13,497,401**	**4,535,893**	**0**	**41,675,353**
Closing balance 31 décembre 2023					
Acquisition price	23,642,059	38,315,023	41,395,290	0	103,352,372
Accumulated depreciation	0	24,817,624	36,859,397	0	61,677,020
Total Net carrying amount	23,642,059	13,497,400	4,535,893	0	41,675,353

(in EUR)	Goodwill	Internally developed software	Acquired software	Other intangible assets	Total
Opening balance 1 janvier 2022	23,642,057	17,265,779	3,527,874	0	44,435,710
Acquisition price	23,642,057	27,389,097	37,827,302	0	88,858,456
Accumulated depreciation	0	10,123,318	34,299,428	0	44,422,746
Total net carrying amount	23,642,057	17,265,779	3,527,874	0	44,435,710
Variations 2022					
Additions					
- from separate acquisition/from internal development	0	7,416,453	717,284	0	8,133,737
- from business combinations	0	0	0	0	0
Disposals	0	675,147	0	0	675,147
Depreciation	0	3,332,258	1,356,400	0	4,688,658
Reversals due to write-offs	0	0	87,065	0	87,065
Other	0	0	0	0	0
Closing balance 31 décembre 2022	**23,642,057**	**20,674,827**	**2,801,693**	**0**	**47,118,577**
Closing balance 31 décembre 2022					
Acquisition price	23,642,059	34,130,402	38,444,937	0	96,217,398
Accumulated depreciation	0	13,455,576	35,643,245	0	49,098,821
Total Net carrying amount	23,642,059	20,674,826	2,801,692	0	47,118,577

With the exception of the goodwill, all intangible fixed assets have a limited economic life span. In contrast with intangible fixed assets, the goodwill is not amortised, but is subjected annually to an impairment test as the result of the application of IAS 36. If the book value of the involved entity is higher than the assessed value of this entity that can be realised, an impairment is included in the profit and loss statement.

Currently, only the goodwill of EUR 23.6 million from the purchase of Europabank NV is included in this section. No impairment indicators were observed in 2023.

4.7. Current and deferred tax assets and liabilities

The table below provides an overview of current and deferred tax assets and liabilities as on 31 December 2023 and 2022. Deferred tax assets and liabilities are allocated per legal entity of the Group.

(in EUR)	31/12/2023	31/12/2022
Current taxes		
Assets	10,880,929	864,173
Liabilities	26,083,737	25,553,397
Total current taxes	**-15,202,808**	**-24,689,224**
Deferred taxes		
Assets	59,453,832	215,942,842
Liabilities	40,236,196	211,946,496
Total deferred taxes	**19,217,636**	**3,996,346**

The table below gives the mix of deferred tax assets and liabilities on the balance sheet as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Recorded in the statement of financial position	**7,634,687**	**-2,760,008**
Spread of commissions according to the effective interest rate	*-18,419,119*	*-17,006,003*
Impairment losses on loans	*13,637,592*	*10,930,196*
Adjustment of investment portfolio	*509,346*	*631,393*
Derivatives and hedging transactions	*3,433,231*	*-137,583*
Employee benefits	*6,497,512*	*7,604,760*
Depreciation of tangible and intangible fixed assets	*-49,523*	*-78,546*
Impairment losses on property, plant and equipment	*0*	*0*
Provisions	*13,562,574*	*6,428,915*
Impact of definitively taxed income (DTI)	*18,690,235*	*13,152,193*
Goodwill	*0*	*0*
Impact aquisition Centea	*-2,099,417*	*-2,635,623*
Acquisition AXA Bank Belgium	*-25,464,702*	*-18,304,440*
Other	*-2,663,042*	*-3,345,270*
Recognised in the revaluation reserves	**11,582,949**	**6,756,354**
Investment portfolio adjustment	*1,469,252*	*-893,896*
Employee benefits	*9,876,168*	*10,020,002*
Value adjustments related to own credit risk on financial liabilities	*-1,166,255*	*-3,880,993*
Acquisition AXA Bank Belgium	*1,403,784*	*1,511,241*
Total deferred taxes	**19,217,636**	**3,996,346**

Since 2018, the conditions for the use of dividend received deductions and transferred losses has been tightened. As from then, only 70% of these tax deductions may be applied to an income of more than EUR 1 million. Accumulated tax allocations are only included if they can be settled with future profits.

The evolution of deferred tax assets and liabilities in 2023 and 2022 can be represented as follows:

(in EUR)	2023	2022
Opening balance	3,996,347	21,890,104
Recognised in result for the year	**10,420,154**	**-16,609,640**
Spread of commissions according to the effective interest rate	*-1,412,617*	*-3,768,682*
Impairments	*2,707,397*	*10,799,663*
Adjustment of investment portfolio	*-122,047*	*-110,324*
Derivatives and hedging transactions	*3,570,813*	*-10,576,524*
Employee benefits	*-1,081,788*	*5,632,306*
Depreciation of tangible and intangible fixed assets	*28,852*	*-941*
Impairment losses on property, plant and equipment	*0*	*0*
Provisions	*7,133,659*	*2,532,463*
Impact of definitively taxed income (DTI)	*5,538,042*	*0*
Goodwill	*0*	*0*
Follow-up to the acquisition of Centea	*536,206*	*635,689*
AXA Bank Belgium (incl impact IFRS3)	*-7,160,262*	*-18,304,440*
Other	*681,899*	*-3,448,850*
Recognised in the revaluation reserves	**4,801,136**	**-1,284,117**
Adjustment of investment portfolio	*2,363,148*	*108,240*
Employee benefits	*-169,293*	*10,575,842*
Value adjustments related to own credit risk on financial liabilities	*2,714,739*	*-3,880,993*
AXA Bank Belgium (incl impact IFRS3)	*-107,458*	*-8,087,206*
Closing balance	**19,217,637**	**3,996,347**

A deferred tax asset is only included if it is likely that the accumulated tax allocation asset will be compensated by future expected profits.

As on 31 December 2023 and 2022, the deferred tax assets below were not included on the balance sheet due to uncertainty about the future taxable profit:

(in EUR)	31/12/2023	31/12/2022
Impairments	0	8,665,479
Provisions	0	0
Tax losses	13,135,689	13,135,689
Unrecognised impact of definitively taxed income (FDI)	39,131,561	29,012,720
Notional interest	0	0
Total Deferred tax assets not recognised in the balance sheet	**52,267,250**	**50,813,888**

4.8. Other assets and liabilities

The mix of the other assets on 31 December 2023 and 31 December 2022 is as follows:

(in EUR)	31/12/2023	31/12/2022
Employee benefits	210,083	263,641
Prepaid charges	8,523,036	9,197,284
Accrued income	42,163,031	22,764,121
Precious metals, goods and commodities	341,338	186,046
Other advances	12,685,683	4,835,029
Taxes to be recovered	0	0
Other	132,058,212	128,109,978
Total other assets	**195,981,383**	**165,356,099**

The mix of the other liabilities on 31 December 2023 and 31 December 2022 is as follows:

(in EUR)	31/12/2023	31/12/2022
Defined benefit plans	5,142	5,363
Other employee benefits	11,860,704	12,290,934
Social security charges	22,756,816	18,649,989
Accrued charges	129,921,593	85,605,264
Income received in advance	4,984,410	9,444,145
Tax liabilities	8,936,313	6,888,825
Other liabilities	44,376,295	31,723,083
Total Other liabilities	**222,841,273**	**164,607,603**

The total amount of other assets has a steep increase of EUR 30.6 million in 2023.

The total amount of other liabilities increased sharply by EUR 58.2 million in 2023.

4.9. IFRS 16

This standard has been introduced to improve the financial reporting about leases. The IFRS 16 standard came into force on 1 January 2019 and has since changed the processing of leases in the business environment.

Lease contractors must now recognise these agreements in the balance sheet through a right-to-use asset (assets - split into "Property, plant and equipment") and a lease liability (liabilities - "Other financial liabilities"). However, there are two exceptions : on the one hand, short-term leases are excluded (less than 12 months); on the other hand, low value leases are also excluded (less than USD 5,000).

For leases subject to the rules of IFRS 16, we then determine the duration of the lease. Leases have a certain duration but often include the possibility of extending the contract. The entity decides whether or not to renew the contract based on all available information. If the contract is likely to be extended, this extends the duration ; the reverse case is of course also possible.

The transition method chosen by Crelan is the "Modified Retrospective Method". Under this method, the right-to-use and lease liability are recalculated on the effective date of IFRS 16 and at the marginal interest rate on 1 January 2019.

Impact on the balance sheet

Under IFRS 16, we adopt the right-of-use asset and the lease liability on the balance sheet. Both financial assets and liabilities will therefore increase. The book value of the right-of-use asset, moreover, usually decreases faster than the book value of the lease liability; this results in a decrease of equity when compared to the previous IAS 17 standard.

The Group has identified two main asset classes that are subject to lease liability:

- Company vehicles;
- ATMs .

For each of these assets, Crelan also needed to identify the implicit interest rate that must be applied to the financing of these leases:

- Company vehicles: interest rate on a vehicle lease for 5 years (+/- 2.9%);
- Cash dispensers (i.e. "ATMs") : interest rate on professional loans with a maturity of 7 years (+/- 3.3%).

Below we provide the details of the evolution of the right-of-use asset as on 31 December 2023 :

	2023				
(in EUR)	Opening balance	Additions	Amortization	Impairment	Closing balance
Crelan	4,592,739	618,112	-565,755	0	4,645,096
Buildings	*0*	*0*	*0*	*0*	*0*
Cars	*2,322,100*	*461,946*	*-54,078*	*0*	*2,729,968*
ATM	*2,270,639*	*156,166*	*-511,678*	*0*	*1,915,127*
Europabank	7,484,120	1,997,229	-1,879,664	0	7,601,685
Buildings	*6,519,192*	*1,153,195*	*-1,379,973*	*0*	*6,292,414*
Cars	*964,928*	*844,034*	*-499,691*	*0*	*1,309,271*
ATM	*0*	*0*	*0*	*0*	0
Total	**12,076,859**	**2,615,341**	**-2,445,419**	**0**	**12,246,781**

Below we provide the details of the evolution of the right-of-use asset as on 31 December 2022 :

	2022				
(in EUR)	Opening balance	Additions	Amortization	Impairment	Closing balance
Crelan	7,187,667	435,842	-3,030,770	0	4,592,739
Buildings	*2,132,903*	*0*	*-2,132,903*	*0*	0
Cars	*2,096,498*	*751,616*	*-526,014*	*0*	2,322,100
ATM	*2,958,266*	*-315,773*	*-371,854*	*0*	2,270,639
Europabank	6,548,359	2,695,716	-1,661,828	-98,127	7,484,120
Buildings	*6,117,394*	*1,796,233*	*-1,296,308*	*-98,127*	6,519,192
Cars	*430,965*	*899,483*	*-365,520*	*0*	964,928
ATM	*0*	*0*	*0*	*0*	0
Total	**13,736,026**	**3,131,558**	**-4,692,598**	**-98,127**	**12,076,859**

Below we provide the details of the evolution of the lease liabilities as on 31 December 2023 :

	2023		
(in EUR)	Crelan	Europabank	Total
Opening balance	4,855,500	7,169,936	12,025,436
Additions	4,148,616	1,997,229	6,145,845
Withdrawals	0	0	0
Lease payments	-5,152,507	-2,025,594	-7,178,101
Interest	1,088,101	262,023	1,350,124
Closing balance	**4,939,710**	**7,403,594**	**12,343,304**

Below we provide the details of the evolution of the lease liabilities as on 31 December 2022 :

	2022		
(in EUR)	Crelan	Europabank	Total
Opening balance	7,352,933	6,474,092	13,827,025
Additions	1,033,071	2,695,716	3,728,787
Withdrawals	0	-98,126	-98,126
Lease payments	-4,401,676	-1,888,623	-6,290,299
Interest	871,172	-13,123	858,049
Closing balance	**4,855,500**	**7,169,936**	**12,025,436**

Impact on the result

The interest rate on the lease liability will be included as interest charges and therefore the financial costs increase.

Below we provide the details of the impact on the profit and loss account on 31 December 2023 and 31 December 2022 :

(in EUR)	2023	2022
Depreciation on right of use	-2,445,420	-4,692,599
Interest on lease obligations	-1,350,124	-858,049
Lease payments	7,178,101	6,290,300
Difference in addition ROU and LL	-3,530,504	-597,378
Total	**-147,947**	**142,273**

Below we provide the details of the impact on cash flows on 31 December 2023 and 2022 :

(in EUR)	2023	2022
Total outgoing leasing cash flows	-7,178,101	-6,290,300

As described above, the impact on the coming into force of this new standard has been very limited for the Group.

In the table below, we provide an overview of future minimum lease payments of AXA Bank Belgium.

(in EUR)	AXA Bank Belgium
For the lessee - residual maturity	
< 1 year	905,259
> 1 year ≤ 5 years	974,350
> 5 years	47,000
TOTAL NOMINAL AMOUNT	**1,926,609**
For the lessor - residual maturity	
< 1 year	1,833,029
> 1 year ≤ 5 years	6,857,407
> 5 years	2,560,300
TOTAL NOMINAL AMOUNT	**11,250,736**

4.10. Pillar II : impact of IAS 12

The Organisation for Economic Co-operation and Development (OECD)/G20 "Inclusive Framework on Base Erosion and Profit Shifting" (BEPS) has published the Pillar II model rules intended to address the tax challenges arising from the digitalisation of the global economy.
It is unclear whether the Pillar II model rules create additional temporary differences, whether deferred taxes should be revalued for the Pillar II model rules and what tax rate should be used to value deferred taxes.
In response to this uncertainty, on 23 May 2023, the IASB issued amendments to IAS 12 'Income Taxes' that introduce a mandatory temporary exception to the requirements of IAS 12 under which a company need not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar II model rules.
The Group applied the temporary exception as of 31 December 2023.

Legislation under Pillar II is in force or substantially in force in certain jurisdictions in which the Group operates. The legislation becomes effective for the Group's financial year beginning 1 January 2024. The Group falls within the scope of adopted or substantially adopted legislation and has carried out an assessment of the Group's potential exposure to Pillar II taxes. The assessment of the potential exposure to income taxes under Pillar II is based on the most recent tax returns, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, the Group is expected to comply with the temporary safe harbour rules, based on CbCR data and financial statements prepared in accordance with local GAAP for the year 2022, for all jurisdictions in which the Group operates (France, Belgium, the Netherlands and Luxembourg). No material changes to the Group structure are expected in 2024 that would alter this assessment, but of course Crelan will closely monitor any developments in Pillar II legislation and interpretation to assess the potential impact on the Group's tax position.

4.11. Financial liabilities

4.11.1. Financial liabilities measured at amortised cost

4.11.1.1. Deposits

The mix of the deposits on 31 December 2023 and 2022 is as follows :

(in EUR)	31/12/2023	31/12/2022
Deposits of credit institutions	1,164,677,515	1,388,156,059
- deposits of central banks	884,075,729	1,250,916,064
- sight deposits	1,219,004	1,281,914
- time deposits	72,243,597	135,671,110
- financial liabilities related to transferred financial assets (repos)	207,139,185	286,971
Deposits (other than from credit institutions)	42,390,668,879	42,404,600,559
- deposits at sight	9,180,031,199	10,227,150,071
- time deposits	6,932,758,680	1,070,352,264
- savings deposits	26,070,928,534	30,860,820,280
- other deposits	206,950,466	246,277,944
Total deposits	**43,555,346,394**	**43,792,756,618**

(in EUR)	31/12/2023	31/12/2022
Guarantee deposits under the CSA	583,993,935	1,223,571,360

The deposits increase by EUR 237 million.

Overall, deposits (other than from credit institutions) decreased. This decline was mainly due to the government's issuance of the State Note in September 2023.
However, there has been a shift between savings deposits and time deposits. The latter increased sharply following the campaigns on futures contracts within the Crelan Group, at the expense of savings deposits.

The table below provides an overview of the value of the financial assets transferred of the Group:

31/12/2023 (in EUR)	*Financial assets held for trading*	*Debt securities at amortised cost*	*Loans and receivables*
Carrying amount of the assets transferred	0	1,431,091,831	0
Carrying amount of the associated liability for netting	0	1,376,186,051	0
Netting	0	-761,314,145	0
Carrying amount of the associated liability after netting	0	614,871,907	0

31/12/2022 (in EUR)	*Financial assets held for trading*	*Debt securities at amortised cost*	*Loans and receivables*
Carrying amount of the assets transferred	0	1,680,687,378	0
Carrying amount of the associated liability for netting	0	1,594,304,671	0
Netting	0	-750,183,099	0
Carrying amount of the associated liability after netting	0	844,121,571	0

4.11.1.2. Debts embodied in debt certificates including bonds and debentures

The debts embodied in debt certificates are made up as follows as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Savings bonds	259,207,619	416,299,212
Certificates of deposit	0	0
Covered Bonds	4,650,284,404	5,188,856,598
Credit Linked Notes	37,566,617	44,234,476
Senior Non Preferred	1,430,643,719	300,668,192
Total debt securities	**6,377,702,359**	**5,950,058,478**

Cash bonds also decline in 2023. These products are no longer attractively priced.

Macro hedging is applied to a part of the savings bond portfolio. For more information about this topic, we refer to the notes in 4.14.

In 2023, Senior Non-preferred Notes were issued in January and September for EUR 500 million and EUR 600 million, respectively.

4.11.1.3. Subordinated liabilities

The subordinated liabilities only consist of subordinated certificates for customers and the issue of a security in relation to the takeover of AXA Bank Belgium to increase the Tier 2 capital of the bank.

The remaining maturity as on 31 December 2023 and 2022 can be detailed as follows :

(in EUR)	31/12/2023	31/12/2022
Maturity		
Current year	0	0
Current year +1	5,677,122	3,871,329
Current year +2	0	5,661,659
Current year +3	0	0
Current year +4	0	0
Beyond current year +4	199,568,539	199,514,607
Total subordinated debt	**205,245,661**	**209,047,595**

The subordinated debts decreased by EUR 3.9 million. This decrease stems from the portion related to subordinated certificates intended for customers. These come to an end during 2024.

4.11.1.4. Other financial liabilities

The other financial liabilities can be detailed as follows:

(in EUR)	31/12/2023	31/12/2022
IFRS16	12,343,304	12,025,436
Suspense accounts	389,604,088	519,185,696
Total other financial liabilities	**401,947,392**	**531,211,132**

Suspense accounts have fallen sharply.
These are mainly transitional accounts, used to record temporary transactions before they are transferred to a permanent account.

4.11.1.5. Targeted longer-term refinancing operations (TLTRO) loans

TLTROs are Eurosystem operations aimed at providing longer-term funding to credit institutions. They offer this long-term funding to banks on attractive terms with the aim of easing private sector credit conditions and boosting bank lending to the economic community.

On March 7, 2019, the European Central Bank announced that it would provide a new series of TLTRO loans (TLTRO III) consisting of 7 tranches, each running over a period of 3 years with the possibility of early repayment after 2 years.

On March 12, 2020, the European Central Bank subsequently decided to modify three TLTRO-III parameters to support bank lending to those most affected by the spread of the Coronavirus-induced disease (COVID-19), particularly small and medium-sized enterprises, namely :

- to increase the loan volume from 30% to 50%;
- to change the maximum subscription amount for individual TLTRO-III, and
- with effect from September 2021 to provide an early repayment option for amounts borrowed under TLTRO-III after the lapse of 12 months from the settlement of each transaction, instead of 24 months.

In addition, it was decided that for the period from March 1, 2020 to March 31, 2021 (= "special" reference period), it was decided to bring the credit performance threshold to 0% (= "special" reference period).

In addition, to accommodate the expected decrease in bank lending since March 1, 2020, the deviation from the outstanding amount benchmark is reduced from 2.5% to 1.15% (i.e., this includes the period from April 1, 2019 to March 31, 2021 with the exception of the 'special' reference period mentioned above) in order to achieve the maximum discount through previous lending performance criteria.

Furthermore, on April 30, 2020, the European Central Bank decided to provide for an additional temporary reduction in interest rates applicable to all TLTROs-III under certain conditions in order to support lending to households and businesses against the backdrop of prevailing economic disturbances and increased uncertainty.

Against the same background, on January 29, 2021, the European Central Bank decided to offer 3 additional tranches within this series. These have maturity dates in 2024. The additional temporary reduction was also extended by 1 year through June 23, 2022.

As already mentioned under the valuation rules under item 8.13. AXA Bank Belgium considers the European Central Bank, a supra-national institution operating within the framework of the European Union, as an institution similar to a public institution. Consequently, the benefit resulting from these more favourable than market conditions is recognized as a government grant.

We believe that it can benefit from this market-favourable interest rate. The benefit of this market-favourable interest rate is spread in result over the term of the respective tranches of the TLTRO loan.

Crelan Group participated for notional EUR 1,266 million in the TLTRO loan issued by the ECB.

In 2022 and continuing into 2023, the ECB announced and implemented a number of interest rate increases in which the interest rate experienced a positive evolution and consequently led to the recording of an

interest income. The benefit of 0.5% of this market-favourable interest rate was retained and - as in the previous fiscal year - spread in results over the term of the respective tranches of the TLTRO loan.
In 2023, a total of EUR 402 million was repaid by Crelan, consisting of the notional amount of EUR 400 million and EUR 2.3 million in interest. At the end of 2023, the notional amount of EUR 866 million from AXA Bank Belgium is still outstanding. On this amount, the total repayable interest cost is EUR 24.7 million as at 31 December 2023, repayable at maturity.

4.11.2. Financial liabilities measured at fair value with processing of value changes in the profit and loss account

The European Medium Term Notes (EMTM) of AXA Bank Belgium are included in this section. They are issued by AXA Belgium Finance, a subsidiary of AXA Bank Belgium, with the exception of 1 issued directly by the bank itself. AXA Bank Belgium has opted for the option to indicate EMTNs measured at fair value with the processing of value changes in profit or loss and has therefore included these issues on the balance sheet for their fair value. The debit valuation adjustments (DVAs) were also included in the parts of the total result (OCI) as from the 2017 accounting period. The OCI reserve was amortised on the closing date when IFRS 3 was applied.

4.12. Provisions

The provisions can be detailed as follows per type for 2023 and 2022 :

31/12/2023 (in EUR)	Restructuring	Pensions and other post employment defined benefit obligations	Pending legal issues and tax litigation	Loan and guarantee commitments	Other provisions	Total
Opening balance	5,305,974	71,722,777	24,385,415	4,277,877	141,066,380	246,758,423
Additions	32,569,851	583,242	7,670,468	462,868	24,499,074	65,785,503
Amounts used	-995,292	-4,649,999	-192,265	-1,251,272	-2,727,800	-9,816,628
Unused amounts reversed during the year	0	-3,621,667	-182,267	-105,455	0	-3,909,389
Other movements	0	-575,336	0	98,552	340,524	-136,260
Closing balance	**36,880,533**	**63,459,017**	**31,681,351**	**3,482,570**	**163,178,178**	**298,681,649**

31/12/2022 (in EUR)	Restructuring	Pensions and other post employment defined benefit obligations	Pending legal issues and tax litigation	Loan and guarantee commitments	Other provisions	Total
Opening balance	6,506,851	0	23,385,847	0	151,984,036	181,876,734
Additions	2,250,000	598,367	3,340,084	669,932	720,541	7,578,924
Amounts used	-1,585,075	-5,669,997	-1,446,222	-4,587,971	-3,790,812	-17,080,077
Unused amounts reversed during the year	-3,321,199	-317,519	-818,261	-30,663	-76,034	-4,563,676
Other movements	1,455,397	77,111,926	-76,033	8,226,579	-7,771,351	78,946,518
Closing balance	**5,305,974**	**71,722,777**	**24,385,415**	**4,277,877**	**141,066,380**	**246,758,423**

In October 2016, the Board of Directors of Crelan NV approved the strategic "Fit for the Future" plan for the reorganisation of the central services and network of agents. The provisions within the framework of this project amounted to EUR 38 million and were related to the gradual decrease of the number of full-time jobs over a period of 4 years and the restructuring of the agent network. After the various transfers, expenditure and allocations during the prior years, these facilities amounted to EUR 5.3 million at the end of 2022. In 2023, in addition to the use of this provision of EUR -1.0 million, a new provision for network restructuring was recorded for the Group following a needs analysis in the context of the merger between Crelan and AXA Bank Belgium. This provision amounts to EUR 32.5 million.

Under the sub-heading "Pensions and other post employment defined benefit obligations", a decrease in the provision of EUR -8.3 million was recorded between December 2022 and December 2023, due to changes in the data for pension plans and provisions established in accordance with IAS 19.

Current disputes refer to various legal cases and claims. The amount of the provision is examined individually in relation to each case by the legal department or by Human Resources in the case of a claim that involves an employee. The variation of EUR +7.3 million refers to both new and existing files. Most of these cases mainly refer to legal disputes with agents and external organisations.

The item "Other provisions" shows an increase of EUR 22.1 million in 2023, due to the booking of various provisions such as those for IPC, as well as provisions related to the harmonisation of methodologies between AXA Bank Belgium and Crelan for migration purposes.

The item "Loan and guarantee commitments" relates to liabilities and guarantees related to credit lines and current accounts for Stage 1 and Stage 2 and recorded a change of EUR -0.8 million in 2023. These have been determined in accordance with IFRS 9 since 2018.

AXA Bank Belgium uses Covered bonds as a financing method. Covered bonds are a widely known financing method in which mortgage-backed bonds are offered on the international financial markets to strengthen the funding position of the issuing bank. These transactions are carried out by AXA Bank Europe SCF, a French subsidiary of AXA Bank Belgium. Neither the customers nor AXA Bank Belgium obtain any tax benefit from this structure, which is also fully compliant with European legislation on the free movement of services and capital within the European Community, the latter taking precedence over national legislation. This was confirmed several times in the past and again unequivocally in 2023 by leading external tax experts.

4.13. Employee benefits

4.13.1. Crelan (and Europabank) employee benefits

Liabilities due to the defined retirement benefit plans are included in the " Provisions" section. Crelan NV has two defined retirement benefit plans that cover employees of the previous Crédit Agricole and Centea. Europabank NV has set up a Belgium defined benefit plan.

Since 2012, it is no longer interesting to close defined retirement benefit plans. They are financed by group insurance contracts or individual pension liabilities taken out with Belgian insurers. The financing method selected by the employer makes provisions for an annual allocation to the financing ceilings. This fund takes into account the assumptions of wage increases, inflation, discount rate, pensionable age and staff turnover while observing the statutory minimum financing.

On the pensionable age, employees receive a specific amount in capital calculated based on the annual compensation and seniority.

Defined retirement benefit plans cover the actuarial risk and mainly the interest rate risk, market risk and inflation risk.

Crelan and Europabank have four defined benefit plans, one for previous Crédit Agricole employees who are employed since 2008, two for the previous Centea employees, who are employed from before 1999 and one for Europabank NV. Employees of the former Crédit Agricole who are registered in relation to the retirement benefit plans have, moreover, been transferred to defined benefit plans if they continue to work after the pensionable age. The subsidiary Europabank NV also has its own defined benefit plan for all its employees. All these retirement benefit plans are financed by group insurances where the insurer guarantees a minimum return.

The Belgian defined benefit plans were subjected to a statutory minimum return of 3.25% on the employer benefits and 3.75% on the personal benefits that must be guaranteed by the employer. This guaranteed return could be changed through a royal decree. In this case, it was expected that the new returns would be applied to the built-up benefits from the past and future benefits. In view of the limited risk, these retirement benefit plans are regarded as defined benefit plans and processed as such under IAS 19.

Belgian legislation was amended on 1 January 2016: the minimum return to be guaranteed by the employer varies depending on the performance of the 10 year OLO with a minimum of 1.75% and a maximum of 3.75%. For benefits paid as from 2016, the guaranteed minimum return is 1.75%.

For retirement benefit plans that are financed by group insurance contracts in accordance with which the insurance company guarantees a contractual interest rate, the percentage of 3.25% or 3.75% will continue to apply to accumulated benefits as on 31 December 2015 until the date when employment is left by the working employee. In fact, these Belgian defined benefit plans can be classified as defined retirement benefit plans in accordance with IAS 19 as from 2016.

As from 2016, the Group has been carrying out the entire calculation of the liabilities for defined benefit plans in accordance with IAS 19. The gross liabilities for defined benefit entitlements are measured at fair value in accordance with the "Projected Unit Credit"[1] method.

The "Projected Unit Credit (PUC) cost method" is an actuarial technique where the gross liabilities that arise from defined benefit entitlements are assessed through a forecast of future discounted benefits. The cash value of the gross defined benefit obligation is subsequently compared with the fair value of the investments. A provision is made for any possible shortfall. While taking into account the benefit costs that should be allocated to the year of service, the adjustment in the liability is included through the remeasurement at the fair value reserve. The measurement at fair value of assets in defined benefit plans is based on the application of paragraph 115[2] of IAS 19 while taking the standard risk of insurance institutions into account. Defined retirement benefit plans are measured in accordance with the method of the fair value of the assets (IFRS 13) where assets equal the cash value of future cash flows while taking the risk of non-payment into account.

To determine the fair value of the assets, an assessment of the non-payment risk is performed:

- For the fair value of the assets that remain within the limits of the mathematical reserves, the non-payment risk is set to equal the non-payment risk of corporate bonds with an AA rating. The discount rate that is used to determine the cash value is therefore identical to the discount rate that is used to calculate the defined benefit obligation (DBO).

- For the fair value of assets that exceed the mathematical reserves, an additional standard risk is taken into consideration that is included as follows in the discount rate: the added risk premium equals the revenue on corporate bonds with an AA rating minus the yield of financial institutions with the rating of the relevant insurance companies.

This method therefore takes the risk that the insurance company cannot meet its liabilities into account, that is to say, that it cannot achieve its contractually agreed guaranteed return.

[1] The "Projected Unit Credit" method is used to determine the cash value, gross liabilities linked to the defined benefit plan and the costs of the provided services. In accordance with this method, a "projected accumulated benefit" is calculated based on the working status on the measurement date, but, when the formula for the calculation of benefits is based on future salary and social insurance levels, by using assumptions about the growth of these projected amounts on the age at which the employee is expected to stop working. Normally, the "expected accrued benefit" based on the plan formula. If employment in future years, however, cause substantially higher benefits than in previous years, the "expected accumulated benefits" are calculated by allocating the benefits linearly over the assessment period.

[2] This means that the assets equal the cash value of the insured capital in group insurance contracts that make provisions for an interest rate guaranteed by the insurer (Branch 21).

The table below shows the evolution of the current value of the gross liability of defined retirement benefit plans and Belgian defined benefit plans:

(in EUR)	31/12/2023		31/12/2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Opening balance	55,174,511	59,511,228	62,439,691	80,338,847
Current service cost	1,994,138	2,648,226	2,254,980	3,058,116
Financial cost	2,045,274	2,234,462	531,173	773,514
Plan participants' contributions	161,051	1,045,869	151,109	930,135
Income tax	-509,710	-433,147	-397,272	-395,523
Actuarial differences - experience adjustments	961,403	0	9,135,416	0
Actuarial differences - demographic assumptions	-602,871	0	0	0
Actuarial differences - financial assumptions	2,133,584	3,242,786	-13,518,676	-19,762,707
Benefits paid	-5,332,485	-2,610,795	-4,785,766	-4,940,154
Acquisition/sale	0	0	-636,144	-491,000
Current service cost - reductions	0	0	0	0
Termination benefits	0	0	0	0
Reclassifications from defined contribution plans	0	0	0	0
Closing balance	**56,024,895**	**65,638,629**	**55,174,511**	**59,511,228**

The breakdown of the gross liability of Belgian defined retirement benefit plans and defined benefit plans can be as follows:

(in EUR)	31/12/2023		31/12/2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Active employees	47,886,663	54,255,853	47,741,339	49,531,365
Ex-employees	7,845,544	11,205,564	7,233,159	9,828,152
Beneficiaries	6,401	0	6,718	0
Taxes	286,282	177,211	193,291	151,711
Balance	**56,024,890**	**65,638,628**	**55,174,507**	**59,511,228**

The assets are held in exchange for defined retirement benefit plans and defined benefit plans.

The table below shows the evolution of the fair value of the assets involved:

(in EUR)	31/12/2023		31/12/2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Opening balance	53,523,515	58,215,396	58,712,503	78,399,574
Interest income on plan assets	2,117,349	2,244,985	503,757	770,771
Return on plan assets above/(below) discount rate	-2,427,486	2,310,004	-1,540,452	-19,139,603
Employer contributions	4,279,749	3,352,671	3,320,780	3,069,705
Contributions from plan members	161,051	1,045,869	151,109	930,135
Capping assets	1,740,906	0	-1,740,906	0
Acquisition/sale	0	0	-700,237	-479,508
Benefits paid	-5,332,486	-2,610,796	-4,785,767	-4,940,155
Taxes	-509,710	-433,147	-397,272	-395,523
Reclassifications from defined contribution plans	0	0	0	0
Closing balance	**53,552,888**	**64,124,982**	**53,523,515**	**58,215,396**

The assets do not comprise financial instruments that have been issued by the Group or property investments or assets that are used by the Group. All assets are invested in group insurance contracts that make provisions in a contractual interest rate guaranteed by the insurer (contracts in branch 21).

The table below gives the details of the reconciliation between the actual value of the gross liabilities and the fair value of the assets in relation to the Belgian defined retirement benefit plans and defined benefit plans as well as the assets and liabilities that appear on the balance sheet:

(in EUR)	31/12/2023		31/12/2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Gross liability for defined benefit plans	56,024,895	65,638,628	55,174,511	59,511,228
Fair value of plan assets	-53,552,888	-64,124,981	-53,523,515	-58,215,396
Net liability for defined benefit plans	**2,472,007**	**1,513,647**	**1,650,996**	**1,295,832**
Amounts recognised in the balance sheet				
Liabilities for firm commitment plans	2,472,007	1,513,647	1,650,995	1,295,832
Assets for defined benefit plans	0	0	0	0
Net liability for defined benefit plans	**2,472,007**	**1,513,647**	**1,650,995**	**1,295,832**

The table below shows the total costs that are included in the total result during the course of the year:

(in EUR)	31/12/2023		31/12/2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Current service cost	1,994,138	2,648,226	2,254,980	3,058,116
Interest cost	2,045,274	2,234,462	531,173	773,514
Prior period service cost - reductions	0	0	0	0
Capping assets	0	0	-1,128,428	0
Termination benefit	0	0	0	0
Interest income on plan assets	-2,117,349	-2,244,985	-503,757	-770,771
Total expense recognised in profit or loss	**1,922,063**	**2,637,703**	**1,153,968**	**3,060,859**
Revaluation reserves recognised in equity	4,919,602	932,782	-2,842,808	-623,104
Capping assets	0	0	1,003,976	0
Total expense recognised in other comprehensive income	**6,841,665**	**3,570,485**	**-684,864**	**2,437,755**

The most important actuarial assumptions with regard to Belgian defined retirement benefit plans and defined benefit plans are shown in the table below:

	2023		2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Discount rate	3,76% - 3,87%	3,64% - 3,91%	3,76% - 3,87%	3,64% - 3,91%
Expected salary increases in percent	3.30%	3.30%	3.30%	3.30%
Expected inflation	2.30%	2.30%	2.30%	2.30%

The most important actuarial assumptions that have been used to determine the total costs that are included in the profit and loss account during the year are shown in the table below:

	2023		2022	
	Defined benefit pension schemes	Ex-defined contribution pension schemes	Defined benefit pension schemes	Ex-defined contribution pension schemes
Discount rate	0,80%- 1,09%	3,64% - 3,91%	0,80%- 1,09%	3,64% - 3,91%
Expected salary increases in percent	2.80%	3.30%	2.80%	3.30%
Expected inflation	1.80%	2.30%	1.80%	2.30%

The discount rate that is used to determine the value of the liabilities of the retirement benefit plan is different for ex-Centea and Crelan NV and for the Belgian defined retirement benefit plans and the Belgian defined benefit plans. (Relatively) older employees are in the defined retirement benefit plan of Crelan NV. The defined benefit plan of ex-Centea was only implemented in 2009 and applies to all those persons who started their employment after 1998. Since the average period to be financed is longer for ex-Centea than for Crelan NV, the discount rate that is used for the calculation of the defined benefit obligation higher for ex-Centea than for Crelan NV. The same note applies to Belgian defined benefit plans.

The expected cash flows in 2024 for the defined retirement benefit plans and the Belgian defined benefit plans of the Group are shown in the table below:

(in EUR)	31/12/2024	
	Defined benefit pension schemes	Ex-defined contribution pension schemes
Employer contributions to the plan assets (including taxes)	2,877,496	3,268,959
Plan members contributions	166,124	1,053,616
Benefits paid	4,383,377	290,740
Benefits paid by employer	1,530	0
Taxes	525,766	0
	7,954,293	4,613,315

The average maturity of the liabilities with regard to the defined retirement benefit plans is 9 years for Crelan NV and 16 years for ex-Centea. The average maturity of the liabilities with regard to the various defined benefit plans is between 9 and 15 years.

The sensitivity analysis of the actuarial assumptions with regard to the gross liability of the defined benefit plans at the end of the period is shown in the table below:

(in EUR)	31/12/2023 Defined benefit pension schemes
Gross liabilities at the end of the period based on previous year's assumptions	
a. Gross liabilities - Nominal value	54,494,177
Sensitivity to discount rates	
a. Original assumption	3.22%
b. Gross liabilities	56,024,890
a. Assumption - Variation 1	3.72%
b. Gross liabilities - Nominal value	53,811,910
a. Assumption - Variation 2	2.72%
b. Gross liabilities - Nominal value	58,389,735
Sensitivity of planned salary increases in percent	
a. Original assumption	3.15%
b. Gross liabilities	56,024,890
a. Assumption - Variation 1	3.65%
b. Gross liabilities - Nominal value	59,076,852
a. Assumption - Variation 2	2.65%
b. Gross Liabilities - Nominal Value	53,370,074
Mortality rate sensitivity	
a. Original assumption	MR/FR-5
b. Gross Liabilities	56,024,890
a. Assumption - Variation 1	MR/FR
b. Gross liabilities - Nominal value	55,987,838
Sensitivity of expected inflation	
a. Original assumption	2.15%
b. Gross liabilities	56,024,890
a. Assumption - Variation 1	2.65%
b. Gross liabilities - Nominal value	57,727,873
a. Assumption - Variation 2	1.65%
b. Gross liabilities - Nominal value	54,420,851

The sensitivity analysis of the actuarial assumptions in relation to the value of the gross liabilities and assets of Belgian defined benefit plans at the end of the period is presented in the table below:

(in EUR)	31/12/2023 Ex-defined contribution pension schemes
Discount rate +50bp	
Gross liability	62,457,698
Plan assets	61,050,495
Discount rate -50bp	
Gross liability	69,085,089
Plan assets	67,453,770
Discount rate +25bp	
Gross liability	64,016,676
Plan assets	62,557,568
Discount rate -25bp	
Gross liability	67,326,908
Plan assets	65,755,923

4.13.2. AXA Bank Belgium employee benefits

Since 31 December 2021, AXA Bank Belgium is a part of the Crelan Group.

The table below shows the evolution of the current value of the gross liability of defined retirement benefit plans:

(in EUR)	31/12/2023 Defined benefit pension schemes	31/12/2022 Defined benefit pension schemes
Opening balance	151,286,020	170,996,181
Pension costs	4,753,908	5,300,249
Interest on actuarial debt	5,660,530	1,473,540
Employee contributions	352,359	316,000
Actuarial gains (losses) due to experience-based changes	-4,376,300	11,239,109
Actuarial gains and losses due to changes in demographic assumptions	0	0
Actuarial gains and losses due to changes in financial assumptions	4,161,761	-34,829,051
Benefits paid	-12,934,306	-10,751,033
Benefits paid directly by the employer	-143,975	-128,710
Recalculation of modified parameters	0	7,669,735
Closing balance	**148,759,997**	**151,286,020**

The table below shows the evolution of the fair value of the assets involved:

(in EUR)	31/12/2023 Defined benefit pension schemes	31/12/2022 Defined benefit pension schemes
Opening balance	88,066,613	129,639,284
Implied return on individual assets	3,251,744	974,691
Actual return on individual assets, excluding implicit return on individual assets	4,922,956	-44,892,084
Employer contributions	8,934,198	7,096,217
Employee contributions	352,359	316,000
Benefits paid	-13,078,086	-10,879,744
Recalculation of modified parameters	0	5,812,248
Closing balance	**92,449,784**	**88,066,612**

The table below gives the details of the reconciliation between the actual value of the gross liabilities and the fair value of the assets in relation to the Belgian defined retirement benefit plans and defined benefit plans as well as the assets and liabilities that appear on the balance sheet:

(in EUR)	31/12/2023 Defined benefit pension schemes	31/12/2022 Defined benefit pension schemes
Net position (excluding individual assets)	-148,759,996	-151,286,020
Fair value of individual assets at end of period	92,449,784	88,066,613
Net economic financing (including individual assets)	**-56,310,212**	**-63,219,407**

At AXA Bank Belgium, pension plans fall under defined benefit type pension plans.

The amount that is included as a net defined benefit liability consists of the net total of the following amounts:

- The cash value of the gross liability from defined retirement benefit entitlements on the balance sheet date where use is made of the projected unit credit method;
- Reduced by the fair value on the balance sheet date of any fund investments based on which the liabilities must be settled directly.

The aforementioned fund investments may concern either assets or insurance contracts.

The assumptions and assessments are regularly reviewed and adjusted.

The table below shows the total costs recognized in comprehensive income during the year :

(in EUR)	31/12/2023 Defined benefit pension schemes	31/12/2022 Defined benefit pension schemes
Pension costs	5,106,267	5,616,249
Employee contributions	-352,359	-316,000
Interest on actuarial debt	5,660,530	1,473,540
Implied return on plan assets / individual asset items	-3,251,744	-974,691
Total expense recognised in profit or loss	**7,162,694**	**5,799,098**
Revaluation reserves recognised in equity	5,137,496	23,160,058
Total expense recognised in other comprehensive income	**12,300,190**	**28,959,156**

4.14. Derivatives and accounting processing

A derivative is a financial instrument of which the value depends on the value of an underlying value (for example, interest rate, exchange rate, share price, index, etc.) for which a limited initial investment is required and regarding which the payment is made at a later time.

The Group only holds derivatives within the framework of hedging transactions. The following types of derivatives are used within the Group:

- An **Interest rate swap** is an agreement where two parties agree to swap interest payments regularly.

- A **cap** is an interest rate option that limits the maximum interest rate for the buyer of the cap at a level defined in advance for various periods.

- A **swaption** is an option on an interest rate swap where the owner of the swaption has the right but not the obligation to enter into a swap.

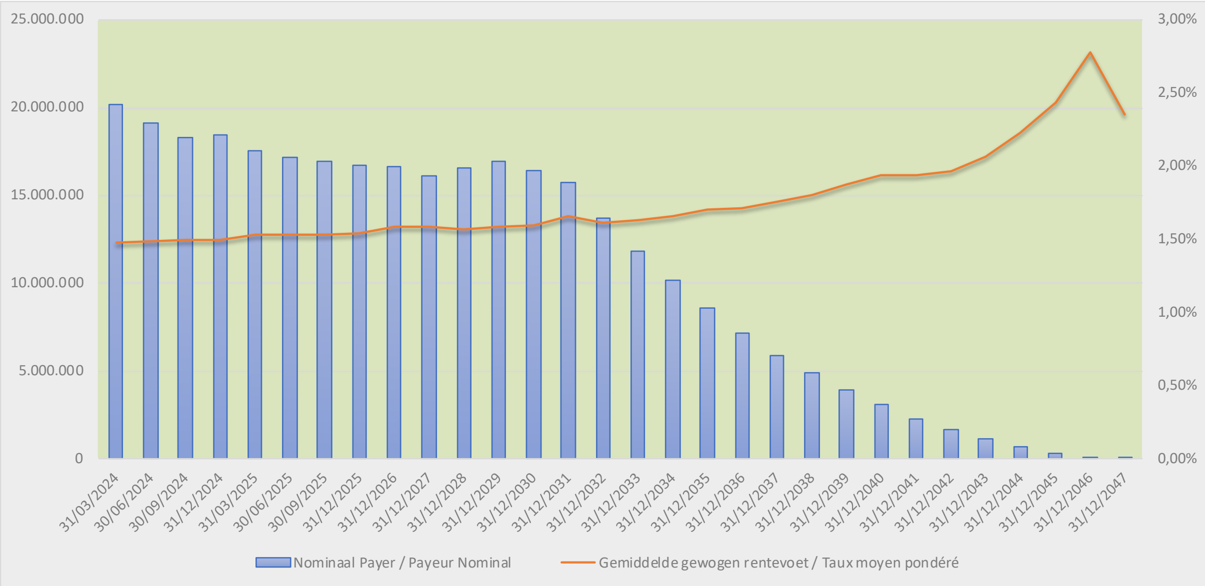
The Group only applies fair value hedging that covers the risk or variation in the fair value of an asset or liability.

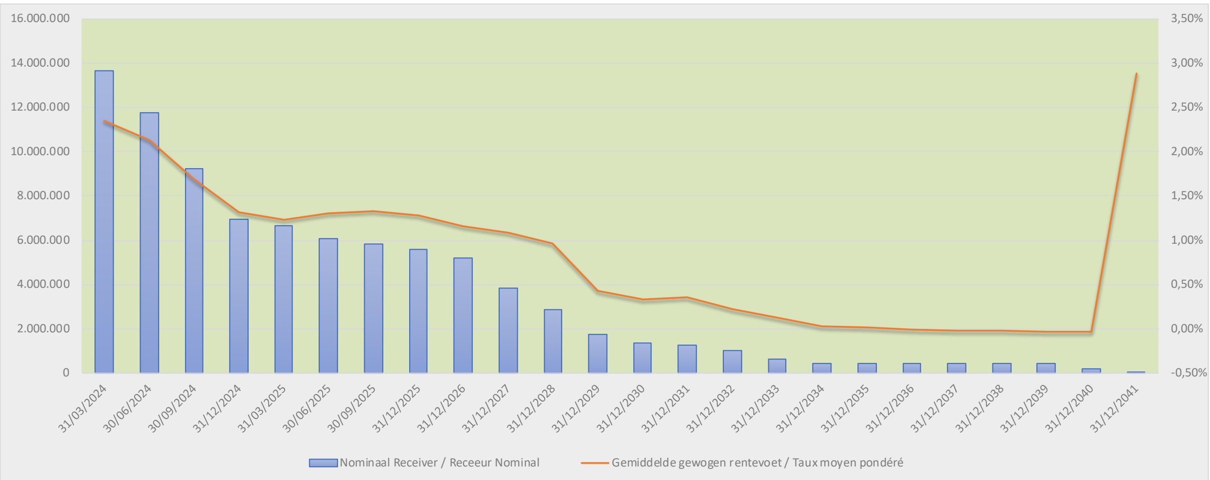
In relation to the fair value hedging of the interest rate risk of a portfolio of financial assets or liabilities, three portfolios were put together at Crelan NV that are all hedged separately by a portfolio of interest rate swaps:

- Asset portfolio consisting of consumer loans, mortgages and investment loans
- Investment portfolio
- Portfolio of liabilities consisting of savings bonds and fixed-term accounts

The portfolios of assets (1) or liabilities (3) are the subject of hedging relationships via macro hedging. Macro hedging means that the interest rate risk of a portfolio with comparable characteristics is hedged by using a portfolio of interest rate swap agreements. Micro hedging involves hedging the interest rate risk of an asset or liability using one or more interest rate swap agreements with identical characteristics. Adjustments to the fair value of the underlying portfolio to be ascribed to the hedged risk lead to an adjustment of the book value of the underlying portfolio when compared with the income statement.

The following charts provide an overview for the interest rate swaps of the outstanding notional amounts per fiscal year as well as the average weighted interest rate of the fixed leg of the hedging instrument (amounts in 000):





The adjustments on the balance sheet are included in the "Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk" section on the asset or liability side of the balance sheet (depending on the side on which the hedged portfolio is: asset or liability).

The adjustments in the profit and loss account and also every inefficiency of the hedging relationship are included in the "Fair value adjustments in hedge accounting" section.

Since 2011, the Group also applies fair value hedging with caps and swaptions. Before this, Crelan NV implicitly placed synthetic portfolios of caps linked to mortgages with a variable interest rate as a hedged item to which fair value hedge accounting is applied.

The actual effectiveness of the hedging transactions is determined on a monthly basis. The Group exclusively enters into hedging transactions that will be very effective at the start and also is expected to be so in the periods that follow in relation to compensating for changes in the fair value to be attributed to the hedged risk. The actual effectiveness of the hedging transactions is determined on a monthly basis. The result of the ratio between the fair value fluctuation of the (group of) hedging instrument(s) and the hedged position(s) must decrease within a scope of 80-125 percent. If this is not the case, the hedging relationship is terminated. This monthly effectiveness test is also intended to trace possible over-hedging in future time buckets. When this is the case, specific derivatives from the hedging relationship are removed to reduce the observed over-hedging. The floating leg of the IRS provides the ineffectiveness.

The inefficiency of interest rate swaps results from:

- Change valuation of the floating leg of the interest rate swap;
- Change valuation derived from basis risk, which is the difference between the valuation of the interest rate derivatives based on the Ester swap curve (formerly Eonia swap curve) and the valuation of the hedged interest rate component to the Euribor swap curve. This is still only effective for interest rate swaps concluded before 2022. After all, from 2022, only interest rate derivatives based on the Ester swap curve will still be used.

The table below shows the fair value of the current hedging assets that were held on 31 December 2023 and 2022 :

	31/12/2023		
	Notional	Carrying amount	
(in EUR)		Assets	Liabilities
Fair value hedge Crelan (macro-hedging)	14,141,752,792	98,578,690	0
Fair value hedge AXA Bank Belgium (macro-hedging)	27,247,656,650	124,782,495	12,438,465
Fair value hedge AXA Bank Belgium (micro-hedging)	5,150,500,000	304,348	4,440,810
Total derivatives used for hedging purposes	**46,539,909,442**	**223,665,533**	**16,879,275**
	31/12/2022		
	Notional	**Carrying amount**	
(in EUR)		**Assets**	**Liabilities**
Fair value hedge Crelan (macro-hedging)	12,018,439,159	126,207,668	471,275
Fair value hedge AXA Bank Belgium (macro-hedging)	26,736,683,900	199,244,793	3,494,263
Fair value hedge AXA Bank Belgium (micro-hedging)	5,825,500,000	66,121	3,110,469
Total derivatives used for hedging purposes	**44,580,623,059**	**325,518,582**	**7,076,007**

The following table provides an overview of the book value of the hedged items for 2023 and 2022 :

	31/12/2023			
	Carrying amount			
(in EUR)	Assets Crelan	Assets AXA Bank Belgium	Liabilities Crelan	Liabilities AXA Bank Belgium
Carrying amount of the hedged item				
of which loans to customers at amortised cost	14,093,752,792	21,187,556,650	0	0
of which debt securities at amortised cost ASSETS	48,000,000	110,261,453	0	0
of which debt securities OCI ASSETS	0	55,454,634	0	0
of which debt securities at amortised cost LIABILITIES	0	0	0	4,647,802,666
Total	**14,141,752,792**	**21,353,272,737**	**0**	**4,647,802,666**

	31/12/2022			
	Carrying amount			
(in EUR)	Assets Crelan	Assets AXA Bank Belgium	Liabilities Crelan	Liabilities AXA Bank Belgium
Carrying amount of the hedged item				
of which loans to customers at amortised cost	11,966,639,159	19,974,083,900	0	0
of which debt securities at amortised cost ASSETS	51,800,000	60,686,496	0	0
of which debt securities OCI ASSETS	0	228,770,878	0	0
of which debt securities at amortised cost LIABILITIES	0	0	0	5,090,107,761
Total	**12,018,439,159**	**20,263,541,274**	**0**	**5,090,107,761**

As explained above, the Group only hedges its positions through fair value hedging. Assets with the same characteristics (for example, maturity date/review date and the contract interest rate) are grouped in synthetic portfolios. Each of these portfolios is fully hedged by its respective derivatives where the difference in value mainly arises from the delta between the used benchmarks, the hedging instrument and the hedged position.

For 2023, the total inefficiency recorded was EUR +3.8 million.

The following table provides an overview of the net result as the result of the inefficiency in relation to the processing of the hedging transactions:

	31/12/2023			
(in EUR)	Gains Crelan	Losses Crelan	Gains AXA Bank Belgium	Losses AXA Bank Belgium
Fair value hedge of an individual asset or liability				
- changes in the fair value of the hedged item	0	0	8,534,563	-231,260,559
- changes in fair value of hedging derivatives	0	0	282,281,330	-64,154,075
Fair value hedge of a portfolio interest rate risk				
- changes in the fair value of the hedged item	246,847,498	0	798,574,523	0
- changes in the fair value of hedging derivatives	0	-242,336,472	0	-794,669,879
- amortisation and other value adjustments	0	0	0	0
Total gains and losses	**246,847,498**	**-242,336,472**	**1,089,390,416**	**-1,090,084,513**
Net result of administrative treatment of hedging transactions	**4,511,026**		**-694,097**	

	31/12/2022			
(in EUR)	Gains Crelan	Losses Crelan	Gains AXA Bank Belgium	Losses AXA Bank Belgium
Fair value hedge of an individual asset or liability				
- changes in the fair value of the hedged item	0	0	685,142,484	-24,495,234
- changes in fair value of hedging derivatives	0	0	126,848	-670,270,961
Fair value hedge of a portfolio interest rate risk				
- changes in the fair value of the hedged item	0	-1,030,723,650	0	-2,584,559,685
- changes in the fair value of hedging derivatives	1,035,082,374	0	2,604,016,841	-3,820,112
- amortisation and other value adjustments	0	0	0	0
Total gains and losses	**1,035,082,374**	**-1,030,723,650**	**3,289,286,173**	**-3,283,145,992**
Net result of administrative treatment of hedging transactions	**4,358,724**		**6,140,181**	

When Centea NV was taken over, Crelan NV was confronted with derivatives that could not be documented as hedging based on IFRS rules (although they are linked to hedging from an economics perspective). These derivatives therefore needed to be placed in the portfolio for commercial purposes ("Financial assets or liabilities held for commercial purposes"). This concerns interest rate swap agreements, caps and swaptions.

The table below shows the mix of the financial assets and liabilities held for commercial purposes on 31 December 2023 and 2022 and therefore consists only of derivatives for which no hedging could be documented in accordance with IFRS rules:

(in EUR)	31/12/2023			31/12/2022		
	Consolidated (A + B)	AXA Bank Belgium (A)	Crelan (B)	Consolidated (A + B)	AXA Bank Belgium (A)	Crelan (B)
Assets						
Derivatives held for trading	8,987,712	8,758,583	229,129	11,211,935	10,520,544	691,391
Debt securities	728,996	728,996	0	539,783	539,783	0
Total assets held for trading	**9,716,708**	**9,487,579**	**229,129**	**11,751,718**	**11,060,327**	**691,391**
Liabilities						
Derivatives held for trading	22,299,112	22,100,904	198,208	36,418,642	35,831,833	586,809
Debt securities	0	0	0	0	0	0
Total liabilities held for trading	**22,299,112**	**22,100,904**	**198,208**	**36,418,642**	**35,831,833**	**586,809**

The table below shows the mix of derivatives held for commercial purposes on 31 December 2023 and 2022.

(in EUR)	31/12/2023		
	Notional	Carrying amount	
		Assets	Liabilities
Crelan interest instruments			
- IRS (interest rate swap contract)	77,000,000	0	0
- Caps	178,165,154	229,129	198,208
- Swaptions	0	0	0
Interest rate instruments AXA Bank Belgium			
- IRS (interest rate swap contract)	8,117,149,999	695,191	5,009,609
- Caps	20,700,000	638,417	0
- Swaptions	32,200,000	0	0
Equity instruments AXA Bank Belgium			
- Equity forwards	4,148,690	0	0
- Other	252,453,311	6,091,840	13,177,485
Foreign exchange instruments AXA Bank Belgium			
- Currency swaps	17,820,381	1	3,392,214
- Forward exchange transactions	205,208,049	1,333,134	521,596
Total derivatives held for trading	**8,904,845,584**	**8,987,712**	**22,299,112**

(in EUR)	31/12/2022		
	Notional	Carrying amount	
		Assets	Liabilities
Crelan interest instruments			
- IRS (interest rate swap contract)	77,000,000	0	0
- Caps	261,480,809	691,391	586,809
- Swaptions	0	0	0
Interest rate instruments AXA Bank Belgium			
- IRS (interest rate swap contract)	7,713,149,999	365,667	8,079,123
- Caps	20,700,000	1,121,752	0
- Swaptions	32,200	0	0
Equity instruments AXA Bank Belgium			
- Equity forwards	8,635,080	0	0
- Other	322,261,538	8,906,097	21,216,337
Foreign exchange instruments AXA Bank Belgium			
- Currency swaps	55,990,222	1	6,204,437
- Forward exchange transactions	200,380,156	127,027	331,937
Total derivatives held for trading	**8,659,630,004**	**11,211,935**	**36,418,643**

Below a table is provided with the maturities in relation to hedge accounting for 2023 :

(in EUR)	<= 3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years <= 10 years	> 10 years	Total
31 December 2023						
Caps	0	0	11,466,335	39,939,110	22,252,739	73,658,185
Interest rate swaps	15,371,479	29,868,615	50,922,068	28,691,543	744,145,229	868,998,934
Performance swaps on interest rate	0	0	0	0	-10,528,186	-10,528,186
Payer swaptions - forward premium	2,454,832	11,817,906	15,803,757	27,048,174	12,177,597	69,302,265

Below a table is provided with the maturities in relation to hedge accounting for 2022 :

(in EUR)	<= 3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years <= 10 years	> 10 years	Total
31 December 2022						
Caps	0	0	21,889,457	54,450,664	35,289,956	111,630,076
Interest rate swaps	-862,907	36,417,838	235,826,847	228,805,802	1,075,668,631	1,575,856,212
Performance swaps on interest rate	0	0	0	0	-7,917,775	-7,917,775
Payer swaptions - forward premium	2,351,960	13,103,665	71,354,287	45,250,872	15,146,007	147,206,791

4.15. Fair value of financial assets and financial liabilities

The fair value is the price that would be received to sell an asset or that would be paid to transfer a liability in a regular transaction between market participants on the measurement at fair value date.

Based on the observability of the parameters, the fair value is divided into 3 categories:

Level 1: quoted prices (not adjusted) in asset markets for identical assets and liabilities;

Level 2: use of parameters other than quoted prices that can be observed for the asset or liability either directly or indirectly;

Level 3: use of non-observable parameters or when an observable input requires an adjustment by using a non-observable input and this adjustment results in a considerable adjustment of the fair value.

4.15.1. Fair value of financial assets and liabilities based on the amortised cost

The table below shows the book value and the fair value of the assets and liabilities included on the balance sheet at the amortised cost:

(in EUR)	31/12/2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets					
Loans and receivables	49,011,908,324	44,979,274,238	0	0	44,979,274,238
Interbank loans Crelan	*35,017,477*	*35,017,477*	*0*	*0*	*35,017,477*
Interbank loans AXA Bank Belgium	*543,337,359*	*543,337,359*	*0*	*0*	*543,337,359*
Home loans Crelan	*13,442,714,885*	*12,540,812,227*	*0*	*0*	*12,540,812,227*
Home loans AXA Bank Belgium	*24,362,120,408*	*21,735,059,027*	*0*	*0*	*21,735,059,027*
Retail loans	*975,501,317*	*891,562,153*	*0*	*0*	*891,562,153*
Agricultural loans	*2,036,471,497*	*1,945,407,948*	*0*	*0*	*1,945,407,948*
Corporate loans	*2,303,960,545*	*2,194,441,392*	*0*	*0*	*2,194,441,392*
Instalment loans Crelan	*866,858,625*	*851,218,567*	*0*	*0*	*851,218,567*
Instalment loans AXA Bank Belgium	*981,925,861*	*974,863,452*	*0*	*0*	*974,863,452*
Deposited cash collateral	*186,806,782*	*186,806,782*	*0*	*0*	*186,806,782*
Term loans AXA Bank Belgium	*2,559,834,407*	*2,374,559,653*	*0*	*0*	*2,374,559,653*
Other loans and advances Crelan	*506,504,016*	*494,596,087*	*0*	*0*	*494,596,087*
Other loans and advances AXA Bank Belgium	*210,855,146*	*211,592,114*	*0*	*0*	*211,592,114*
Securities	600,006,710	581,922,218	508,172,252	73,749,967	0
At amortised cost Crelan	*489,745,257*	*476,378,168*	*402,628,202*	*73,749,967*	*0*
At amortised cost AXA Bank Belgium	*110,261,453*	*105,544,050*	*105,544,050*	*0*	*0*
Liabilities					
Deposits Crelan	20,407,385,665	20,419,293,531	0	0	20,419,293,531
Deposits AXA Bank Belgium	23,147,960,728	23,147,960,728	0	0	23,147,960,728
Debt securities Crelan	1,689,851,338	1,769,112,229	0	0	1,769,112,229
Debt securities AXA Bank Belgium	4,687,851,021	4,534,643,280	0	4,497,076,663	37,566,617
Subordinated liabilities Crelan	205,245,661	205,180,926	0	0	205,180,926
Subordinated liabilities AXA Bank Belgium	0	0	0	0	0

(in EUR)	31/12/2022				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
Assets					
Loans and receivables	47,778,840,125	42,561,208,576	0	0	42,561,208,576
Interbank loans Crelan	*57,198,900*	*57,198,900*	*0*	*0*	*57,198,900*
Interbank loans AXA Bank Belgium	*415,760,623*	*415,760,623*	*0*	*0*	*415,760,623*
Home loans Crelan	*13,067,168,491*	*11,789,220,919*	*0*	*0*	*11,789,220,919*
Home loans AXA Bank Belgium	*24,049,779,691*	*20,795,821,123*	*0*	*0*	*20,795,821,123*
Retail loans	*916,914,832*	*817,494,704*	*0*	*0*	*817,494,704*
Agricultural loans	*2,068,788,260*	*1,925,096,735*	*0*	*0*	*1,925,096,735*
Corporate loans	*2,242,353,275*	*2,092,117,152*	*0*	*0*	*2,092,117,152*
Instalment loans Crelan	*785,828,977*	*756,920,838*	*0*	*0*	*756,920,838*
Instalment loans AXA Bank Belgium	*933,558,960*	*910,189,760*	*0*	*0*	*910,189,760*
Deposited cash collateral	*189,223,514*	*189,223,514*	*0*	*0*	*189,223,514*
Term loans AXA Bank Belgium	*2,500,169,696*	*2,255,400,199*	*0*	*0*	*2,255,400,199*
Other loans and advances Crelan	*407,254,453*	*410,852,981*	*0*	*0*	*410,852,981*
Other loans and advances AXA Bank Belgium	*144,840,454*	*145,911,129*	*0*	*0*	*145,911,129*
Securities	969,923,456	918,361,405	806,156,700	112,204,705	0
At amortised cost Crelan	*909,236,960*	*861,722,155*	*749,517,450*	*112,204,705*	*0*
At amortised cost AXA Bank Belgium	*60,686,496*	*56,639,250*	*56,639,250*	*0*	*0*
Liabilities					
Deposits Crelan	21,591,151,476	21,594,750,690	0	0	21,594,750,689
Deposits AXA Bank Belgium	22,201,605,142	22,201,605,142	0	0	22,201,605,142
Debt securities Crelan	716,967,404	705,902,092	0	0	705,902,092
Debt securities AXA Bank Belgium	5,233,091,074	5,072,170,188	0	5,027,935,712	44,234,476
Subordinated liabilities Crelan	209,047,595	208,958,552	0	0	208,958,552
Subordinated liabilities AXA Bank Belgium	0	0	0	0	0

For deposits up to a year, it is assumed that the fair value equals the book value. For the other assets and liabilities, the fair value is determined based on:

- The evolution of the risk-free interest rate: the issue is to investigate the difference between the historic and the current interest rate. As a risk-free interest rate, the IRS interest rate is applied on a comparable cash flow structure.
- The evolution of margins on assets and liabilities: here we investigate the difference between historic and current margins on various products. The margin is calculated as being the interest rate that the customer pays minus the risk-free interest rate. The weighted average of the margins on the production of the various products over the past 12 months is taken as the current margin.

To get the impact on the fair value, the adjustment in the margin is multiplied by the outstanding balance and the risk-free interest rate is discounted. The same margin is used for the remaining maturity of the asset/liability and therefore does not take interest rate adjustments into account.

Both in 2023 and in 2022, there were no significant transfers of financial assets or liabilities between the various levels.

4.15.2. Measurement at fair value of financial assets and liabilities included based on fair value

The tables below show the classification of the fair value of the financial assets and liabilities on Levels 1, 2 and 3 in accordance with the observability of the used parameters:

Fair value of financial assets 2023				
	Total	Level 1	Level 2	Level 3
At fair value with changes in value recognised in the income statement				
Loans				
TOTAL				
Held for trading				
Debt securities	728,995	0	0	728,995
Derivatives	8,987,712	0	2,895,871	6,091,841
Other	0	0	0	0
TOTAL	**9,716,707**	**0**	**2,895,871**	**6,820,836**
At fair value through OCI				
Debt securities	159,241,385	159,087,534	153,851	0
Funds	0	0	0	0
Other	13,419,800	38,258	60,664	13,320,879
TOTAL	**172,661,185**	**159,125,792**	**214,515**	**13,320,879**
At fair value through profit or loss				
Debt securities	0	0	0	0
Funds	6,526,593	1,520,452	0	5,006,141
Other	0	0	0	0
TOTAL	**6,526,593**	**1,520,452**	**0**	**5,006,141**
At amortised cost				
Debt securities	0	0	0	0
Funds	0	0	0	0
Other	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Hedging derivatives				
Interest Rate Swaps	80,705,083	0	80,705,083	0
Swaptions	131,868,760	0	131,868,760	0
Caps	11,091,690	0	11,091,690	0
TOTAL	**223,665,533**	**0**	**223,665,533**	**0**
Held for sale				
Land and buildings	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

Fair value of financial liabilities 2023				
	Total	Level 1	Level 2	Level 3
Held for trading				
Debt securities	0	0	0	0
Derivatives	22,299,111	0	9,121,625	13,177,486
Other	0	0	0	0
TOTAL	**22,299,111**	**0**	**9,121,625**	**13,177,486**
At fair value through profit or loss				
Debt securities	295,405,427	0	74,702,051	220,703,375
Hedging derivatives				
Interest Rate Swaps	16,879,275	0	16,879,275	0
Swaptions	0	0	0	0
Caps	0	0	0	0
TOTAL	**16,879,275**	**0**	**16,879,275**	**0**

Fair value of financial liabilities 2022				
	Total	Level 1	Level 2	Level 3
At fair value with changes in value recognised in the income statement				
Loans				
TOTAL	**0**	**0**	**0**	**0**
Held for trading				
Debt securities	539,783	4,288	0	535,495
Derivatives	11,211,935	0	4,653,417	6,558,518
Other	0	0	0	0
TOTAL	**11,751,718**	**4,288**	**4,653,417**	**7,094,013**
At fair value through OCI				
Debt securities	228,770,878	228,770,878	0	0
Funds	0	0	0	0
Other	13,377,974	54,871	214,515	13,108,589
TOTAL	**242,148,852**	**228,825,749**	**214,515**	**13,108,589**
At fair value through profit or loss				
Debt securities	0	0	0	0
Funds	6,494,954	1,397,194	0	5,097,760
Other	0	0	0	0
TOTAL	**6,494,954**	**1,397,194**	**0**	**5,097,760**
At amortised cost				
Debt securities	0	0	0	0
Funds	0	0	0	0
Other	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**
Hedging derivatives				
Interest Rate Swaps	66,681,715	0	66,681,715	0
Swaptions	239,888,372	0	239,888,372	0
Caps	18,948,496	0	18,948,496	0
TOTAL	**325,518,583**	**0**	**325,518,583**	**0**
Held for sale				
Land and buildings	0	0	0	0
TOTAL	**0**	**0**	**0**	**0**

Fair value of financial liabilities 2022				
	Total	Level 1	Level 2	Level 3
Held for trading				
Debt securities	0	0	0	0
Derivatives	36,418,642	0	16,350,052	20,068,590
Other	0	0	0	0
TOTAL	**36,418,642**	**0**	**16,350,052**	**20,068,590**
At fair value through profit or loss				
Debt securities	376,190,783	0	133,503,432	242,687,352
Hedging derivatives				
Interest Rate Swaps	7,076,008	0	7,076,008	0
Swaptions	0	0	0	0
Caps	0	0	0	0
TOTAL	**7,076,008**	**0**	**7,076,008**	**0**

Crelan Group excl. AXA Bank Belgium

Financial assets and liabilities regarding which there are no quoted prices are measured at fair value based on the market assessments of reputable external financial counterparties. These market assessments are systematically verified by the Financial Markets department and the back office. Due to a lack of a market price, 2 bonds and debentures are measured at fair value based on a model price. For these bonds and debentures, the cash flows of bonds and debentures are measured at fair value based on the distribution of the liquid bonds and debentures of the same issuer.

For derivatives, the market value is determined as follow: since 2021, the measurement at fair value of interest rate swaps is based on the ESTER curve. For caps and swaptions, we use the market volatility of various counterparties. Next, the market value of the option is based on the characteristics of the underlying derivative.

A sensitivity analysis of the total portfolio is performed on a monthly basis. The interest rate risk is measured and verified based on the limits that are imposed by boards of directors. The interest rate risk is measured by using a cumulative nominal interest rate difference.

Due to the nature of the investment, the bonds under level 3 are not subject to interest rate risk as their performance is related to indices (stock market).

Finally, there are the investments in the private equity portfolio and those classified under fair value through OCI amounting to EUR 13.3 million (level 3).

For the assumptions that are used for the calculations of Level 3, no tangible adjustments were implemented in 2023 in addition to the normal market value-adjustments.

In 2023, there were no significant transfers of financial assets or liabilities between the various levels.

The table below shows the evolution of Level 3 in 2023 :

31/12/2023	Financial assets held for trading		At fair value through OCI		At fair value through profit or loss	
	Debt securities	Derivatives	Other	Funds	Debt securities	Funds
Opening balance	535,496	6,558,518	13,060,819	47,770	5,097,759	0
Results						
via achieved results	66,212	1,544,647	0	0	0	0
via unrealized results	0	0	-832,751	0	-91,618	0
Purchases	127,288	0	1,108,965	0	0	0
Sales	0	0	-63,924	0	0	0
Final maturity date	0	-2,011,324	0	0	0	0
Transfers in/out Level 3	0	0	0	0	0	0
Closing balance	**728,996**	**6,091,841**	**13,273,109**	**47,770**	**5,006,141**	**0**

The table below shows the evolution of Level 3 in 2022 :

31/12/2022	Financial assets held for trading		At fair value through OCI		At fair value through profit or loss	
	Debt securities	Derivatives	Other	Funds	Debt securities	Funds
Opening balance	408,825	29,106,305	12,251,360	49,385	5,236,444	0
Results						
via achieved results	-69,420	-12,438,068	0	0	0	0
via unrealized results	0	0	-180,483	0	-96,791	0
Purchases	196,091	0	1,709,991	0	0	0
Sales	0	0	-566,198	0	-41,894	0
Final maturity date	0	-10,109,719	0	-1,615	0	0
Transfers in/out Level 3	0	0	-153,851	0	0	0
Closing balance	**535,496**	**6,558,518**	**13,060,819**	**47,770**	**5,097,759**	**0**

AXA Bank Belgium:

Fair value of retail activities:

For short-term assets and liabilities or those that are immediately repayable, AXA Bank Belgium uses the book value as the best approach.

The fair value of the other retail products is calculated in a number of steps:

- The future cash flows are calculated based on the product characteristics (interest rate of the customer, payment frequency, end date, etc.);
- Credit cash flows take into account repayable capital, interest, early repayments and the related reinvestment fee;
- Cash flows are then adjusted for credits to take into account :
  - Conditional early repayments per interest bucket per loan type on a loan per loan basis;
  - Caps and floors that are entailed in the variable housing loans;
  - Expected credit losses.
- To conclude, the (adjusted) cash flows are discounted based on the overnight index swap (OIS) curve increased by a liquidity spread and a spread that covers other (administrative) costs.

Fair value of financing activities (treasury):

The financial instruments are classified into 3 categories.

The first category consists of the financial instruments regarding which fair value level 1 is determined based on market prices in an active market.

The determination of the existence of an active market is usually unequivocal with market information being available to the public and investors. There is no derived description of a minimum threshold of the activity that represents "regularly occurring market transaction" and therefore the level of the actual transactions must be assessed while taking the frequency and volume into account. A low transaction volume, nevertheless, still represents a price if it has been determined in a normal economic environment objectively. The transaction amounts are important indicators of the fair value.

If the market for a specific instrument is not active or if the market prices are not available or only not available regularly, use is made of the measurement at fair value techniques based on the updated value of future cash flows or based on option models. These measurement at fair value techniques use market data such as interest rate curves, dividend yield, index levels and volatility data. AXA Bank Belgium uses information from Bloomberg, Markit or as supplied by reliable brokers. These prices are subsequently validated internally or the instruments are measured at fair value based on the internal measurement at fair value techniques.

The use of observable input parameters leads to a fair value level 2 while the use of non-observable input leads to a fair value level 3 unless their impact is not significant. Observable inputs are developed by using market data such as publicly available information about factual events or transactions that reflect the assumptions that market participants would use when determining the price of the instrument.
The importance of non-observable parameters is assessed (1) on the level of each individual financial instrument and (2) entirely.

1. The specific impact of non-observable parameters on the fair value of each financial instrument is assessed as long as the mark-to-market thereof exceeds 0.05% of the total balance sheet. They are regarded as having more than an unimportant impact when they influence the fair value of a financial instrument by 30% or more. If AXA Bank Belgium cannot measure using reasonable efforts of the specific impact of the non-observable parameters on the fair value of the instrument, the instrument will be automatically catalogued as being level 3.

2. An audit is performed on the total level to see whether the global value of all financial instruments regarding which the fair value is calculated using non-observable parameters and that are not catalogued under level 3 does not exceed 2% of the total balance sheet.

AXA Bank Belgium uses a decision tree where the allocated levels per class of financial instrument is shown. A specific committee ensures a regular review of at least once a year of this decision tree so that it is accurate and all-encompassing. The special committee at least consists of the managers of the account policy rules (including CTFM) and the middle office that represents the company.

If there is disagreement on the level of this specific committee about the fair value classification, the issue will be transferred to the CFO of AXA Bank Belgium for a decision about the level classification.

The second category includes the following elements:

Assets

Receivables on other bankers
Receivables on other bankers include interbank deposits and reverse repurchase agreements.
The assessed fair value is based on discounted cash flows based on the current market conditions.

Financial assets held for commercial purposes & derivatives used for hedging
Derivatives that have a hedging strategy as the objective and that depend on the observance of the IAS 39 conditions for the application of hedge accounting are included in one or both sections. Their fair value represents the discounted amount of the assessed future cash flows regarding which the most important parameters are observable market data such as the market interest rate, exchange rates or the price of underlying assets.

Liabilities

Deposits and borrowing
The assessed fair value of fixed rate deposits, repurchase transactions and other fixed rate borrowing without a quoted market price is based on discounted cash flows based on the current market conditions.

Issued debt instruments
For the issued deposit certificates, a discounted cash flow model is used based on a current return curve that applies to the remaining maturity of the instrument until the maturity date.

Financial liabilities held for commercial purposes & derivatives used for hedging
This concerns the same type of derivative transactions as included in the financial assets held for commercial purposes & derivatives used for hedging.

The third category includes the following elements:

Assets

Loans and receivables on customers
These loans and receivables are included for their net book value after impairment. The assessed fair value of loans and receivables represents the discounted amount of the future expected cash flows. These expected cash flows are discounted in accordance with the current market conditions to thus determine the fair value.

Financial assets measured at fair value while using the fair value with processing of value adjustments in the other components of the total result (OCI)
Shares that are included for their purchase price as the best assessment of their market value.

Derivative transactions also decrease under this that have been carried out in relation to EMTN issues. The fair value of these derivatives is determined based on the "discounted cash flow" method where, in particular, use is made of volatilities based on historic data and, if applicable, based on benchmark indices such as, for example, Eurostoxx 50.

Liabilities

Financial liabilities held for commercial purposes
This concerns the same type of derivative transactions as included under the financial assets held for commercial purposes.

Financial liabilities specified as measured at fair value using the fair value with processing of value adjustment in profit or loss.
Issued EMTNs; as happens in relation to the derivatives, the fair value of this is determined based on the "discounted cash flow" method where volatilities based on historic data are used as non-observable inputs, in this case, based on benchmarks such as, for example, the Eurostoxx 50. This also applies to derivative transactions since they reflect the benefit structure included in the EMTNs.

The financial liabilities for cost regarding which the fair value was calculated concern the covered bonds regarding which the fair value is based on either information drawn up by more than 20 market participants or can be obtained via Bloomberg.

4.16. Offsetting of financial assets and liabilities

To limit the risks when accepting derivatives, an International Swaps and Derivatives Association (ISDA) master agreement, a Credit Support Annex (CSA) and a Global Master Repurchase Agreement (GMRA) is entered into with each financial counter party. These agreements determine that, in the case of default, compensation can take place on all rights and obligations that arise from the derivatives that are traded with this counterparty. The risk is further restricted by offering a cash guarantee in relation to the contractual obligation in case of a negative net market value of the derivative portfolio. If the net market value is positive, this will lead to receiving a cash guarantee.

A residual risk always remains since, in case a counterparty with whom derivatives have been entered into remains in default, a new counterparty must be found and therefore it is possible that the replacement costs may exceed the cash guarantee.

To further restrict the risk that is linked to the trading in derivatives, new transactions are settled via a central clearing member. It is mainly the counterparty risk that is thus significantly decreased.

IAS 32 has the aim of determining the bases for presenting financial instruments such as liability or equity and for setting off financial assets and financial liabilities.

This standard contains guidelines in relation to the offsetting of financial assets and liabilities. It determines that a financial asset and liability must be set off and the net amount must be included on the balance sheet only if the entity (IAS 32.42):

- Has a right that is currently enforceable in law to set off the included amounts. Crelan must have a right to offset enforceable in law. This means that the right to offset :
    - May not depend on a future event;
    - Must be enforceable in law in each of the following circumstances:
        - During the normal course of the transaction;
        - In case of non-payment;
        - In relation to insolvency or bankruptcy of the entity and all counterparties;

- Intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously (IAS 32.48). Crelan must therefore have the intention to settle on net basis or to sell the asset and the liability simultaneously.

The following table provides an overview of the financial assets and liabilities to which an enforceable ISDA compensation master agreement applies. This applies to derivative transactions and to agreements for the sale and repurchase of securities. The amounts that are offset on the balance sheet can be found in the first three columns with figures.

The amounts of the enforceable master netting agreements or equivalent agreements that are not offset and the net amount that remains after deduction of these amounts are specified below in the columns with figures.

31/12/2023 (in EUR)	Gross amounts recognised before any offsetting effects	Gross amounts effectively offset in the accounts	Net amounts presented in the summary statements	Other conditionally offset amounts: Gross amounts of financial assets/liabilities under master netting agreement	Other conditionally offset amounts: Amounts of other financial instruments received as collateral, including security deposit	Net amount after all offsetting effects
Financial assets						
Derivatives	2,286,740,932	2,054,087,687	232,653,245	16,371,015	123,562,636	92,719,594
- Trading	29,559,870	20,572,158	8,987,712	1,847,702	5,493,017	1,646,993
- Hedging	1,847,867,729	1,624,202,196	223,665,533	14,523,313	118,069,619	91,072,601
Repo's & reverse repo's	1,193,602,775	1,170,627,478	22,975,298	22,975,298	0	0
Total assets	**3,480,343,707**	**3,224,715,165**	**255,628,543**	**39,346,313**	**123,562,636**	**92,719,594**
Financial liabilities						
Derivatives	1,293,268,700	1,254,090,314	39,178,386	16,371,015	19,428,441	3,378,931
- Trading	37,533,792	15,234,680	22,299,112	9,694,155	11,407,509	1,197,448
- Hedging	846,421,575	829,542,301	16,879,274	6,676,860	8,020,932	2,181,483
Repo's & reverse repo's	1,785,499,384	1,170,627,478	614,871,907	598,492,337	8,070,000	8,309,570
Total liabilities	**3,078,768,084**	**2,424,717,792**	**654,050,293**	**614,863,352**	**27,498,441**	**11,688,501**

31/12/2022 (in EUR)	Gross amounts recognised before any offsetting effects	Gross amounts effectively offset in the accounts	Net amounts presented in the summary statements	Other conditionally offset amounts: Gross amounts of financial assets/liabilities under master netting agreement	Other conditionally offset amounts: Amounts of other financial instruments received as collateral, including security deposit	Net amount after all offsetting effects
Financial assets						
Derivatives	2,658,916,559	2,321,646,258	337,270,300	18,409,720	245,969,501	72,351,296
- Trading	27,408,585	15,656,867	11,751,718	1,718,545	8,966,465	526,924
- Hedging	2,631,507,974	2,305,989,391	325,518,582	16,691,174	237,003,037	71,824,371
Repo's & reverse repo's	750,183,099	750,183,099	0	0	0	0
Total assets	**3,409,099,658**	**3,071,829,357**	**337,270,301**	**18,409,720**	**245,969,501**	**72,351,297**
Financial liabilities						
Derivatives	860,321,793	816,827,144	43,494,649	18,409,720	20,469,568	4,615,363
- Trading	56,216,402	19,797,760	36,418,642	16,911,843	18,317,591	1,189,208
- Hedging	804,105,391	797,029,383	7,076,008	1,497,877	2,151,975	3,426,156
Repo's & reverse repo's	1,594,304,671	750,183,099	844,121,571	839,717,685	4,403,887	0
Total liabilities	**2,454,626,464**	**1,567,010,244**	**887,616,221**	**858,127,404**	**24,873,455**	**4,615,363**

The obtained and given guarantees are completely cash guarantees. The amount of the guarantee is regulated and is therefore legally enforceable based on a Credit Support Annex (CSA) agreement that is added to the ISDA agreement.

4.17. Equity

The mix of the equity as on 31 December 2023 and 2022 is as follows :

(in EUR)	31/12/2023	31/12/2022
Capital	940,638,816	912,298,467
Other equity instruments issued	244,559,551	245,171,946
Fair value changes of debt instruments measured at fair value through other comprehensive income	2,406,067	2,910,905
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-1,454,118	-33,863
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	8,250,034	16,825,353
Actuarial gains or loss on defined benefit pension plans	-13,301,963	-13,917,632
Reserves	1,121,950,890	1,009,671,702
Net profit for the year	207,016,756	158,199,554
Minority interests	0	0
Total equity	**2,510,066,033**	**2,331,126,432**

The capital has increased with EUR 28.3 million. The reserves have increased by EUR 112 million. The result increases with EUR 49 million.

The table below shows the evolution of the capital in 2023 and 2022 :

	2023		2022	
(in EUR)	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
- joint shares	73,572,457	912,298,467	72,214,230	895,456,452
Variations	2,285,512	28,340,349	1,358,227	16,842,015
- entries/exits of co-operators	2,285,512	28,340,349	1,358,227	16,842,015
- other	0	0	0	0
Solde de clôture	**75,857,969**	**940,638,816**	**73,572,457**	**912,298,467**
- registered shares	0	0	0	0
- joint shares	75,857,969	940,638,816	73,572,457	912,298,467

The shares have a nominal value of EUR 12.40 per share; the capital of Crelan consists completely of shares. All shares are fully paid-up ones.

The requests for repayment made during the year will only be executed after approval by the annual general meeting. These requests will be executed as follows:

Date of application for reimbursement	Date of reimbursement
Between the 01/01 and 30/06 of year X	After the General Assembly of the year X+1
Between 01/07 and 31/13 of the year X	After the General Assembly of the year X+1

There is only one exception to the general rule for the repayment of cooperative shares:
Upon the death of the cooperative shareholder or the spouse, the repayment of cooperative shares takes place immediately where the value date is deemed to be 1 January.

Evolution of revaluation reserves

The reserves from the remeasurement refer to the adjustments in the fair value of debt instruments measured at fair value by means of non-realised results.

The evolution of the adjustments in fair value of debt instruments measured at fair value by means of non-realised results is shown in the table below:

(in EUR)	Gross	Deferred taxes	Total
Opening balance 01/01/2023	3,881,207	970,302	2,910,905
Revaluation of assets	-673,117	-168,279	-504,838
Securities sold and matured	0	0	0
Impairment	0	0	0
Fair value micro-hedge	0	0	0
Macro fair value hedge	0	0	0
Other	0	0	0
Closing balance 31/12/2023	**3,208,089**	**802,022**	**2,406,067**

The payment of the dividend has already been reported in issue 2.7. "Events after balance sheet date".

4.18. Encumbered assets

The table below provides an overview of the encumbered and non-encumbered assets in 2023 and 2022 :

31/12/2023 (in EUR)	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Cash and sight accounts with central banks	60,833,243	5,505,279,660
Financial assets measured at fair value with value adjustments recognised in the income statement	0	6,526,593
Financial assets measured at fair value through unrealized profit or loss (FVOCI)	16,003,820	156,657,365
Financial assets measured at amortised cost	9,600,901,766	40,011,013,269
Other assets	32,221,405	-1,401,449,791
Total assets	**9,709,960,234**	**44,278,027,096**

31/12/2022 (in EUR)	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Cash and sight accounts with central banks	66,575,683	7,063,860,340
Financial assets measured at fair value with value adjustments recognised in the income statement	0	6,494,954
Financial assets measured at fair value through unrealized profit or loss (FVOCI)	101,509,356	140,639,496
Financial assets measured at amortised cost	8,883,889,198	37,363,019,975
Other assets	14,382,063	201,924,332
Total assets	**9,066,356,300**	**44,775,939,097**

17.99% of the total assets was regarded as encumbered at the end of 2023 (2022: 16.73%). These assets cannot be used immediately by Crelan in order to support future financing.

The table below provides an overview of the encumbered assets and related liabilities:

31/12/2023 (in EUR)	Corresponding or contingent liabilities	Encumbered assets and encumbered guarantees received
Derivatives	39,178,386	696,274,844
Deposits	476,343,007	800,911,274
Debts evidenced by certificates, including bonds	4,487,732,377	6,097,536,579
Other financial liabilities	0	0
Repos	1,045,034,905	1,391,548,160
Other (contingent) liabilities	688,380,788	723,689,376
Total	**6,736,669,463**	**9,709,960,233**

31/12/2022 (in EUR)	Corresponding liabilities or contingent liabilities	Encumbered assets and encumbered guarantees received
Derivatives	43,494,649	588,687,553
Deposits	1,239,918,754	1,511,207,571
Debts evidenced by certificates, including bonds	5,233,091,074	6,402,876,728
Other financial liabilities	0	0
Repos	834,429,499	1,023,413,834
Other (contingent) liabilities	561,379,968	598,297,893
Total	**7,912,313,945**	**10,124,483,580**

4.19. Maximum credit risk

The table below shows the amount for each category of financial instruments that best shows the maximum credit risk to which the entity has been exposed on the balance sheet date without taking any guarantees, securities or other credit improvements into account.

The maximum credit risk is the net book value reduced by the already included impairment losses related to the balance sheet items. For the not included credit lines, the maximum credit risk equals the not included amount and, for the bank guarantees, the amount of the guarantee.

(in EUR)	31/12/2023	31/12/2022
Cash, cash balances at central banks and other demand deposits	5.566.112.903	7.130.436.023
Financial assets held for trading	9.716.708	11.751.718
Loans and receivables		
- Interbank loans Crelan	35.017.477	57.198.900
- Interbank loans AXA Bank Belgium	543.337.359	415.760.623
- Home loans Crelan	13.442.714.885	13.067.168.491
- Home loans AXA Bank Belgium	24.362.120.407	24.049.779.690
- Retail loans	975.501.317	916.914.832
- Agricultural loans	2.036.471.497	2.068.788.260
- Corporate loans	2.303.960.545	2.242.353.275
- Instalment loans Crelan	866.858.625	785.828.977
- Instalment loans AXA Bank Belgium	981.925.859	933.558.959
- Cash collateral paid	186.806.782	189.223.514
- Term loans AXA Bank Belgium	2.559.834.408	2.500.169.695
- Other loans and advances Crelan	506.504.016	407.254.454
- Other loans and advances AXA Bank Belgium	210.855.147	144.840.455
Securities portfolio		
- Government securities	712.296.065	901.050.933
- Bonds and other fixed income securities	46.798.180	297.643.399
- Shares and other variable income securities	6.565.056	6.550.029
- Financial fixed assets	13.535.188	13.322.900
Undrawn credit lines	1.979.540.607	2.583.522.333
Bank guarantees	58.106.366	56.919.555
Maximum credit risk	**57.404.579.397**	**58.780.037.015**

To limit the credit risk, the Group receives specific securities or collaterals. For the loans and receivables in relation to customers (excluding consumer loans (credit) and advances in a current account), it mainly concerns mortgages, trading enterprises and agricultural privileges.

In addition, the Group receives cash collaterals for the derivatives with a positive net market value.

4.20. Sustainability report

4.20.1. Introduction

4.20.1.1. Overview of disclosure requirements

The aim of this qualitative disclosure is to provide transparency regarding the ESG profile of Crelan Group in accordance with the Regulation (EU) 2020/852. Financial institutions must report on the extent to which their activities are linked with those aligned with the taxonomy. Key requirements include explaining the use of the EU taxonomy in assessing the sustainability of underlying investments, disclosing the environmental objectives those investments contribute to, and revealing the proportion of taxonomy-aligned investments relative to the overall portfolio.

The EU Taxonomy is a system that classifies economic activities based on their significant contribution to environmental sustainability. According to Article 3 of the Taxonomy Regulation (EU) 2020/852, specific criteria must be met for an economic activity to be considered environmentally sustainable. These criteria include making a substantial contribution to one or more of the six EU environmental objectives, doing no significant harm (DNSH) to the remaining five objectives, adhering to minimum safeguards for social and governance standards, and meeting the technical screening criteria established for the EU environmental objectives.

The six EU environmental objectives are :

1) Climate Change Mitigation (CCM)
2) Climate Change Adaptation (CCA)
3) Sustainable use and protection of water and marine resources
4) Transition to a circular economy
5) Pollution prevention and control
6) Protection and restoration of biodiversity and ecosystems

Crelan Group is required to disclose on its eligibility and alignment with objectives CCM and CCA for the financial year 2023. Additionally, the regulation also requires reporting on the eligibility of its activities for objectives three, four, five, and six. However, Crelan Group has not done so because most of the company's activities do not fall within the scope of the other objectives. From 2025[3] onwards, Crelan Group will be obliged to report on its eligibility and alignment with all six EU Taxonomy objectives.

4.20.2. Contextual Information for Quantitative KPIs

As outlined in Annex XI in the Regulation (EU) 2021/2178, qualitative disclosures for financial undertakings must be made by asset managers, credit institutions, investment firms, and insurance and reinsurance undertakings. These disclosures aim to help financial institutions in explaining their activities and assisting markets in understanding Key Performance Indicators (KPIs) through qualitative information.

Credit institutions must report some key performance indicators: one for on-balance-sheet assets related to financing activities (GAR), two for off-balance-sheet assets (FinGuar KPI and AuM KPI), and KPIs on services other than lending (F&C KPI and trading book KPI). From January 2024, Crelan Group is expected to report taxonomy alignment, only for on-balance sheet assets and off-balance-sheet assets. The reporting of trading book activities and specific fees and commissions for the 2025 reporting period is required to begin in January 2026[4].

The Green Assets Ratio (GAR) KPIs represents the proportion of exposures related to taxonomy-aligned activities compared to Crelan Group's total covered assets[5].

4.20.2.1. Data sources

The main data sources used to complete the templates of Annex VI included the FINREP of Crelan Group, as well as data from each entity of the Group (Crelan, Europabank, AXA) and data from counterparties. For this year, all tabs in the VI template have been completed only for the two objectives which are Climate Change Mitigation (CCM) and Climate Change Adaptation (CCA) as specified in the regulation.

4.20.2.2. Scope

The assets scope for disclosures for 2023 are exposures to undertakings falling under NFRD, including financial and non-financial undertakings, retail exposures as set out in taxonomy (households and SMEs), local government financing[6], collateral obtained by taking possession (residential and commercial immovable properties), off-balance sheet exposures.

[3] https://envoria.com/insights-news/the-eu-taxonomy-environmental-objectives-1-6-explained
[4] SWD Art 8 draft (europa.eu)
[5] Total covered assets refer to all on-balance-sheet exposures except for central governments, central banks, supranational issuers and the trading portfolio.
[6] N/A for Crelan Group, as the company did not engage in that type of financing during the FY 2023.

4.20.2.3. Limitations

- The absence of a central external database and lack of quality in external data makes it difficult to collect quality-assured data.
- Only few financial companies have reported their share of Taxonomy-eligibility (Belfius and Credit Agricole), and will report their Taxonomy-alignment for financial year 2023, which means that Crelan Group potentially Taxonomy-aligned assets in financial companies will be reported for the first time for financial year 2024.
- Due to the comprehensive level of details required, data on motor vehicle loans (granted after 1 January 2022) is not assessed for alignment. Similarly, due to limitations in data availability, renovation loans are not assessed.
- The new production of debt securities from AXA Bank Belgium's side and the new production of loans and advances for credit institutions were not provided for this reporting period[7].

4.20.3. Taxonomy-Aligned Economic Activities

Taxonomy aligned economic activity = refers to an activity that significantly contributes to one or more environmental objectives, avoids causing significant harm to any environmental objectives, adheres to minimum safeguards, and meets the technical screening criteria set by the Commission.

For the financial year 2023, no taxonomy-aligned activities were identified due to insufficient data. Indeed, we obtained a GAR of 0%. However, looking forward, the proportion of taxonomy-aligned assets will increase over time. This could partly be driven by the future alignment disclosures by European undertakings from the financial year 2024, with Belgium being the most key market in which Crelan Group operates. The widened scope of companies to report on the EU taxonomy disclosures with the implementation of the Corporate Sustainability Reporting Directive (CSRD) and companies further transitioning towards alignment with the EU taxonomy criteria are also expected to have an impact.

4.20.3.1. Summary of the Taxonomy-Aligned activities

For the financial year 2023, no taxonomy-aligned activities were identified due to insufficient data. However, the following table illustrates how the computation should be performed and explains the absence of alignment.

Reporting items	**Computation of taxonomy-aligned activities**	**Limitations in data**
Exposures to financial undertakings under the NFRD.	Based on gross carrying amount of exposure multiplied by publicly reported green asset ratio (GAR).	Published reporting on taxonomy-aligned KPIs from financial undertakings is not available as of the reporting date. Therefore, for this reporting period, we have entered 0.
Exposures to non-financial undertakings under the NFRD.	Based on gross carrying amount of exposure multiplied by reported turnover KPI or CAPEX KPI of non-financial undertakings.	The taxonomy KPIs are based on published financial information. At reporting date, non-financial undertakings have not published data for 2023. Therefore, for this reporting period, we have entered 0.

[7] It will need to be included in the next reporting year.

Reporting items	Computation of taxonomy-aligned activities	Limitations in data
Exposure to household mortgage loans[8].	For buildings constructed before December 31st, the assessment considers either their gross carrying amount if they possess a top-level Energy Performance Certificate (EPC) label A, or if they rank among the top 15% in terms of energy efficiency in the area. Any recorded physical risk events are also considered.	At this point, no information entered into the database regarding the specific use of the loan for renovation and energy efficiency. Therefore, for this reporting period, we have entered 0.
Exposure to household motor vehicle loans.	Loans intended for financing electric vehicles are classified as taxonomy-eligible activities if the loan originates after January 1, 2022.	Assessment of taxonomy alignment requires information about the tyres on the motor vehicle etc. However, data for screening of DNSH is not available. Therefore, for this reporting period, we have entered 0.
Exposures to local governments.	Crelan Group has no local governments financing.	Not applicable for Crelan Group. Therefore, for this reporting period, we have entered 0.
Assets under management.	Crelan Group is not involved in asset management.	Not applicable for Crelan Group. Therefore, for this reporting period, we have entered 0.

4.20.4. Relevant links

Annex XI Qualitative Disclosures for assets managers, credit institutions, investment firms and insurance and reinsurance undertakings: Commission delegated regulation (EU) 2021/2178 of July 2021

EU webpage on EU taxonomy

EU taxonomy: Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020

Guidelines for KPIs disclosures (how to fill in Annex VI): Link

1. Climate delegated act (2 first environmental objectives: Climate Change Mitigation and Climate Change Adaptation)
   Initial text: Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021
   Amendment 1: Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022
   This consists of the addition of new activities not relevant for Crelan.
   Amendment 2: Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023
2. Environmental delegated act (4 other environmental objectives)
   Initial text: Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023

4.20.5. EU Taxonomy – Mandatory templates for the KPIs of Credit Institutions

In the following pages, we present the mandatory templates from the EU Taxonomy Regulation (EU Taxonomy) as published in the Official Journal (Regulation (EU) 2020/852 of 18 June 2020) of the European Commission (EC). The templates are based on the six environmental goals set out by the EC, for which only the first two environmental goals, Climate Change Mitigation and Climate Change Adaptation, are applicable for the 2023 reporting.

The information referred to in Article 8 (6) and (7) about Nuclear Energy and Fossil gas-related activities is not material to Crelan in the disclosure for this year.

[8] This includes loans collateralised by residential immovable property and building renovation loans.

0 Summary of the main EU taxonomy metrics - based on turnover

Summary of the main EU taxonomy metrics - based on turnover			
Million EUR	**Gross Carrying amount**	**EUT Eligible**	**EUT Aligned**
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation			
Financial undertakings	1,713.7	16.0	0.0
Non-financial undertakings	151.7	0.0	0.0
Households	42,070.8	42,546.4	0.0
Local governments financing	0.0	0.0	0.0
Total assets in numerator and denominator	43,936.1	42,562.4	0.0
Assets excluded from the numerator for GAR calculation (covered in the denominator)			
EU financial and non-financial undertakings not subject to NFRD disclosure obligations	5,330.8		
Non-EU country counterparties not subject to NFRD disclosure obligations	0.0		
Derivatives	232.7		
On demand interbank loans	80.5		
Cash and cash-related assets	5,566.1		
Other assets	-1,168.5		
Total assets excluded from the numerator but included in the denominator of GAR	10,041.6		
Total assets in the denominator of GAR	53,977.7		
Green Asset Ratio (GAR)			0.0%

0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

		Total environmentally sustainable assets	**KPI******	**KPI*******	**% coverage (over total assets)*****	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Main KPI	**Green asset ratio (GAR) stock**		**0.00%**	**0.00%**	**81.40%**		

		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	**% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)**	**% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)**
Additional KPIs	*GAR (flow)*		0.00%	0.00%	0	N/A	N/A
	*Trading book**		N/A	N/A			
	Financial guarantees		0	0			
	Assets under management		0	0			
	*Fees and commissions income***		N/A	N/A			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

Instutitons shall dislcose forwardlooking information for this KPIs, including information in terms of targets, together with relevant explanations on the methodology applied.

*** % of assets covered by the KPI over banks´ total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

1.Assets for the calculation of GAR based on Turnover

	Million EUR	a	b	c	d	e	f	g	h	i	j	ab	ac	ad	ae	af
		Disclosure reference date T														
		Total [gross] carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
				Of which environmentally sustainable					Of which environmentally sustainable				Of which environmentally sustainable (Taxonomy-			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,936.15	42,562.43	0	0	0	0	0	0	0	0	42,562.43	0	0	0	0
2	**Financial undertakings**	1,713.65	16.04	0	0	0	0	0	0	0	0	16.04	0	0	0	0
3	Credit institutions	625.38	16.04	0	0	0	0	0	0	0	0	16.04	0	0	0	0
4	Loans and advances	577.85	8.51	0	0	0	0	0	0	0	0	8.51	0	0	0	0
5	Debt securities, including UoP	47.53	7.52	0	0	0	0	0	0	0	0	7.52	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0		0	0	0		0	0
7	Other financial corporations	1,088.27	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	of which investment firms	153.53	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Loans and advances	143.12	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Equity instruments	10.41	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	111.41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Loans and advances	111.41	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	42.51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Loans and advances	42.51	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	**Non-financial undertakings**	151.67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Loans and advances	151.67	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0	0	0	0	0		0	0
24	**Households**	42,070.82	42,546.38	0	0	0	0	0	0	0	0	42,546.38	0	0	0	0
25	of which loans collateralised by residential immovable property	37,782.14	41,935.84	0	0	0	0	0	0	0	0	41,935.84	0	0	0	0
26	of which building renovation loans	3,465.15	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	of which motor vehicle loans	610.54	610.54	0	0	0	0					610.54	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.01	0.01	0	0	0	0	0	0	0	0	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	10,041.58										0	0	0	0	0
33	**Financial and Non-financial undertakings**	5,330.80														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,330.76														
35	Loans and advances	5,330.76														
36	of which loans collateralised by commercial immovable property	2,802.76														
37	of which building renovation loans	514.75														
38	Debt securities	0														
39	Equity instruments	0														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0.04														
41	Loans and advances	0														
42	Debt securities	0														
43	Equity instruments	0.04														
44	**Derivatives**	232.65														
45	**On demand interbank loans**	80.52														
46	**Cash and cash-related assets**	5,566.11														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-1,168.51														
48	**Total GAR assets**	**53,977.74**	**42,562.43**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**42,562.43**	**0**	**0**	**0**	**0**
49	**Assets not covered for GAR calculation**	10.25														
50	**Central governments and Supranational issuers**	0														
51	**Central banks exposure**	0.53														
52	**Trading book**	9.72														
53	**Total assets**	53,987.99	42,562.43	0	0	0	0	0	0	0	0	42,562.43	0	0	0	0
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

1.Assets for the calculation of GAR based on Capex

	Million EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	z	aa	ab	ac	ad	ae	af
			Disclosure reference date T																													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				Water and marine resources (WTR)				Circular economy (CE)				Pollution (PPC)				Biodiversity and Ecosystems (BIO)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)				
		Total [gross] carrying amount	Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)			Of which towards taxonomy relevant sectors (Taxonomy-eligible)	Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
					Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
	GAR - Covered assets in both numerator and denominator																															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	43,936.15	42,562.43	0	0	0	0	0	0	0	0																	42,562.43	0	0	0	0
2	**Financial undertakings**	1,713.65	16.04	0	0	0	0	0	0	0	0																	16.04	0	0	0	0
3	Credit institutions	625.38	16.04	0	0	0	0	0	0	0	0																	16.04	0	0	0	0
4	Loans and advances	577.85	8.51	0	0	0	0	0	0	0	0																	8.51	0	0	0	0
5	Debt securities, including UoP	47.53	7.52	0	0	0	0	0	0	0	0																	7.52	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0																	0	0		0	0
7	Other financial corporations	1,088.27	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
8	of which investment firms	153.53	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
9	Loans and advances	143.12	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
10	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
11	Equity instruments	10.41	0	0		0	0	0	0		0																	0.00	0		0	0
12	of which management companies	111.41	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
13	Loans and advances	111.41	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
14	Debt securities, including UoP	0	0	0	0	0			0	0	0																	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0																	0	0		0	0
16	of which insurance undertakings	42.51	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
17	Loans and advances	42.51	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0																	0	0		0	0
20	**Non-financial undertakings**	151.67	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
21	Loans and advances	151.67	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
22	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
23	Equity instruments	0	0	0		0	0	0	0	0	0																	0	0		0	0
24	**Households**	42,070.82	42,546.38	0	0	0	0	0	0	0	0																	42,546.38	0	0	0	0
25	of which loans collateralised by residential immovable property	37,782.14	41,935.84	0	0	0	0		0	0	0																	41,935.84	0	0	0	0
26	of which building renovation loans	3,465.15	0.00	0	0	0	0		0	0	0																	0	0	0	0	0
27	of which motor vehicle loans	610.54	610.54	0	0	0	0																					610.54	0	0	0	0
28	**Local governments financing**	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
29	Housing financing	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
30	Other local government financing	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0.01	0.01	0	0	0	0	0	0	0	0																	0	0	0	0	0

32	**Assets excluded from the numerator for GAR calculation (covered in the denominator)**	10,041.58																										0	0	0	0	0
33	**Financial and Non-financial undertakings**	5,330.80																														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	5,330.76																														
35	Loans and advances	5,330.76																														
36	of which loans collateralised by commercial immovable property	2,802.76																														
37	of which building renovation loans	514.75																														
38	Debt securities	0																														
39	Equity instruments	0																														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	0.04																														
41	Loans and advances	0																														
42	Debt securities	0																														
43	Equity instruments	0.04																														
44	**Derivatives**	232.65																														
45	**On demand interbank loans**	80.52																														
46	**Cash and cash-related assets**	5,566.11																														
47	**Other categories of assets (e.g. Goodwill, commodities etc.)**	-1,168.51																														
48	**Total GAR assets**	**53,977.74**	**42,562.43**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**																	**42,562.43**	**0**	**0**	**0**	**0**
49	**Assets not covered for GAR calculation**	10.25																														
50	**Central governments and Supranational issuers**	0																														
51	**Central banks exposure**	0.53																														
52	**Trading book**	9.72																														
53	**Total assets**	53,987.99	42,562.43	0	0	0	0	0	0	0	0																	42,562.43	0	0	0	0
	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																															
54	Financial guarantees	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
55	Assets under management	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
56	Of which debt securities	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0
57	Of which equity instruments	0	0	0	0	0	0	0	0	0	0																	0	0	0	0	0

2. GAR sector information

		a	b	c	d	e	f	g	h	y	z	aa	ab
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
	Breakdown by sector - NACE 4 digits level (code and label)	[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)	Mn EUR	Of which environmentally sustainable (CCM + CCA + WTR + CE + PPC + BIO)
	Breakdown by NACE code and by environmental objectives for Non-financial Corporates (subject to NFRD > 500 employees).									0	0		
1	0110-Growing of non-perennial crops	2.32	0			0.00	0			2.32	0		
2	0111-Growing of cereals (except rice), leguminous crops and oil seeds	1.37	0			0.00	0			1.37	0		
3	0113-Growing of vegetables and melons, roots and tubers	31.09	0			0.00	0			31.09	0		
4	0119-Growing of other non-perennial crops	0.07	0			0.00	0			0.07	0		
5	0124-Growing of pome fruits and stone fruits	0.03	0			0.00	0			0.03	0		
6	0129-Growing of other perennial crops	0.00	0			0.00	0			0.00	0		
7	0130-Plant propagation	0.00	0			0.00	0			0.00	0		
8	0141-Raising of dairy cattle	0.28	0			0.00	0			0.28	0		
9	0142-Raising of other cattle and buffaloes	0.05	0			0.00	0			0.05	0		
10	0143-Raising of horses and other equines	0.01	0			0.00	0			0.01	0		
11	0145-Raising of sheep and goats	0.00	0			0.00	0			0.00	0		
12	0146-Raising of swine/pigs	1.57	0			0.00	0			1.57	0		
13	0149-Raising of other animals	0.02	0			0.00	0			0.02	0		
14	0150-Mixed farming	9.32	0			0.00	0			9.32	0		
15	0161-Support activities for crop production	2.34	0			0.00	0			2.35	0		
16	0162-Support activities for animal production	0.03	0			0.00	0			0.03	0		
17	0163-Post-harvest crop activities	5.27	0			0.00	0			5.27	0		
18	0210-Silviculture and other forestry activities	0.00	0			0.00	0			0.00	0		
19	0220-Logging	0.08	0			0.00	0			0.08	0		
20	0311-Marine fishing	0.00	0			0.00	0			0.00	0		
21	0322-Freshwater aquaculture	0.00	0			0.00	0			0.00	0		
22	0702-	0.00	0			0.00	0			0.00	0		
23	0899-Other mining and quarrying n.e.c.	0.00	0			0.00	0			0.00	0		
24	1011-Processing and preserving of meat	0.11	0			0.00	0			0.11	0		
25	1012-Processing and preserving of poultry meat	0.00	0			0.00	0			0.00	0		
26	1013-Production of meat and poultry meat products	0.00	0			0.00	0			0.00	0		
27	1020-Processing and preserving of fish, crustaceans and molluscs	0.03	0			0.00	0			0.03	0		
28	1031-Processing and preserving of potatoes	0.00	0			0.00	0			0.00	0		
29	1032-Manufacture of fruit and vegetable juice	0.00	0			0.00	0			0.00	0		
30	1041-Manufacture of oils and fats	0.02	0			0.00	0			0.02	0		
31	1051-Operation of dairies and cheese making	4.05	0			0.00	0			4.05	0		
32	1052-Manufacture of ice cream	0.00	0			0.00	0			0.00	0		
33	1061-Manufacture of grain mill products	1.29	0			0.00	0			1.29	0		
34	1071-Manufacture of bread; manufacture of fresh pastry goods and cakes	0.06	0			0.00	0			0.06	0		
35	1082-Manufacture of cocoa, chocolate and sugar confectionery	0.00	0			0.00	0			0.00	0		
36	1089-Manufacture of other food products n.e.c.	0.00	0			0.00	0			0.00	0		
37	1091-Manufacture of prepared feeds for farm animals	3.88	0			0.00	0			3.89	0		
38	1105-Manufacture of beer	3.31	0			0.00	0			3.31	0		
39	1107-Manufacture of soft drinks; production of mineral waters and other bottled waters	0.00	0			0.00	0			0.00	0		
40	1392-Manufacture of made-up textile articles, except apparel	0.02	0			0.00	0			0.02	0		
41	1399-Manufacture of other textiles n.e.c.	0.00	0			0.00	0			0.00	0		
42	1413-Manufacture of other outerwear	0.00	0			0.00	0			0.00	0		
43	1610-Sawmilling and planing of wood	0.00	0			0.00	0			0.00	0		
44	1623-Manufacture of other builders' carpentry and joinery	0.03	0			0.00	0			0.03	0		
45	1629-Manufacture of other products of wood; manufacture of articles of cork, straw and plaiting materials	0.00	0			0.00	0			0.00	0		
46	1712-Manufacture of paper and paperboard	0.04	0			0.00	0			0.04	0		

47	1811-Printing of newspapers	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
48	1812-Other printing	0.14	0	[redacted]	0.00	0	[redacted]	0.14	0	[redacted]
49	2012-Manufacture of dyes and pigments	0.21	0	[redacted]	0.00	0	[redacted]	0.21	0	[redacted]
50	2030-Manufacture of paints, varnishes and similar coatings, printing ink a mastics	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
51	2041-Manufacture of soap and detergents, cleaning and polishing preparations	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
52	2042-Manufacture of perfumes and toilet preparations	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
53	2110-Manufacture of basic pharmaceutical products	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
54	2311-Manufacture of flat glass	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
55	2370-Cutting, shaping and finishing of stone	0.00	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
56	2445-Other non-ferrous metal production	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
57	2453-Casting of light metals	0.00	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
58	2511-Manufacture of metal structures and parts of structures	0.13	0	[redacted]	0.00	0	[redacted]	0.13	0	[redacted]
59	2512-Manufacture of doors and windows of metal	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
60	2529-Manufacture of other tanks, reservoirs and containers of metal	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
61	2550-Forging, pressing, stamping and roll-forming of metal; powder metallurgy	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
62	2561-Treatment and coating of metals	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
63	2562-Machining	0.12	0	[redacted]	0.00	0	[redacted]	0.12	0	[redacted]
64	2599-Manufacture of other fabricated metal products n.e.c.	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
65	2640-Manufacture of consumer electronics	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
66	2732-Manufacture of other electronic and electric wires and cables	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
67	2740-Manufacture of electric lighting equipment	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
68	2790-Manufacture of other electrical equipment	1.12	0	[redacted]	0.00	0	[redacted]	1.12	0	[redacted]
69	2812-Manufacture of fluid power equipment	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
70	2813-Manufacture of other pumps and compressors	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
71	2830-Manufacture of agricultural and forestry machinery	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
72	2899-Manufacture of other special-purpose machinery n.e.c.	0.17	0	[redacted]	0.00	0	[redacted]	0.17	0	[redacted]
73	2910-Manufacture of motor vehicles	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
74	2920-Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
75	2932-Manufacture of other parts and accessories for motor vehicles	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
76	3092-Manufacture of bicycles and invalid carriages	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
77	3099-Manufacture of other transport equipment n.e.c.	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
78	3102-Manufacture of kitchen furniture	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
79	3212-Manufacture of jewellery and related articles	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
80	3213-Manufacture of imitation jewellery and related articles	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
81	3250-Manufacture of medical and dental instruments and supplies	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
82	3312-Repair of machinery	0.06	0	[redacted]	0.00	0	[redacted]	0.06	0	[redacted]
83	3320-Installation of industrial machinery and equipment	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
84	3511-Production of electricity	8.86	0	[redacted]	0.00	0	[redacted]	8.86	0	[redacted]
85	3514-Trade of electricity	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
86	3700-Sewerage	7.00	0	[redacted]	0.00	0	[redacted]	7.00	0	[redacted]
87	3811-Collection of non-hazardous waste	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
88	3822-Treatment and disposal of hazardous waste	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
89	3900-Remediation activities and other waste management services	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
90	4110-Development of building projects	0.08	0	[redacted]	0.00	0	[redacted]	0.08	0	[redacted]
91	4120-Construction of residential and non-residential buildings	1.61	0	[redacted]	0.00	0	[redacted]	1.61	0	[redacted]
92	4211-Construction of roads and motorways	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
93	4221-Construction of utility projects for fluids	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
94	4222-Construction of utility projects for electricity and telecommunications	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
95	4291-Construction of water projects	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
96	4299-Construction of other civil engineering projects n.e.c.	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
97	4311-Demolition	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
98	4312-Site preparation	0.20	0	[redacted]	0.00	0	[redacted]	0.20	0	[redacted]
99	4321-Electrical installation	0.50	0	[redacted]	0.00	0	[redacted]	0.50	0	[redacted]
100	4322-Plumbing, heat and air conditioning installation	0.25	0	[redacted]	0.00	0	[redacted]	0.25	0	[redacted]
101	4329-Other construction installation	0.06	0	[redacted]	0.00	0	[redacted]	0.06	0	[redacted]
102	4331-Plastering	0.09	0	[redacted]	0.00	0	[redacted]	0.09	0	[redacted]
103	4332-Joinery installation	0.51	0	[redacted]	0.00	0	[redacted]	0.51	0	[redacted]

104	4333-Floor and wall covering	0.07	0	[redacted]	0.00	0	[redacted]	0.07	0	[redacted]
105	4334-Painting and glazing	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
106	4339-Other building completion and finishing	0.10	0	[redacted]	0.00	0	[redacted]	0.10	0	[redacted]
107	4391-Roofing activities	0.16	0	[redacted]	0.00	0	[redacted]	0.16	0	[redacted]
108	4399-Other specialised construction activities n.e.c.	0.22	0	[redacted]	0.00	0	[redacted]	0.22	0	[redacted]
109	4510-Sale of motor vehicles	-1.90	0	[redacted]	0.00	0	[redacted]	-1.90	0	[redacted]
110	4511-Sale of cars and light motor vehicles	2.45	0	[redacted]	0.00	0	[redacted]	2.45	0	[redacted]
111	4519-Sale of other motor vehicles	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
112	4520-Maintenance and repair of motor vehicles	0.22	0	[redacted]	0.00	0	[redacted]	0.22	0	[redacted]
113	4532-Retail trade of motor vehicle parts and accessories	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
114	4540-Sale, maintenance and repair of motorcycles and related parts and accessories	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
115	4611-Agents involved in the sale of agricultural raw materials, live anima textile raw materials and semi-finished goods	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
116	4613-Agents involved in the sale of timber and building materials	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
117	4614-Agents involved in the sale of machinery, industrial equipment, ships and aircraft	0.54	0	[redacted]	0.00	0	[redacted]	0.54	0	[redacted]
118	4615-Agents involved in the sale of furniture, household goods, hardware and ironmongery	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
119	4616-Agents involved in the sale of textiles, clothing, fur, footwear and leather goods	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
120	4617-Agents involved in the sale of food, beverages and tobacco	0.06	0	[redacted]	0.00	0	[redacted]	0.06	0	[redacted]
121	4618-Agents specialised in the sale of other particular products	0.07	0	[redacted]	0.00	0	[redacted]	0.07	0	[redacted]
122	4619-Agents involved in the sale of a variety of goods	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
123	4621-Wholesale of grain, unmanufactured tobacco, seeds and animal feeds	2.88	0	[redacted]	0.00	0	[redacted]	2.88	0	[redacted]
124	4622-Wholesale of flowers and plants	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
125	4623-Wholesale of live animals	1.57	0	[redacted]	0.00	0	[redacted]	1.57	0	[redacted]
126	4631-Wholesale of fruit and vegetables	6.77	0	[redacted]	0.00	0	[redacted]	6.77	0	[redacted]
127	4632-Wholesale of meat and meat products	2.10	0	[redacted]	0.00	0	[redacted]	2.10	0	[redacted]
128	4633-Wholesale of dairy products, eggs and edible oils and fats	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
129	4634-Wholesale of beverages	0.26	0	[redacted]	0.00	0	[redacted]	0.26	0	[redacted]
130	4637-Wholesale of coffee, tea, cocoa and spices	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
131	4638-Wholesale of other food, including fish, crustaceans and molluscs	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
132	4639-Non-specialised wholesale of food, beverages and tobacco	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
133	4641-Wholesale of textiles	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
134	4642-Wholesale of clothing and footwear	0.12	0	[redacted]	0.00	0	[redacted]	0.12	0	[redacted]
135	4643-Wholesale of electrical household appliances	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
136	4644-Wholesale of china and glassware and cleaning materials	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
137	4645-Wholesale of perfume and cosmetics	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
138	4646-Wholesale of pharmaceutical goods	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
139	4648-Wholesale of watches and jewellery	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
140	4649-Wholesale of other household goods	0.48	0	[redacted]	0.00	0	[redacted]	0.48	0	[redacted]
141	4651-Wholesale of computers, computer peripheral equipment and software	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
142	4652-Wholesale of electronic and telecommunications equipment and parts	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
143	4661-Wholesale of agricultural machinery, equipment and supplies	0.18	0	[redacted]	0.00	0	[redacted]	0.18	0	[redacted]
144	4662-Wholesale of machine tools	3.73	0	[redacted]	0.00	0	[redacted]	3.73	0	[redacted]
145	4663-Wholesale of mining, construction and civil engineering machinery	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
146	4665-Wholesale of office furniture	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
147	4666-Wholesale of other office machinery and equipment	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
148	4669-Wholesale of other machinery and equipment	0.09	0	[redacted]	0.00	0	[redacted]	0.09	0	[redacted]
149	4671-Wholesale of solid, liquid and gaseous fuels and related products	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
150	4672-Wholesale of metals and metal ores	0.75	0	[redacted]	0.00	0	[redacted]	0.75	0	[redacted]
151	4673-Wholesale of wood, construction materials and sanitary equipment	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
152	4674-Wholesale of hardware, plumbing and heating equipment and supplies	2.01	0	[redacted]	0.00	0	[redacted]	2.01	0	[redacted]
153	4675-Wholesale of chemical products	1.97	0	[redacted]	0.00	0	[redacted]	1.97	0	[redacted]
154	4676-Wholesale of other intermediate products	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
155	4677-Wholesale of waste and scrap	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
156	4690-Non-specialised wholesale trade	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
157	4711-Retail sale in non-specialised stores with food, beverages or tobacco predominating	0.96	0	[redacted]	0.00	0	[redacted]	0.96	0	[redacted]

158	4719-Other retail sale in non-specialised stores	0.06	0	[redacted]	0.00	0	[redacted]	0.06	0	[redacted]
159	4721-Retail sale of fruit and vegetables in specialised stores	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
160	4722-Retail sale of meat and meat products in specialised stores	0.06	0	[redacted]	0.00	0	[redacted]	0.06	0	[redacted]
161	4723-Retail sale of fish, crustaceans and molluscs in specialised stores	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
162	4724-Retail sale of bread, cakes, flour confectionery and sugar confectionery in specialised stores	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
163	4725-Retail sale of beverages in specialised stores	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
164	4726-Retail sale of tobacco products in specialised stores	0.08	0	[redacted]	0.00	0	[redacted]	0.08	0	[redacted]
165	4729-Other retail sale of food in specialised stores	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
166	4730-Retail sale of automotive fuel in specialised stores	0.33	0	[redacted]	0.00	0	[redacted]	0.33	0	[redacted]
167	4741-Retail sale of computers, peripheral units and software in specialised stores	0.39	0	[redacted]	0.00	0	[redacted]	0.39	0	[redacted]
168	4751-Retail sale of textiles in specialised stores	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
169	4752-Retail sale of hardware, paints and glass in specialised stores	0.08	0	[redacted]	0.00	0	[redacted]	0.08	0	[redacted]
170	4753-Retail sale of carpets, rugs, wall and floor coverings in specialised stores	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
171	4754-Retail sale of electrical household appliances in specialised stores	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
172	4759-Retail sale of furniture, lighting equipment and other household articles in specialised stores	0.14	0	[redacted]	0.00	0	[redacted]	0.14	0	[redacted]
173	4762-Retail sale of newspapers and stationery in specialised stores	0.16	0	[redacted]	0.00	0	[redacted]	0.16	0	[redacted]
174	4764-Retail sale of sporting equipment in specialised stores	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
175	4765-Retail sale of games and toys in specialised stores	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
176	4771-Retail sale of clothing in specialised stores	0.09	0	[redacted]	0.00	0	[redacted]	0.09	0	[redacted]
177	4772-Retail sale of footwear and leather goods in specialised stores	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
178	4773-Dispensing chemist in specialised stores	0.11	0	[redacted]	0.00	0	[redacted]	0.11	0	[redacted]
179	4774-Retail sale of medical and orthopaedic goods in specialised stores	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
180	4775-Retail sale of cosmetic and toilet articles in specialised stores	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
181	4776-Retail sale of flowers, plants, seeds, fertilisers, pet animals and pet food in specialised stores	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
182	4777-Retail sale of watches and jewellery in specialised stores	0.14	0	[redacted]	0.00	0	[redacted]	0.14	0	[redacted]
183	4778-Other retail sale of new goods in specialised stores	1.02	0	[redacted]	0.00	0	[redacted]	1.02	0	[redacted]
184	4779-Retail sale of second-hand goods in stores	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
185	4781-Retail sale via stalls and markets of food, beverages and tobacco products	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
186	4782-Retail sale via stalls and markets of textiles, clothing and footwear	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
187	4789-Retail sale via stalls and markets of other goods	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
188	4791-Retail sale via mail order houses or via Internet	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
189	4799-Other retail sale not in stores, stalls or markets	0.16	0	[redacted]	0.00	0	[redacted]	0.16	0	[redacted]
190	4931-Urban and suburban passenger land transport	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
191	4932-Taxi operation	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
192	4939-Other passenger land transport n.e.c.	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
193	4941-Freight transport by road	2.46	0	[redacted]	0.00	0	[redacted]	2.46	0	[redacted]
194	4942-Removal services	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
195	4950-Transport via pipeline	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
196	5040-Inland freight water transport	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
197	5210-Warehousing and storage	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
198	5221-Service activities incidental to land transportation	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
199	5222-Service activities incidental to water transportation	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
200	5224-Cargo handling	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
201	5229-Other transportation support activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
202	5310-Postal activities under universal service obligation	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
203	5320-Other postal and courier activities	0.17	0	[redacted]	0.00	0	[redacted]	0.17	0	[redacted]
204	5510-Hotels and similar accommodation	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
205	5520-Holiday and other short-stay accommodation	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
206	5530-Camping grounds, recreational vehicle parks and trailer parks	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
207	5590-Other accommodation	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
208	5610-Restaurants and mobile food service activities	0.36	0	[redacted]	0.00	0	[redacted]	0.36	0	[redacted]
209	5621-Event catering activities	0.11	0	[redacted]	0.00	0	[redacted]	0.11	0	[redacted]
210	5629-Other food service activities	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]

211	5630-Beverage serving activities	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
212	5811-Book publishing	0.61	0	[redacted]	0.00	0	[redacted]	0.61	0	[redacted]
213	5814-Publishing of journals and periodicals	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
214	5819-Other publishing activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
215	5911-Motion picture, video and television programme production activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
216	5912-Motion picture, video and television programme post-production activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
217	5920-Sound recording and music publishing activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
218	6120-Wireless telecommunications activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
219	6190-Other telecommunications activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
220	6201-Computer programming activities	0.09	0	[redacted]	0.00	0	[redacted]	0.09	0	[redacted]
221	6202-Computer consultancy activities	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
222	6209-Other information technology and computer service activities	1.38	0	[redacted]	0.00	0	[redacted]	1.38	0	[redacted]
223	6311-Data processing, hosting and related activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
224	6312-Web portals	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
225	6391-News agency activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
226	6399-Other information service activities n.e.c.	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
227	6420-Activities of holding companies	4.44	0	[redacted]	0.00	0	[redacted]	4.44	0	[redacted]
228	6430-Trusts, funds and similar financial entities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
229	6499-Other financial service activities, except insurance and pension funding n.e.c.	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
230	6512-Non-life insurance	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
231	6619-Other activities auxiliary to financial services, except insurance and pension funding	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
232	6622-Activities of insurance agents and brokers	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
233	6629-Other activities auxiliary to insurance and pension funding	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
234	6630-Fund management activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
235	6810-Buying and selling of own real estate	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
236	6820-Renting and operating of own or leased real estate	2.63	0	[redacted]	0.00	0	[redacted]	2.63	0	[redacted]
237	6831-Real estate agencies	0.11	0	[redacted]	0.00	0	[redacted]	0.11	0	[redacted]
238	6832-Management of real estate on a fee or contract basis	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
239	6910-Legal activities	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
240	6920-Accounting, bookkeeping and auditing activities; tax consultancy	0.30	0	[redacted]	0.00	0	[redacted]	0.30	0	[redacted]
241	7010-Activities of head offices	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
242	7021-Public relations and communication activities	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
243	7022-Business and other management consultancy activities	1.15	0	[redacted]	0.00	0	[redacted]	1.15	0	[redacted]
244	7111-Architectural activities	0.12	0	[redacted]	0.00	0	[redacted]	0.12	0	[redacted]
245	7112-Engineering activities and related technical consultancy	0.11	0	[redacted]	0.00	0	[redacted]	0.11	0	[redacted]
246	7120-Technical testing and analysis	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
247	7219-Other research and experimental development on natural sciences and engineering	0.11	0	[redacted]	0.00	0	[redacted]	0.11	0	[redacted]
248	7311-Advertising agencies	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
249	7320-Market research and public opinion polling	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
250	7410-Specialised design activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
251	7420-Photographic activities	0.00	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
252	7430-Translation and interpretation activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
253	7490-Other professional, scientific and technical activities n.e.c.	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
254	7500-Veterinary activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
255	7711-Renting and leasing of cars and light motor vehicles	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
256	7712-Renting and leasing of trucks	1.40	0	[redacted]	0.00	0	[redacted]	1.40	0	[redacted]
257	7722-Renting of video tapes and disks	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
258	7729-Renting and leasing of other personal and household goods	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
259	7731-Renting and leasing of agricultural machinery and equipment	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
260	7739-Renting and leasing of other machinery, equipment and tangible goods n.e.c.	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
261	7810-Activities of employment placement agencies	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
262	7820-Temporary employment agency activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
263	7830-Other human resources provision	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
264	7911-Travel agency activities	0.09	0	[redacted]	0.00	0	[redacted]	0.09	0	[redacted]
265	8010-Private security activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
266	8110-Combined facilities support activities	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]

267	8121-General cleaning of buildings	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
268	8122-Other building and industrial cleaning activities	0.03	0	[redacted]	0.00	0	[redacted]	0.03	0	[redacted]
269	8129-Other cleaning activities	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
270	8130-Landscape service activities	2.73	0	[redacted]	0.00	0	[redacted]	2.73	0	[redacted]
271	8211-Combined office administrative service activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
272	8219-Photocopying, document preparation and other specialised office support activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
273	8230-Organisation of conventions and trade shows	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
274	8299-Other business support service activities n.e.c.	0.07	0	[redacted]	0.00	0	[redacted]	0.07	0	[redacted]
275	8424-Public order and safety activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
276	8430-Compulsory social security activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
277	8551-Sports and recreation education	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
278	8552-Cultural education	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
279	8559-Other education n.e.c.	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
280	8560-Educational support activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
281	8610-Hospital activities	0.40	0	[redacted]	0.00	0	[redacted]	0.40	0	[redacted]
282	8621-General medical practice activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
283	8622-Specialist medical practice activities	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
284	8623-Dental practice activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
285	8690-Other human health activities	0.12	0	[redacted]	0.00	0	[redacted]	0.12	0	[redacted]
286	8710-Residential nursing care activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
287	8720-Residential care activities for mental retardation, mental health and substance abuse	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
288	8730-Residential care activities for the elderly and disabled	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
289	8790-Other residential care activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
290	8810-Social work activities without accommodation for the elderly and disabled	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
291	8891-Child day-care activities	0.04	0	[redacted]	0.00	0	[redacted]	0.04	0	[redacted]
292	8899-Other social work activities without accommodation n.e.c.	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
293	9001-Performing arts	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
294	9002-Support activities to performing arts	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
295	9003-Artistic creation	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
296	9101-Library and archives activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
297	9102-Museums activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
298	9200-Gambling and betting activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
299	9311-Operation of sports facilities	0.05	0	[redacted]	0.00	0	[redacted]	0.05	0	[redacted]
300	9312-Activities of sport clubs	0.12	0	[redacted]	0.00	0	[redacted]	0.12	0	[redacted]
301	9313-Fitness facilities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
302	9319-Other sports activities	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
303	9329-Other amusement and recreation activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
304	9412-Activities of professional membership organisations	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
305	9491-Activities of religious organisations	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
306	9499-Activities of other membership organisations n.e.c.	0.45	0	[redacted]	0.00	0	[redacted]	0.45	0	[redacted]
307	9511-Repair of computers and peripheral equipment	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
308	9521-Repair of consumer electronics	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
309	9525-Repair of watches, clocks and jewellery	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
310	9529-Repair of other personal and household goods	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
311	9601-Washing and (dry-)cleaning of textile and fur products	0.02	0	[redacted]	0.00	0	[redacted]	0.02	0	[redacted]
312	9602-Hairdressing and other beauty treatment	0.07	0	[redacted]	0.00	0	[redacted]	0.07	0	[redacted]
313	9603-Funeral and related activities	0.01	0	[redacted]	0.00	0	[redacted]	0.01	0	[redacted]
314	9604-Physical well-being activities	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
315	9609-Other personal service activities n.e.c.	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
316	9700-Activities of households as employers of domestic personnel	0.00	0	[redacted]	0.00	0	[redacted]	0.00	0	[redacted]
317	9810-Undifferentiated goods-producing activities of private households for own use	8.23	0	[redacted]	0.00	0	[redacted]	8.23	0	[redacted]

3. GAR KPI stock based on Turnover

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
	% (compared to total covered assets in the denominator)	Disclosure reference date T														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	78.85%	0%	0%	0%	0%	0%	0%	0%	0%	78.85%	0%	0%	0%	0%	
2	**Financial undertakings**	0.03%	0%	0%	0%	0%	0%	0%	0%	0%	0.03%	0%	0%	0%	0%	
3	Credit institutions	0.03%	0%	0%	0%	0%	0%	0%	0%	0%	0.03%	0%	0%	0%	0%	
4	Loans and advances	0.02%	0%	0%	0%	0%	0%	0%	0%	0%	0.02%	0%	0%	0%	0%	
5	Debt securities, including UoP	0.01%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
24	**Households**	78.82%	0%	0%	0%	0%	0%	0%	0%	0%	78.82%	0%	0%	0%	0%	
25	of which loans collateralised by residential immovable property	77.69%	0%	0%	0%	0%	0%	0%	0%	0%	77.69%	0%	0%	0%	0%	
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
27	of which motor vehicle loans	1.13%	0%	0%	0%	0%										
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
32	**Total GAR assets**	**78.85%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**78.85%**	**0%**	**0%**	**0%**	**0%**	

3.GAR KPI stock based on Capex

		a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)		Disclosure reference date T														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100.00%	0%	0%	0%	0%	0%	0%	0%	0%	100.00%	0%	0%	0%	0%	
2	**Financial undertakings**	0.04%	0%	0%	0%	0%	0%	0%	0%	0%	0.04%	0%	0%	0%	0%	
3	Credit institutions	0.04%	0%	0%	0%	0%	0%	0%	0%	0%	0.04%	0%	0%	0%	0%	
4	Loans and advances	0.02%	0%	0%	0%	0%	0%	0%	0%	0%	0.02%	0%	0%	0%	0%	
5	Debt securities, including UoP	0.02%	0%	0%	0%	0%	0%	0%	0%	0%	0.02%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
24	**Households**	99.96%	0%	0%	0%	0%	0%	0%	0%	0%	99.96%	0%	0%	0%	0%	
25	of which loans collateralised by residential immovable property	98.53%	0%	0%	0%	0%	0%	0%	0%	0%	98.53%	0%	0%	0%	0%	
26	of which building renovation loans	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
27	of which motor vehicle loans	1.43%	0%	0%	0%	0%										
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	**Total GAR assets**	**100.00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100.00%**	**0%**	**0%**	**0%**	**0%**	

4. GAR KPI flow based on Turnover

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		Disclosure reference date T														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100.00%	0%	0%	0%	0%	0%	0%	0%	0%	100.00%	0%	0%	0%	0%	
2	**Financial undertakings**	0.01%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
3	Credit institutions	0.01%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
4	Loans and advances	0.00%	0%	0%	0%	0%	0%	0%	0%	0%	0.00%	0%	0%	0%	0%	
5	Debt securities, including UoP	0.01%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
24	**Households**	99.99%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	
25	of which loans collateralised by residential immovable property	92.88%	0%	0%	0%	0%	0%	0%	0%	0%	92.88%	0%	0%	0%	0%	
26	of which building renovation loans	0.00%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
27	of which motor vehicle loans	7.11%	0%	0%	0%	0%					7.11%	0%	0%	0%	0%	
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	**Total GAR assets**	**100.00%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100%**	**0%**	**0%**	**0%**	**0%**	

4. GAR KPI flow

	% (compared to flow of total eligible assets)	a	b	c	d	e	f	g	h	i	aa	ab	ac	ad	ae	af
		Disclosure reference date T														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA + WTR + CE + PPC + BIO)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total new assets covered
			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
				Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling	
	GAR - Covered assets in both numerator and denominator															
1	Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	100.00%	0%	0%	0%	0%	0%	0%	0%	0%	100.00%	0%	0%	0%	0%	
2	**Financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
3	Credit institutions	0%	0%	0%	0%	0%	0%	0%	0%	0%	0.01%	0%	0%	0%	0%	
4	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
5	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0.0%	0%	0.01%	0%	0%	0%	0%	
6	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
7	Other financial corporations	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
8	of which investment firms	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
9	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
10	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
11	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
12	of which management companies	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
13	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
14	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
15	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
16	of which insurance undertakings	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
17	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
18	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
19	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
20	**Non-financial undertakings**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
21	Loans and advances	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
22	Debt securities, including UoP	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
23	Equity instruments	0%	0%		0%	0%	0%	0%		0%	0%	0%		0%	0%	
24	**Households**	99.99%	0%	0%	0%	0%	0%	0%	0%	0%	99.99%	0%	0%	0%	0%	
25	of which loans collateralised by residential immovable property	92.88%	0%	0%	0%	0%		0%	0%	0%	92.88%	0%	0%	0%	0%	
26	of which building renovation loans	0%	0%	0%	0%	0%		0%	0%	0%	0%	0%	0%	0%	0%	
27	of which motor vehicle loans	7.11%	0%	0%	0%	0%					7.11%	0%	0%	0%	0%	
28	**Local governments financing**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
29	Housing financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
30	Other local government financing	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
31	**Collateral obtained by taking possession: residential and commercial immovable properties**	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
32	**Total GAR assets**	**100%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**0%**	**100.00%**	**0%**	**0%**	**0%**	**0%**	

5. Notes regarding the income statement

5.1. Interest income and interest charges

The breakdown of the interest income and charges as on 31 December 2023 and 2022 is shown in the table below:

(in EUR)	31/12/2023	31/12/2022
Interest income		
Financial assets held for trading	231,232,034	49,557,055
Financial assets measured at fair value with value adjustments recognised in the income statement	594,285	525,715
Financial assets measured at fair value through unrealized gains and losses (FVOCI)	3,192,595	0
Loans and receivables measured at amortised cost	1,283,688,679	735,633,815
Securities measured at amortised cost	159,113,752	4,080,568
Interest income on financial liabilities	3,425,432	7,967,801
Derivatives used for hedging purposes	189,246,832	11,807,782
Other	5,308,777	3,716,092
Total interest income	1,875,802,386	813,288,828
Interest expense		
Financial liabilities held for trading	257,607,480	33,560,806
Deposits	524,202,229	50,679,218
Debt securities (including bonds)	98,283,477	22,552,051
Subordinated debt	7,005,284	7,901,266
Interest expense on financial assets	548,001	20,094,419
Derivatives used for hedging purposes	0	0
Other	478,952	405,022
Total interest expense	888,125,423	135,192,782
Net interest income	**987,676,963**	**678,096,046**

The net interest income increased by EUR 309.6 million in 2023, or 45.6%.

Interest income increased by EUR 1.03 billion. This is the result of higher interest rates increasing income from the loan portfolio and higher short-term interest rates providing higher income from surplus liquidity and generating a strong favourable impact in the cost of derivatives.

Interest expense increased by EUR 752.9 million. Most of this increase is in the cost of deposits due to higher customer rates for term accounts, savings certificates and savings books as well as the strong growth in the volume of term accounts in response to the "Van Peteghem" State note offer.

5.2. Income and charges from commissions and benefits

The net income from commissions and fees were as follows on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Securities		
- securities issued	71,319,684	73,889,553
- transfer orders	8,824,094	5,567,550
- other	2,494,919	2,265,401
Custody, monitoring and management of assets		
- asset management	207,607	236,252
- custody	1,778,933	1,807,151
Credit commitments and financial guarantees	757,410	722,199
Payment services	84,904,562	78,698,744
Management fees received	50,974,730	47,731,883
Commissions received from insurance companies	8,213,396	10,066,103
Other financial services	25,854,178	26,228,900
Total fee and commission income	255,329,513	247,213,736
Commissions paid to agents (acquisition costs)	195,655,002	147,878,697
Compensation et règlement	1,047,821	957,528
Other financial services	46,023,660	44,787,588
Total fee and commission expense	242,726,483	193,623,813
Net fee and commission income	**12,603,030**	**53,589,923**

Total income from fee and commissions grew slightly (EUR +8.1 million), as income from the sale of investment products grew less strongly than in previous years because of the weak stock market climate during most of the year and because of competition from the state note. Commissions paid to agents are growing more strongly because they are also partly linked to the higher banking product of which the very strongly increased net interest income is part.

5.3. Dividends

The table below provides the details regarding the received dividends during the course of 2023 and 2022:

(in EUR)	31/12/2023	31/12/2022
Financial assets held for trading	0	0
Financial assets at fair value through other comprehensive income (FVOCI)	303,195	791,622
Dividend income	**303,195**	**791,622**

The dividends that the Group received in 2023 amount to EUR 0.3 million (mainly coming from PMF) and have decreased by EUR 0.5 million (no dividend VISA in 2023).

5.4. Realised gains and losses on financial assets and liabilities that are not measured at fair value in the profit and loss account

The table below shows the mix of the realised gains and losses on financial assets and liabilities that are not measured at fair value via the income statement on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Realised gains		
Financial assets/liabilities at fair value through other comprehensive income (FVOCI)	0	392,000
Financial assets / liabilities at amortised cost		
Debt securities	0	0
Loans and advances	3,872,604	7,097,387
Total realised gains	3,872,604	7,489,387
Realised losses		
Financial assets/liabilities at fair value through other comprehensive income (FVOCI)	4,958	30,021
Financial assets / liabilities at amortised cost		
Debt securities	19,387,659	0
Loans and advances	0	0
Total realised losses	19,392,617	30,021
Gains or (-) losses on financial assets & liabilities not measured at fair value through profit or loss, net	**-15,520,013**	**7,459,366**

The gains have decreased by EUR 23 million when compared with 2022.

In 2023, no gain was realised on "Financial assets/liabilities measured at fair value through other comprehensive income" while in 2022, we had recognised a gain of EUR 0.39 million on the Alven Capital fund.

Realised gains on loans and receivables relate to proceeds from the sale of written-off credit files and reinvestment fees to a collection agency. These are mainly cash loans and amortised instalment loans that have been permanently derecognised in the past. For this item, the realised profit was EUR 3.2 million lower than the realised profit in 2022.

Losses realised on "Financial assets/liabilities measured at amortised cost", in this case debt securities, mostly relate to the sale (or maturity) of securities, cover bonds and corporate bonds. Losses amounted to EUR -19.4 million.

5.5. Gains and losses on financial assets and liabilities, hedging transactions and exchange differences

The positive result in 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 or (-) losses from hedge accounting, net" and "Exchange differences" are to be considered together. The P&L-effect of the EMTN activity as well as the transfer of hedging swaps to the trading portfolio is split over different sections.

5.6. Badwill

By 2023, there were no more adjustments on the badwill.

5.7. Gains and losses on the assets no longer to be included

The table below provides an overview of the realised gains and losses in relation to not including assets any more:

(in EUR)	31/12/2023	31/12/2022
Gains		
Property, plant and equipment	35,769	45,160
Losses		
Property, plant and equipment	26,121	47,904
Gains (losses) on derecognition of assets other than held for sale	**9,648**	**-2,744**

5.8. Other operating income and expenses

The operating income and expenses can be detailed as follows as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Recovery of charges related to credits	3,107,662	3,231,592
Contributions to deposits	5,371,384	4,749,151
Net premiums on insurance contracts	0	0
Commissions received by the insurance company	0	0
Recoveries on written off receivables	7,818,000	8,371,638
Result of refactoring	89,534	603,792
Other operating income	12,725,525	19,072,046
Total other operating income	29,112,104	36,028,219
Other operating expenses	168,559	304,159
Total other operating expenses	168,559	304,159
Other net operating income	**28,943,545**	**35,724,060**

The total other net operating income decreases with EUR -6.8 million compared to 2022.

Other operating income decreased because of success fees from AXA Bank Belgium that were capitalised in 2022 and because of VAT adjustments.

5.9. Administration costs

5.9.1. Employee expenses

At the end of December 2023, the Group had 4,455 employees when compared to 4,551 at the end of 2022.

The total employee expenses can be broken down as follows:

(in EUR)	31/12/2023	31/12/2022
Remuneration	135,133,629	127,026,663
Social security contributions	33,757,044	33,190,608
Employer's contributions to supplementary pension schemes	17,396,247	13,511,901
Retirement and survivor's pensions and similar expenses	33,556	184,217
Other	7,559,751	10,460,910
Total staff expenses	**193,880,227**	**184,374,299**

We recorded a EUR 9.5 million increase in staff expenses, mainly due to wage indexations.

5.9.2. General and administrative expenses

The general and administrative expenses can be detailed as follows:

(in EUR)	31/12/2023	31/12/2022
Marketing expenses	15,844,048	10,627,939
Consulting and professional services	33,117,352	26,943,445
Information Technology expenses	204,609,183	142,180,258
Rentals	3,260,185	1,085,940
Leasing expenses	1,122,503	1,278,946
Operating tax expenses	58,931,132	55,353,160
Other	79,214,634	70,965,159
Total Other administrative expenses	**396,099,037**	**308,434,847**

The general and administrative expenses increased by EUR 87.6 million.

Of these, we note an increase in marketing expenses of EUR +5.2 million, mainly due to the marketing campaign for the launch of the new logo (EUR +4.4 million). Consulting and professional services also increased, by EUR +6.2 million; mainly for consultancy services. IT expenses increased by EUR +62.4 million, including EUR +40.1 million for the integration project and EUR +19.3 million for maintenance costs. Banking fees increased by EUR +1.7 million. Other general and administrative expenses increased by EUR +8.2 million, including EUR +3.3 million representing legal costs.

5.9.3. Contributions in cash to settlement funds and deposit guarantee systems

The contribution to settlement funds and deposit guarantee systems can be detailed as follows:

(in EUR)	31/12/2023	31/12/2022
Deposit guarantee schemes	40,212,688	32,775,938
Single Resolution Funds	6,835,187	12,586,912
Cash contributions to resolution funds and deposit guarantee schemes	**47,047,875**	**45,362,850**

5.10. Special impairments

Special impairments can be detailed as follows as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Impairment on financial assets		
- debt securities designated at fair value through profit or loss	0	0
- debt securities measured at fair value through other comprehensive income (FVOCI)	0	0
- debt securities measured at amortised cost	48,060	-15,241
- loans and receivables	-50,691,729	-24,636,122
Impairments on non-financial assets		
- property, plant and equipment	0	0
- investment property	0	0
- intangible assets	0	0
- other assets	0	0
Total Impairments	**-50,643,669**	**-24,651,363**

Non-financial assets, such as tangible and intangible assets, were not impaired in 2023.

During the 2023 accounting period, the Group increased the impairment for a consolidated amount of EUR 50.7 million. Crelan NV increased its impairments by EUR 18.2 million (compared to an increase of EUR 8.7 million in 2022), while Europabank increased its impairments by EUR 6.4 million (compared to EUR 5.2 million in 2022) and AXA Bank Belgium increased its impairments by EUR 25.5 million at the end of 2023 (compared to EUR 10.8 million in 2022).

Detailed information about the impairment of financial assets was already discussed in notes 4.3. and 4.4.

5.11. Income taxes

The table below gives a breakdown of the current and deferred tax allocations:

(in EUR)	31/12/2023	31/12/2022
Current taxes	79,558,925	37,889,457
Deferred taxes	-10,309,302	17,306,286
Total income tax expense	**69,249,623**	**55,195,743**

For more information about the deferred tax liabilities in the profit and loss statement, refer to the notes in 4.7.

The taxable income comprises non-deductible costs and gains that are not subjected to income tax.

The following table shows the relationship between the statutory taxes and the effective taxes on the income:

(in EUR)	31/12/2023		31/12/2022	
	Tax rate	Tax expense	Tax rate	Tax expense
Profit before tax		276,266,381		213,395,298
Statutory tax rate	25.00%	69,066,595	25.00%	53,348,576
Tax effect of tax rates in other tax jurisdictions	-1.87%	-5,167,161	2.62%	5,568,935
Tax effect of exemption of capital gains on shares	0.00%	0	0.00%	0
Tax effect of non-taxable income	-3.20%	-8,850,100	-3.91%	-8,320,867
Tax effect of expenses that are not tax deductible	4.99%	13,774,690	1.19%	2,525,747
Tax effect of using previously unrecognised tax assets	-24.88%	-68,742,304	-0.58%	-1,241,362
Tax effect of movements of provisions or reserves	3.17%	8,754,782	0.43%	923,109
Accounting eliminations	21.67%	59,877,497	1.22%	2,460,830
Separately taxed capital gains	0.00%	0	0.00%	0
Acquisition of AXA Bank Belgium	0.00%	0	0.00%	0
Other	0.19%	535,625	-0.03%	-69,225
Effective tax charge for the financial year	**25.07%**	**69,249,623**	**25.87%**	**55,195,744**

The tax rate is based on the Belgian legal tax rate of 25%.
The line Accounting eliminations concerns eliminations resulting from dividend payments from Europabank and AXA Bank Belgium to Crelan.

5.12. Remuneration of the auditor

The table below shows the remuneration of the auditors of the Group for the accounting period:

(in EUR)	31/12/2023	31/12/2022
1. Remuneration of the auditors	1,089,031	882,232
2. Remuneration for exceptional activities or special commissions performed within the company by the auditors	320,407	323,337
a. Other audit activities	165,477	141,181
b. Tax advisory activities	0	0
c. Other activities outside audit activities	154,930	182,156
3. Remuneration for exceptional or special commissions performed within the company by persins associated with the auditors	63,800	58,745
a. Other audit activities	0	0
b. Tax advisory activities	0	53,745
c. Other activities outside audit activities	63,800	5,000
Total Fees paid to the auditors	**1,473,238**	**1,264,314**

The services provided by EY were approved by the Audit Committee.

5.13. Information provision about linked parties

The associated parties of the Group include the members of the Board of Directors (incl. the members of the Management Committee) and the businesses associated to the Group. AXA Bank Belgium has been a part of the Crelan Group since 31 December 2021.

The Crelan Group has an outstanding amount of EUR 0.8 million in loans and receivables to members of the Board of Directors and the Management Committee guaranteed by EUR 0.3 million loan liabilities, financial guarantees and other made commitments as from the end of 2023. All transactions with associated parties take place in line with market conditions.

The following benefits were paid out to members of the Board of Directors in 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Short-term employee benefits	5,616,689	8,058,581
Post-employment benefits	1,003,376	1,412,787
Other long-term employee benefits	0	1,255,135
Severance payments	0	0
Share-based payments	0	0
Total	**6,620,066**	**10,726,503**

The remuneration policy is implemented in line with the regulations of the BNB.

5.14. Segment reporting

Operating segments are components of Crelan Group :

- that engage in business activities from which it may earn revenues and incur expenses;
- whose operating results are regularly reviewed by the Management Committee of Crelan to make decisions about resources to be allocated to the segments and assess their performance;
- and for which discrete financial information is available.

The Management Committee of Crelan is considered to be the chief operating decision maker as defined under IFRS 8 – Operating Segments.

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

- Crelan Federation (NV + CV)
- AXA Bank Belgium Subconso – 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 banking activity of the Crelan Federation and AXA Bank Belgium consists mainly of a retail activity meaning collecting funding (daily operations, savings products) and providing loans to its customers (households, professionals and small businesses) through its network of independent agents. The reported figures includes also the related BSM results (Balance Sheet Management), whose main purpose is to manage the exposure to interest rate, liquidity and foreign exchange risks. The treasury activity which is also embedded in the BSM team consists in providing short term liquidity and funding as a support for the growth of the retail business. Both banks have a common Management Committee and a common strategy.

The activity of Europabank consist also of a retail activity but with a own strategy & corresponding positioning in the market. On top of that it is also offering leasing services and as a specific profile in payment services related to Visa and MasterCard.

Transactions between the different operating segments take place on an arm's length basis.
Figures are based on the information currently provided to the chief operating decision maker at the end of 2023, taking into account the former and the new different legal entities of the consolidated scope which are contributing to the current results.

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

2023 – in miljons of EUR	Crelan Federation + ABB	Europabank	Reconciliation	Figures reported in consolidated income statement
Net banking income (Interest margin + fee income and capital gains)	1,201.3	111.4	-272.8	1,039.9
Commissions	-525.9	-60.1	-74.7	-660.7
Operating expenses	-282.0	-7.4	289.4	0.0
Impairment on loans	-48.6	-2.2	-52.1	-102.9
Taxes	-87.8	-11.0	29.6	-69.2
Discontinued operations	-80.7	0.0	80.7	0.0
Net result	**176.3**	**30.7**	**0.0**	**207.0**

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.

6. Notes regarding the off-balance sheet

The table below provides information about the off-balance sheet liabilities of the Group as on 31 December 2023 and 2022 :

(in EUR)	31/12/2023	31/12/2022
Loan commitments		
- given	1,978,783,459	2,582,781,807
- received	45,000,000	35,000,000
Financial guarantees		
- given	58,423,366	56,919,555
- received	2,611,384,931	2,648,487,989
Collateral		
- given	7,371,958,253	6,526,287,215
- received	48,738,604,635	49,026,142,839
Commitments under finance leases		
- given to another counterparty	19,199,966	18,136,436
- received from another counterparty	47,864,847	32,722,488

The allocated liabilities from loans refer to credit lines granted to customers that have not (yet) been included. The received liabilities from loans are the not (yet) included credit lines that the Group keeps when compared with other financial counterparties and that can be used within the framework of a shortage of liquidities.

The received financial guarantees and received securities serve as guarantees for customer liabilities within the framework of allocating loans. The largest part concerns the received mortgages. The allocated guarantee mainly consists of security deposits that have been paid under the Credit Support Annex (CSA) or the ISDA documentation about derivatives (see the notes in 4.4.).

Liabilities in relation to any counterparty within the framework of financial leasing refer to purchase liabilities in relation to suppliers. The liabilities of another counterparty within the framework of a financial lease refer to purchase options for customers.

7. Risk management

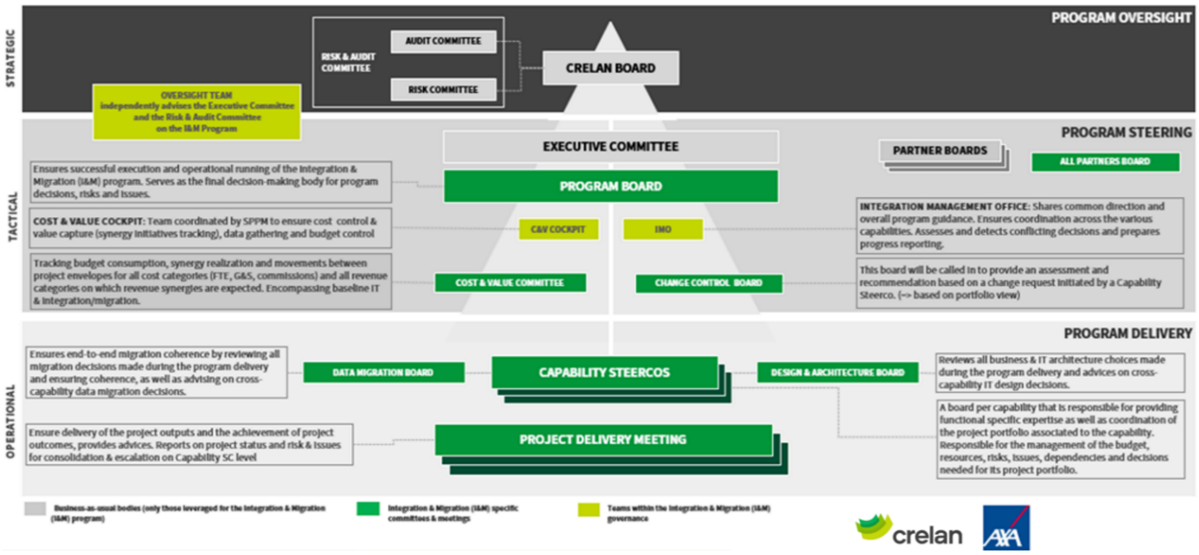
7.1. Introduction and current topics

7.1.1. Risk management during an integration and migration process

On 31 December 2021 Crelan Group acquired AXA Bank Belgium from AXA Group. A migration and Integration program is set up to execute the operational integration, which is foreseen in 2024. The Integration and Migration plan consists of 76 projects.
The main projects are the following:

1. Human Resources: The 'One Organization' for Crelan and AXA Bank Belgium is implemented as from November 2022. Harmonization of reward and labor conditions is planned for 2024.
2. Network – Agencies: Building the network of the future by resizing the landscape, by having capable & knowledgeable agents, based on a clear footprint.
3. Harmonization of the product offer.
4. Data migration and Integration: Implementation of "missing" processes and functionalities, followed by the migration of all client and product data from AXA Bank Belgium to Crelan Group.
5. Change and communication Plan.
6. Management of budget and synergies.

Seen the importance and the size of this plan, a specific governance is put in place to ensure the necessary follow-up.



To assure the oversight and the quality, a 2nd and 3rd line follow-up is foreseen. Seen the nature and size of this program, an external party, experienced in mergers, supports the CRO in the second line follow-up. At Board level, a dedicated committee, ABARC, is created to allow to focus on the risks linked to the integration & migration. Specific instruments are created dedicated to the follow-up of risks related to the Integration & Migration program: a risk register, a Key Risk Indicator (KRI) dashboard. Each of these are at least quarterly assessed at ABARC level. The Risk Management Department also provides second opinions to the ABARC on specific topics (infrastructure readiness, status at cut-over, migration approach…). Finally, there is also a quarterly reporting to ECB in place.

7.1.2. Risk management in crisis context

The war in Ukraine continued into 2023, and although macro-economic factors improved, energy prices, inflation and interest rates remained high. The recent conflict in the Middle East has added to the uncertainty of the months ahead.
Both households and companies continued to be impacted by this cost increase. In Belgium, automatic salary indexation and social tariffs protect the employees' purchasing power to a large extent, making the decrease of purchasing power in Belgium among the lowest in the EU.
The accompanying measures implemented by the Belgian banking sector in 2022 (FEBELFIN measures) enabled the most vulnerable mortgage loan clients to repay their loans at a time when prices were at their highest. These measures have since come to an end, and it has not been deemed necessary to renew them.
For business customers, as in normal times, Crelan uses its own support measures for healthy companies who are experiencing temporary liquidity problems due to the energy crisis in the form of short-term credit lines. These are treated as a new credit application and an individual credit analysis is carried out. Depending on the risk profile of the borrower, an adjusted proposal can be made.
Up to the end of 2023, the crisis has not had a significant impact on the quality of Crelan's loan portfolios, although there has been a slight deterioration in the ratings of professional customers, whose latest annual financial statements include the general increase in charges.
The number of bankruptcies is also set to rise in Belgium in 2023, and the country's economic growth is forecast at 1.3% for 2024, following GDP growth of 3.2% in 2022, according to the Federal Planning Bureau.
The most significant impact has been the fall in new loans granted compared to 2022, as entrepreneurs and households postpone their investments in this uncertain environment.
As in 2022, Crelan Group management has continued to multiple actions to steer the bank during this crisis and made sure that follow-up of the impact on the bank was incorporated in the business as usual, see section 7.1.2.1.

7.1.2.1. Internal governance

As in 2022, the bank has actively continued to work in 2023 on the management of credit risk related to the macro-economic environment. Next to the 'regular' follow-up of the portfolio, the following actions were taken (among others):

- Update analysis of repayment capacity of retail clients;
- Leverage of ECB ESG stress test to determine potential financial impacts;
- Follow-up of the large exposure portfolio;
- Detection of vulnerable customers in the professional and agriculture portfolios.

In order to make sure that the bank will timely identify emerging issues and will be able to cope with increasing loans in pre-litigation the following measures will be implemented:

- Capacity analysis at the level of the pre-litigation department;
- Individual review of large exposures which are heavily impacted;
- Monthly dashboards discussed in the lending risk committee with a lot of KPI's on the different portfolios and among others focus on DPD (or reminders) to identify arrears in an early stage;

7.1.2.2. Measures at the level of the Belgian Banking sector

These measures have ended in 2023, and it has not been deemed necessary to renew them.

7.1.3. Israel

Crelan's group is a retail bank which focuses on Belgian private individuals, self-employed and micro enterprises. In this context there is no direct impact for the bank due to the war in Israel and Palestine but,

as in the case of Ukraine, this could have an impact on borrowers if it leads to a further spike in energy prices and inflation, particularly given the threat to trade across the red sea.
At this stage, no new measures are deemed necessary, and the bank considers that the current framework is sufficiently adapted to cope with any potential impact on credit risk.

7.1.4. Liquidity

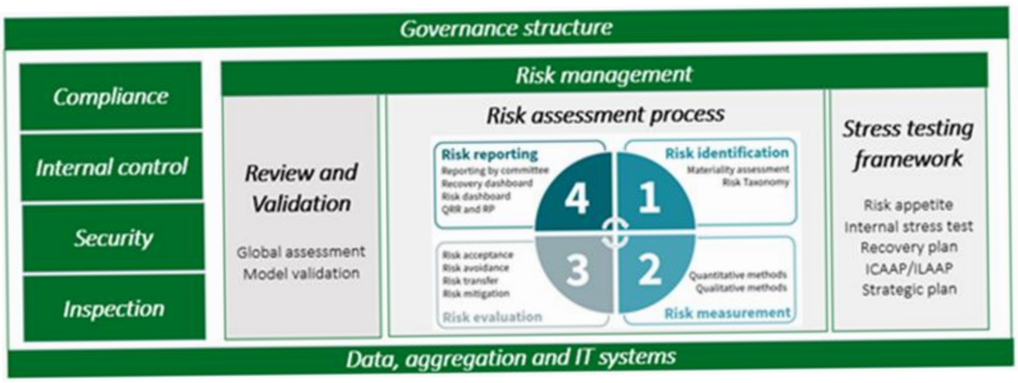
In the spring of 2023, the financial world was shocked by the collapse of Silicon Valley Bank (SVB) following a bank run. This was immediately the largest bank failure since the 2007-2008 financial crisis. Soon after, 2 other U.S. banks also failed. Fears of another systemic banking crisis proved not entirely unfounded when it became clear that overall investor confidence in banks had fallen to a new low. Some weeks later UBS rushed in to take over its rival Credit Suisse after clients and investors lost confidence in the latter. In general, Crelan has no material exposures to other banks for which no collateral is exchanged. The exchange of collateral significantly reduces the bank's risk. In terms of indirect impact, Crelan (and its subsidiaries) have distributed through their network notes guaranteed by several European banks. Should the bank in question default, this could lead to a capital loss for the customers who bought these products.

The issuance of the 1-year state bond in August 2023 proved to be an unprecedented success story. The Belgian government positioned itself as a direct competitor for savings with a clear intention to put pressure on the Belgian banks to increase the remuneration on savings. The bank countered the state bond emission via the offer of alternative products. Crelan Group was able to limit the impact of the Belgian state bond. The production of state bonds for Crelan clients was in line with Crelan's market share of deposits.

7.1.5. Risk Management framework

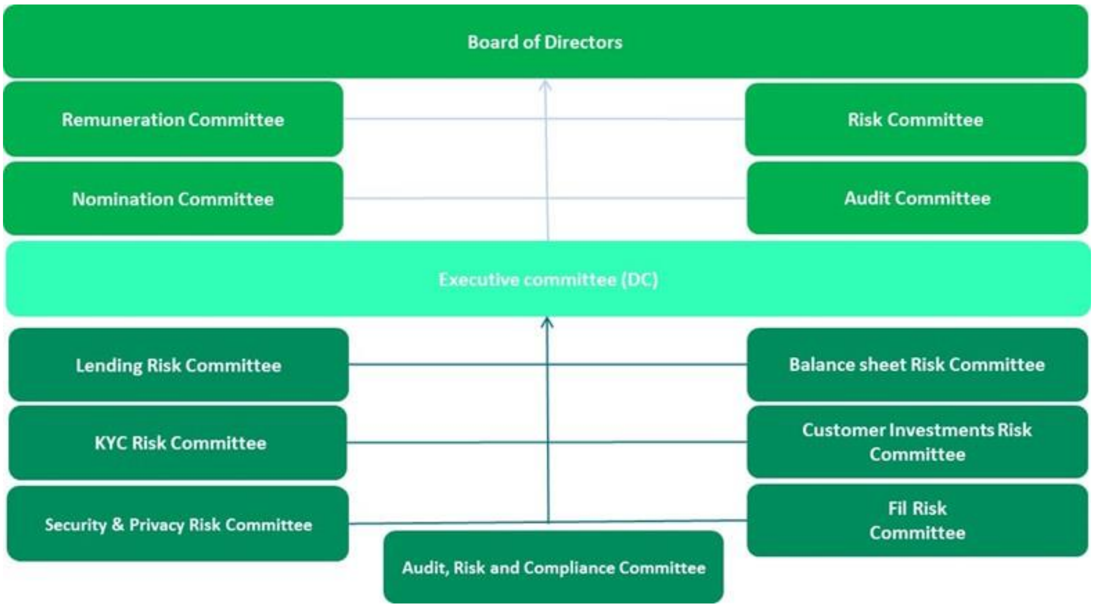
In 2023, Crelan Group continued to build towards coherent and prudent risk management by applying its risk management framework. The bank has broadly implemented robust strategies, policies, processes, and systems for identifying, measuring, managing, and monitoring its risks.
The risk management framework is built around 5 components:

- Risk governance structure;
- Risk assessment process, consisting of risk identification, risk measurement, risk mitigation and risk reporting;
- Review and validation;
- Stress testing framework;
- Risk data, aggregation and IT systems.



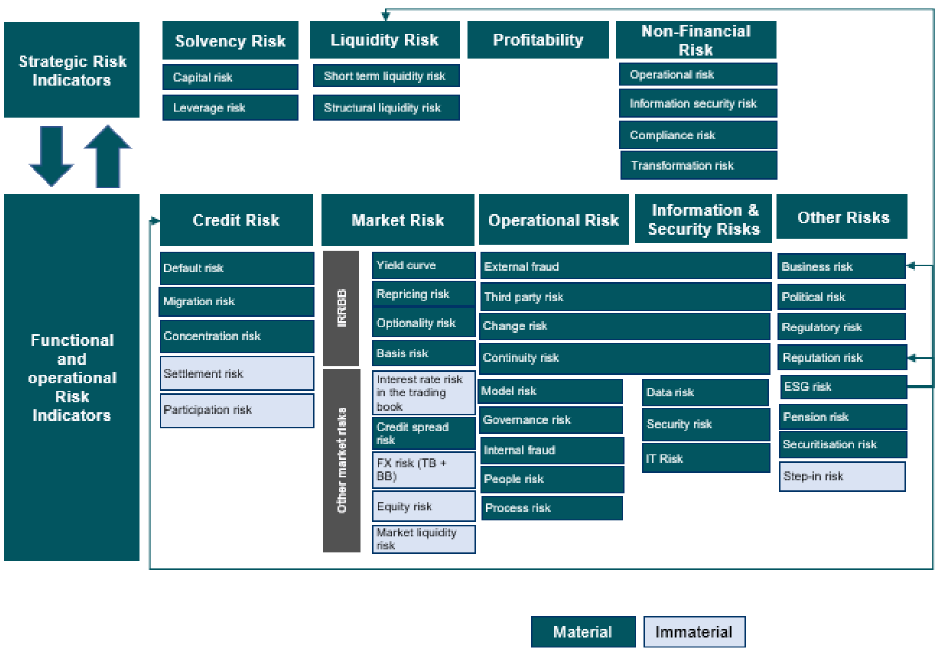
Risk governance structure

An effective risk governance structure requires the correct understanding and awareness of risks at all levels of the organization, facilitated by an efficient monitoring, reporting and communication structure. Crelan Group's risk management governance and organization are illustrated below.



Risk assessment process and risk appetite framework

Crelan Group has put in place a yearly risk assessment process. This exercise is performed by the Risk Management department and consists of risk identification, risk measurement, risk mitigation & limits and risk reporting. The aim of this process is to identify risks, assess their materiality, provide an overview of all mitigating actions and risk reporting. The risk assessment leads to a risk taxonomy where all material risks Crelan Group faces are identified.



The risk assessment process is closely linked with the risk appetite framework of the bank. The permanent identification and quantification of the bank's material risks are at the heart of Crelan Group's risk policy. These risks are measured, limited and constantly tracked using an internal risk appetite framework (Risk Appetite Framework, RAF).

A strategic risk appetite is determined for the main areas (capital, profitability, economic value and liquidity), taking the stress sensitivity of these domains into account. This strategic risk appetite is translated into functional risk limits. This risk appetite model was approved by the Board of Directors and was used by this management body and the Executive Committee as a central tool for managing the risks of Crelan Group in 2023.

All material risks are translated into relevant indicators, summarized in the 'risk dashboard' (risk reporting). This includes both regulatory and internal indicators. Different levels of severity are defined for each indicator, so management is warned early enough if an indicator approaches its maximum risk appetite. This 'risk dashboard' forms an integral part of the general risk monitoring process and is reported quarterly to the Executive Committee, the Group and the Board of Directors. These risks are more frequently followed up in more detail by the relevant Crelan Group specialized risk committees.

The prospects in the strategic plan and the budget are checked against the RAF limits. The strategic plan undergoes multiple iterations until equilibrium is reached between both profitability and risks. The strategic plan is designed so all risks fall within the risk appetite and the regulatory limits, while taking new and existing regulations into account to meet the regulatory requirements. On top of that stress tests are applied to the strategy plan to test the robustness of the plan.

For capital and liquidity financial risks, next to the regulatory framework, the risks are also subject to an economic framework that generates forecasts covering different horizons. The economic capital is distributed to all activities of the bank, and this based on the Crelan Group's risk objectives. The management of Crelan Group imposes a limit on the total economic capital applied to ensure the bank always has enough financial resources. The bank also developed an internal liquidity approach to follow-up on its liquidity position. Crelan Group's risk appetite framework sets the appropriate governance, reporting requirements, limits, controls and decision processes to drive management decisions.

Crelan Group's risk appetite is documented and reported in various reports for internal and external use (supervisor, external and internal audit). Any breach of alerts limits must be escalated to the members of the Management Board or the Board of Directors to, if needed, take corrective actions.

Review and validation
Review and validation are an essential part of the risk management framework. On a yearly basis, the internal control process results in an Internal Control report. Furthermore, model validation is an important component when measuring risk and performing stress testing exercises. A strong governance in model validation supports the analyses and computations done by the individual risk departments.

Stress testing framework
Stress testing is an analysis conducted to determine whether the bank has enough capital and/or liquidity to withstand the impact of adverse developments, such as the impact under unfavorable economic scenarios. These tests are meant to detect weak spots in the bank at an early stage, so that preventive actions can be taken by the bank itself. It plays an important role in:

- Providing forward-looking assessments of risk;
- Overcoming limitations of models and/or historical data;
- Feeding into capital and liquidity planning procedures;
- Informing the setting of a banks' risk tolerance/appetite;
- Facilitating the development of contingency plans.

The results of the various stress testing exercises are also used by the supervisor in their SREP assessment. The stress testing framework aims at providing the methodology and process for the performance of stress testing by Crelan Group as part of the risk management process, taking into account the applicable regulation. The scope of the program extends to all entities managed or controlled by Crelan Group. When performing stress tests all material risk domains of all entities in the scope of the program are taken into account.

Risk data, aggregation and IT systems
Management, control and monitoring of risk data, aggregation and IT systems remained an important pillar in 2023. Crelan Group was able to meet all regulatory reporting requirements. Since the bank became a significant institution, these reporting requirements increased. Furthermore, significant investments are done within the integration & migration project to safeguard the banks risk data & aggregation capabilities.

In the following sections, first the focus will lay on the more important risk categories to which Crelan Group was exposed in 2023, namely credit, market, liquidity, and operational risks. All these risks have a potential impact on the bank's objectives in terms of solvency, liquidity and profitability. The other risks of the bank are described in chapter 4.8.

7.2. Solvency Risk

7.2.1. Management

Under the EU Capital Requirements Regulation and Directive (CRR/CRD IV) as well as the Basel accords, Crelan Group must maintain a minimum level of own funds to cover its credit, market and operational risk. This obligation is known as the 'Pillar 1 Minimum Regulatory Capital Requirement'. Banks must also have in place sound, effective and complete strategies, and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed to. This obligation is known as ICAAP (Internal Capital Adequacy Assessment Process) and is the Pillar 2 requirement of the Basel framework.

Both for regulatory and economic capital, the 'available capital' of banks is compared to measured 'capital requirements'. The differences between the two are due to their measurement methodologies[9] and the scope of the risks that are covered[10].

The capital risk is the risk that the bank has or may have insufficient capital to cover the risks to which the bank is exposed. In practice, this is translated into a cross-check of the capital base against the minimum regulatory capital requirements (Pillar 1) and the economic capital requirements (Pillar 2).

The capital base is carefully monitored by the 'Balance Sheet Risk Committee' (BSRC). The committee is supported in this mission by a working group: the Capital and Funding Committee (CFC). The CFC oversees the new regulations ('regulatory watch'), follows up on the current and projected solvency ratios, anticipates and manages the economic and regulatory capital requirements.

The calculations for regulatory capital are reported to the supervisor (COREP) on a quarterly basis.

The bank reports the required economic capital to the supervisor in an annual ICAAP file on top of that the required economic capital is quarterly calculated and used in several internal reports and incorporated in the risk appetite. The ICAAP is the internal review process of the institution itself, which allows it to assess the adequacy of its capital considering its risk profile and its organization.

[9] Under Pillar I, the methods are defined by the regulator whilst the methods are defined by Crelan Group under Pillar II.
[10] Only three risks are covered under Pillar I, whilst all material risks must be covered under Pillar II.

7.2.2. Regulatory Environment

The EU introduced stricter rules around capital requirements for banks in the aftermath of the financial crisis that are based on the Basel III accords. The requirements for banks are set out in the 'Capital Requirements Regulation' (CRR) and the 'Capital Requirements Directive' (CRD IV). The CRR/CRD IV was gradually introduced since 1 January 2014 and is fully in force since 2019. As from June 2021 CRR2/CRD V entered into force.

The minimum capital ratios (Pillar 1 requirements) which are to be met according to CRR/CRD IV are 4.5% for the core capital (CET1), 6.0% for the tier 1 capital ratio and 8.0% for the total capital ratio.

Besides the minimum own funds requirements of the CRR, Crelan Group should also comply with the various buffers that are imposed in accordance with CRD IV.

The CRD IV provides for a capital conservation buffer. In times of an economic boom, this can be up to 2.5%. The premise is to reserve additional capital in times of financial prosperity. In times of financial stress, the institution will be able to use this capital. The condition is then that the institution may not pay out a dividend to shareholders. This buffer phased in to a final level of 2.5%.

Crelan Group may also be obliged to build a counter-cyclical capital buffer representing an additional core Tier 1 capital requirement. This buffer's aim is to protect the bank against risks arising from the financial cycle and can be up to 2.5%, possibly higher. This requirement came into effect in 2016. Due to COVID-19, the activation of the countercyclical capital buffer of 0.5% for Belgium was postponed, consequently a 0 % countercyclical buffer rate for Belgium is applicable. On 31 August 2023, the National Bank of Belgium (NBB) disclosed that it decided to activate the countercyclical capital buffer (CCyB). The buffer will be built up in two stages, as from 1 April 2024: 1% effective as from 1 October 2024 but the implementation is shortened to 6 months for a rate of 0.5% as of 1 April 2024.

The Belgian supervisor has appointed Crelan Group as O-SII or 'Other Systemically Important Institution' and therefore is subject to an additional core Tier 1 capital requirement (O-SII buffer) of 0.75% as from 1 January 2023.

As from Q2 2022 a sectoral systemic risk buffer (SSRB) has been imposed by the NBB, replacing the macro-prudential add-ons. This buffer is calculated as 9% of the risk weighted assets under the IRB approach for exposures secured by Belgian Real estate. In practice, this results in a 2.51% extra capital requirement at 31 December 2023. The current rate of 9% expires on 1 April 2024, it will be reduced to 6% as from this date.

Following its 'Supervisory Review and Evaluation Process' review, (SREP), the competent supervisory authority (the European Central Bank for Crelan Group) may impose higher minimum ratios (= Pillar 2 requirements), when, for example, not all risks are properly reflected in the regulatory Pillar 1-calculations. Crelan Group's Pillar 2 requirement (P2R) amounts to 3.16% as per the SREP 2023 cycle.

Crelan Group is also subject to requirements set out by the National Competent Authority and the SRB with regards to the MREL. Crelan Group received its formal MREL target in June 2023. In line with the regular MREL process, a right to be heard period started after which the MREL target was officially adopted (August).

This leads to the following targets:

- External MREL target based on risk weighted assets (TREA) and leverage (TEM) (maximum of the 2). For Crelan Group, this leads to a required level of own funds and eligible liabilities of EUR 3,714 million, being a 6.58% target (expressed in terms of leverage exposure) to be met by 30 June 2025.

- Next to an external MREL target , Crelan Group also needs to meet a subordination requirement (NBB). This is, as expected 8% of TLOF (total liabilities and own funds). This leads to a subordination requirement of EUR 4,321 million, being a 7.66% target (expressed in terms of exposure) to be met by 2 May 2026.

7.2.3. Own Funds eligible liabilities

The own funds for solvency requirements are slightly different from the equity in accounting.

The accounting core capital is adjusted with:

- Prudential filters, which exclude certain items of own funds, such as changes in the value of own credit risk and additional value adjustments in the context of prudent valuation; and
- Other deductions, such as intangible fixed assets, CET1 deduction for securitization, the deferred tax assets which are based on future profitability, deficits in terms of provision of 'Internal Rating Based approach' (IRB). If the IRB approach is applied to calculate the credit risk, banks are required to compare their actual provisions with their expected losses. Any shortfall should be deducted from Tier 1 while an excess will be eligible for inclusion in Tier 2 capital subject to a cap.

The reconciliation of the accounting equity based on IFRS with the own funds for solvency requirements can be seen in the table below:

COMPOSITION OF USEFUL CAPITAL (in 000 EUR)	31/12/2023	31/12/2022
Paid up capital	940,639	912,298
Reserves (including retained earnings)	859,601	753,647
Result of the current year	168,335	122,688
Other reserves	262,349	256,025
Accumulated other comprehensive income	-41	5,785
ACCOUNTING COMMON EQUITY TIER 1 CAPITAL	**2,226,824**	**2,050,443**
Prudential filters	-10,457	-19,263
Value adjustment of own credit risk	*-952*	*-18,577*
Value adjustment of prudent valuation	*-937*	*-686*
Deductions of Common Equity Tier 1 capital	-71,729	-134,959
Regulatory adjustments accumulated other comprehensive income	*0*	*0*
Intangible assets	*-27,974*	*-31,858*
Deferred tax assets that rely on future profitability	*0*	*-37,028*
Other deductions	*-28,494*	*-27,875*
Securitization	*-2,118*	*-2,478*
IRB provision shortfall	*-13,143*	*-3,572*
USEFUL CAPITAL COMMON EQUITY TIER 1 (CET1)	**2,144,638**	**1,896,222**

The CET1 amounts to EUR 2,145 million in 2023 versus EUR 1,896 million in 2022. This increase in CET1 is mainly caused by:

- The increase in cooperative capital of EUR 28.3 million: net evolution of the cooperative capital during 2023;
- The increase in retained earnings of EUR 106 million;
- Evolution in the result of the current year EUR 45.6 million;
- The increase in other reserves of EUR 6.3 million;
- Evolution in accumulated other comprehensive income of EUR -9.9 million;
- The adjustments to prudential filters of EUR 8.8 million;

- Evolution of other intangible assets of EUR 3.9 million;
- Evolution of IRB shortfall of EUR 22.6 million;
- Evolution of Deferred Tax Assets of EUR 37 million.

This strengthens the equity of Crelan Group.

The prudential own funds and the senior non-preferred debt of EUR 1.4 billion are eligible liabilities which are relevant for the MREL ratio at the end of 2023.

The total own funds for solvency requirements include:

- CET1;
- additional Tier 1 capital consisting of applicable convertible bonds;
- Tier 2 capital, consisting of the eligible value of the subordinated loans and credit risk adjustments; there are currently no perpetual subordinated loans and Basel III transitional measures.

TOTAL OWN FUNDS FOR SOLVENCY REQUIREMENTS (in 000 EUR)	31/12/2023	31/12/2022
CET1	2,144,638	1,896,222
Additional Tier 1 capital	244,560	245,172
TIER 1	2,389,198	2,141,393
TIER 2	202,795	201,715
Subordinated debts	199,926	201,715
Perpetual subordinated debts	2,869	0
TOTAL OWN FUNDS FOR SOLVENCY REQUIREMENTS	**2,591,993**	**2,343,108**

The total own funds of Crelan Group evolved from EUR 2,343 million in 2022 to EUR 2,592 million at the end of 2023.

7.2.4. Regulatory Capital Requirements

The regulatory capital requirements are based on the concept of Risk Weighted Assets (RWA) Pillar 1 minimum regulatory capital requirements calculation methods are defined specifically in the regulation. The Internal Rating Based Approach (IRB) is applied for the bulk of the Belgian credit activity (see 7.4.5). The Standardized approach is used for a smaller part of the exposure (see 7.4.4).

The RWA for Crelan Group under the Basel III rules amounted to EUR 8,415 million on December 2023 coming from EUR 8,915 million at the end of 2022. This EUR 500 million RWA decrease is driven by

- Credit Risk EUR -856 million
    - Retail Credit Risk:
      The portfolio quality improved, reducing the risk for Crelan Group and RWA.
      The implementation of a new ELBE model at AXA Bank Belgium contributed as well to a decrease in RWA.
- Market Risk EUR 1 million
- Operational Risk EUR 363 million
  The operational risk information is updated once a year. This results in an Own Funds requirement of EUR 126.8 million with a corresponding RWA level of EUR 1,585 million.
- Credit Valuation Adjustment (CVA) EUR -8 million
  RWA of Crelan Group decreased by EUR 8.1 million during 2023 due to evolution in interest rates.

RISK EXPOSURE AMOUNTS (in 000 EUR)	31/12/2023	31/12/2022
Risk weighted exposure amounts for credit risk	6,765,020	7,620,968
Risk exposure amount for market risk	11,069	10,024
Risk exposure amount for operational risk	1,584,828	1,221,509
Risk exposure amount for credit valuation adjustment	54,575	62,692
TOTAL RISK EXPOSURE AMOUNTS	**8,415,492**	**8,915,193**

7.2.5. Securitisation – Significant Risk Transfer

In December 2020, Crelan Group sub entity AXA Bank Belgium has set up a synthetic securitization on its mortgage loan portfolio, to optimize AXA Bank Belgium's risk-return balance, and to support the growth of the loan portfolio while maintaining the envisaged solvency levels (as set in the risk appetite framework of the bank). It consists of a balance sheet synthetic securitization with Significant Risk Transfer (SRT) whereby AXA Bank Belgium (originator and seller) sells the mezzanine tranches to a third party while retaining the senior and first loss tranches as well as a 5% vertical slice of the whole portfolio.

The first loss tranche is fully deducted from CET1 capital. It is computed as the sum of all exposures that would be weighted at 1250% (the first loss tranche as well as the excess spread) to which the specific provisions as estimated for the underlying exposures may be deducted. In this case, the deduction is therefore equal to EUR 2.1 million in Q4 2023 compared to EUR 2.5 million in Q4 2022. The computed deduction value is directly deducted from CET1 capital. As a result, only the retained senior tranche needs to be risk weighted. The RWA of the retained senior tranche amounts to EUR 52.1 million at the end of 2023 compared to EUR 60.9 million in Q4 2022. This senior tranche RWA is measured according to SEC-IRBA method as all underlying credits are IRB exposures. Adjustments are made for maturity mismatches between the credit protection and the underlying exposures, and the Senior tranche risk weight is floored at the weighted-average risk weight that would be applicable to the underlying exposures had they not been securitized. The final risk weight of the senior tranche equals 15% which corresponds with the risk weight floor applicable under the securitization framework.

7.2.6. Capital Ratios

The regulatory solvency ratios compare the own funds of Crelan Group to its risk weighted assets.

Capital Ratios	31/12/2023	31/12/2022
Fully phased-in definition		
Common Equity Tier 1 ratio	25.48%	21.27%
TIER 1-ratio	28.39%	24.02%
Capital ratio	30.80%	26.28%

Crelan Group shows solid solvency ratios at the end of 2023. The increased solvency ratios are largely explained by the net profit of 2023 that was fully included in capital and (see section 4.2.3) and increase in other reserves., the increase in cooperative capital and the decrease of RWA in 2023. As per 31 December 2023, Crelan Group's Tier 1 ratio stands at 28.39% (24.02% in 2022) and total capital ratio at 30.80% (26.28% in 2022).

7.2.7. Economic capital

Next to the regulatory (normative) perspective for managing capital risk, Crelan Group also decided upon an internal economic framework to measure the adequacy of its capital in 2022. Approach for the consolidated scope:

- Starts from the risks which were identified by AXA Bank Belgium in the 2021 ICAAP. Therefore, not only the financial risks such as IRRBB and market risk are included, but also credit risk;
- The general idea is that Crelan Group tries to measure 1 in 1,000 years shocks per risk type for the most material risks: credit risk and IRRBB;
- For credit risk, the starting point is the internal ECAP model (asymptotic single risk factor at 99.9% confidence level)[11] which was developed by AXA Bank Belgium and which is validated on a yearly basis. As it was not possible to fully integrate the Crelan (incl. Europabank) exposures and risk parameters into the AXA Bank Belgium systems, a simple rule of 3 was applied to extrapolate the ECAP requirements for to the entire portfolio. The rule of 3 is applied based on the relative share of the two banks to the total regulatory RWA of the combined bank;
- For IRRBB, Crelan Group applies the following approach:
    - The six shocks defined by Crelan Group are computed (parallel down, up, short rates down, short rates up, steepened and flattened). This clearly shows that on consolidated level, the parallel up shock is the most severe;
    - Crelan Group then relied on its internal stress testing models where historical data on interest rates is used to check what 1 in 1,000 years shocks are: for an upward shock this corresponds to +340 bps; The resulting amount is an ECAP requirement of EUR 298.6 million;
- For operational risk a simplified approach has been used: regulatory Standardized approach;
- For business risk, the scenario approach of AXA Bank Belgium was maintained but on the entire portfolio;
- The correlation matrix of AXA Bank Belgium was maintained;
- For the other, less material risks, Crelan Group falls back to the regulatory approach where RWA amounts are translated into capital requirements.

Crelan Group measures its economic capital requirements by using the methods described in the table below:

Model	Approach
Retail credit risk	Asymptotic Single Risk Factor
Non-retail credit risk	Regulatory Approach
IRRBB	Value at Risk
Market risk	Market Risk - Regulatory Approach
Operational risk	Monte Carlo VaR
Business risk	Scenario Approach
Risk aggregation	Correlation Matrix

Crelan Group's excess capital is measured by subtracting from the bank's internal capital (after stress) its total economic capital requirements (ECAP). Crelan Group measures its economic capital requirements by assuming a confidence level of 99.9%.

[11] The economic capital model can be computed at various confidence level. The 99.9% confidence level is used for Pillar II purpose.

7.2.8. Leverage Ratio

The leverage ratio is defined as Tier 1 capital over the bank's total exposure measure, which consists of both on- and off-balance sheet items. The aim is to constrain excessive leverage and to bring the institutions' assets more in line with their capital.

Crelan Group's leverage ratio according to current CRR legislation ('Delegated Act') has increased to a level of 4.34 % in Q4 2023 compared to 3.89% in Q4 2022. The increase in Leverage ratio in 2023 is largely explained by the increase in Tier 1 Capital. In comparison with Q4 2022, the Tier 1 increased from EUR 2,141 million to EUR 2,389 million. On the other hand, the Leverage Exposure increased with EUR 10.6 million.

	31/12/2023	31/12/2022
Leverage ratio	4.34%	3.89%

7.3. Liquidity Risk

The 'Basel Committee on Banking Supervision' (BCBS) defines the liquidity risk as the risk of not being able to quickly and easily increase the cash position to absorb shocks as a result of financial and economic stress.

Crelan Group's Risk Taxonomy considers the following two aspects of liquidity risk which both fall within the scope of liquidity risk management:

- Short Term Liquidity Risk is defined as the risk that Crelan Group can not meet its financial liabilities when they come due (within a month), at a reasonable cost and in a timely manner. It results from short term cash and collateral positions (intra-day, overnight, one day to one month).
- Structural Liquidity Risk is the risk that Crelan Group cannot meet its financial liabilities when they come due on a medium- and long-term horizon (more than one month), at a reasonable cost and in a timely manner.

7.3.1. Liquidity Risk Management

7.3.1.1. Risk Policy, Limit Framework and Reporting

Crelan Group has stable sources of short- and long-term funding. It has a robust retail deposit base and a well established covered bond program (via AXA Bank Europe SCF) to attract well priced, non-volatile wholesale funding.
To evaluate and manage its consolidated liquidity risk, Crelan Group's Balance Sheet Risk committee monitors:

1. Internal indicators: Internal Liquidity Stress (ILS) and Short-Term Liquidity Framework (STeLF);
2. Regulatory indicators: LCR, NSFR, ALMM and asset encumbrance.

All these indicators are underpinned by a common approach: guarantee that Crelan Group's liquidity buffer is sufficient to cope with a range of stress events. More specifically, Crelan Group's own Internal Liquidity Indicator has been designed to ensure that the bank maintains an adequate liquidity cushion to be able to withstand combined idiosyncratic and market stresses over a 3-month horizon.

Internal Liquidity Stresses (ILS)
The internal liquidity stress methodology is derived from the regulatory Liquidity Coverage Ratio (LCR) reporting requirements. The data from the prudential LCR liquidity reporting are used for the calculation of the internal liquidity requirement under stress. However, where well-defined haircuts need to be applied

in the LCR, the internal stress methodology will deviate by applying higher bank-specific shocks to assets and liabilities in order to simulate the impacts on the value of assets, inflows and outflows during a defined period of stress.

The ILS is measured as a liquidity buffer in EUR, which is the amount of high-quality liquid assets that exceeds the net liquidity outflow of the defined stress scenario. Crelan Group has defined a stress scenario that covers a longer period of time than the LCR's 30 calendar days window. The length of the stress scenario has been set at 3 months, this gives the bank time to adjust to a new liquidity situation and to also consider both a severe financial market and an idiosyncratic shock.

The extreme financial market stress assumes the following two circumstances which are supposed to happen at the same time:

The cash collateral of the derivative portfolio is dependent on movements on interest rates. Crelan Group needs to add cash collateral in case of a negative interest rate movement. We define this stress as a downward parallel shift of the interest curve. Secondly, an instantaneous widening by 150 bps of credit spreads on bonds.

The idiosyncratic stress assumes that the behavior of retail and wholesale clients changes compared to normal market conditions. This leads to outflow rates that are up to 50% higher than the LCR calculation. Moreover, there are additional outflow rates foreseen for credits in pipeline, as under stress the drawing behavior of clients can change. Finally, the amount of inflows received from retail clients is limited to the principal payments, ignoring interests.

Finally, the ILS of Crelan Group also foresees a mitigating action, to remedy the stress experienced on during the considered 3-month time horizon. This action consists of issuing retained covered bonds through the AXA Bank Europe SCF vehicle of sub entity AXA Bank Belgium.

in 000 EUR	31/12/2023	Limiet	Buffer
Internal Liquidity Stress Indicator	3,913,602	1,300,000	2,613,602

Short Term Liquidity Framework (STeLF)
To complement the regulatory liquidity framework and the Internal Liquidity Stress calculations, Crelan Group has created a liquidity indicator computed on a daily basis which assesses the liquidity position over the next 5 business days. This indicator is called the Short-Term Liquidity Framework (STeLF). It measures the liquidity buffer defined as the sum of unencumbered ECB eligible securities and EUR cash balances and is calculated for two scenarios. In the business-as-usual scenario, the STeLF liquidity buffer takes inflows and outflows into account for the next five business days. While in the stress scenario only the outflows are taken into account along with an extra stress outflow on top of that.

Regulatory Indicators
Crelan Group monitors the LCR and NSFR of the Basel III framework.

- LCR (Liquidity Coverage Ratio) became binding in October 2015 while NSFR (Net Stable Funding Ratio) became binding with the introduction of the CRR II in June 2021.
- ALMM (Additional Liquidity Monitoring Metrics) is reported to the supervisor since April 2016. Asset encumbrance (broad and narrow) ratios are calculated in accordance with Belgian regulation.

7.3.1.2. Policies for Liquidity Risk Management

Crelan Group's liquidity contingency plan has been adapted and the bank established a special task force which, during systemic or idiosyncratic liquidity crises, must immediately intervene and take appropriate action. Regular forward-looking projections of the main liquidity ratios support the active management of the liquidity risk within the bank.

7.3.2. Liquidity Buffer Assessment

Crelan Group has a very robust liquidity position as demonstrated by its strong liquidity buffer that clearly exceeds regulatory and internal limits.

Both Basel III indicators are well above the minimum requirements at the end of 2023 (100% limit) thanks to a comfortable stock of liquid assets and a solid financing structure.

Ratio	31/12/2023	31/12/2022	Limiet
LCR	188%	196%	100%
NSFR	142%	149%	100%

Funding
The main sources of stable funding for the bank are retail deposits (EUR 42 billion on 31 December of 2023) and covered bonds (EUR 5 billion on 31 December 2023). Crelan Group also participated to the long-term refinancing operations (TLTRO) of the ECB for EUR 0.9 billion on 31 December 2023. This funding is received by pledging retained covered bonds as collateral at the ECB. More detail can be found in the table below.

Maturity Analysis

31/12/2023 (in 000 EUR)	< 6 months	6-12 months	> 12 months	Total
Capital	189	169	2,595,530	2,595,888
Retail funding	36,929,180	3,084,777	1,947,735	41,961,692
Stable retail funding	25,850,907	1,448,411	890,142	28,189,460
Other retail funding	11,078,273	1,636,366	1,057,593	13,772,232
Non-financial customers	657,311	49,227	44,528	751,066
Central bank funding	123,495	796,043	0	919,538
Financial customers	1,168,309	515,544	4,698,034	6,381,887
Covered bonds	0	499,680	4,538,612	5,038,292
Other financial customers	1,168,309	15,863	159,423	1,343,595
Other counterparties	499,473	18,344	1,653,756	2,171,573
Total	**39,377,957**	**4,464,103**	**10,939,582**	**54,781,643**

In this table the fair value of derivatives is not included since we do not consider these derivatives as 'funding',

Covered Bonds
AXA Bank Belgium, part of the Crelan Group created AXA Bank Europe SCF for issuing covered bonds, whereby AXA Bank Europe SCF directly purchases mortgage loans from AXA Bank Belgium. Although not yet applied, the set up also allows executing a secured loan transaction between AXA Bank Belgium and AXA Bank Europe SCF with mortgages as underlying collateral to issue covered bonds with a shorter time to market.

The strong underlying quality of AXA Bank Belgium's retail mortgage portfolio in Belgium is the ideal collateral for a covered bond program. This program enables Crelan Group to manage its liquidity risk. It provides the bank with diversification in funding sources and minimizes funding concentrations in time buckets. The covered bond program gives Crelan Group access to the covered bond market, allowing to reduce the cost of long-term institutional funding. This program offers the bank access to funding markets that remain open in times of market stress. The bank launched its first covered bond in November 2010. The covered bond program amounts to EUR 10 billion in 2023 of which EUR 5 billion remains on a consolidated level: EUR 5 billion are placed in the market, and EUR 5 billion of these covered bonds are retained by AXA Bank Belgium (used in secured funding transactions) and were eliminated in the consolidated balance sheet.

Since the bonds issued with this program are covered by mortgage loans, a part of the mortgage loan portfolio of the bank is considered to be encumbered. To ensure that the amount of encumbered assets does not grow too large, Crelan Group calculates the economic asset encumbrance indicator. This indicator specifies the amount of assets that are encumbered compared to the total balance sheet. The table below shows that even while using mortgage loans to issue covered bonds, the economic asset encumbrance ratio stays below its limit.

7.4. Credit Risk

7.4.1. Credit Risk Management

Crelan Group defines credit risk as the risk of loss associated with the obligor's incapacity to fully meet contractually agreed financial obligations. The goal of credit risk management is to ensure that a (set of) credit event(s) would not significantly threaten the bank's solvency nor profitability. In order to reach this objective, credit risk exposures are maintained within strict boundaries. The effective management of credit risk is a critical component of a comprehensive approach to risk management and is essential to the long-term success of any banking organization.

Crelan Group's main business is to provide mortgage (79%), professional (10%), agricultural (4%), consumer (4%) and other (3%) loans, with mortgage loans representing the most important share. These products are offered in Belgium only.

7.4.1.1. Forbearance rules

The regulation refers to contract amendments requested by customers in financial difficulty. In a normal setting Crelan uses its internal rating system to make the distinction with commercial adaptations. At AXA Bank Belgium, capital suspensions for a period of 6 months or more are considered as forborne, as such a measure is only granted to customers in financial difficulties. Mortgage loans energy measures are for 12 months and conditioned on a repayment plan with the energy supplier and a limited savings amount that corresponds to financial difficulties. All the files with energy measures have been flagged as forborne at both banks without considering the customer's rating. This is also in line with Febelfin consensus. All those files have been classified in stage 2 or in stage 3 if a forbearance flag is still active (in the 2-year probation period). The impact on the expected credit losses is described in the following section.

7.4.1.2. Management overlay

We started the year 2023 with an important stock of overlays for the uncertainties that were related to second order effects due to the crisis in Ukraine. For the retail segment it was mainly the issue of energy prices, whereas for the professional segment also inflation and raising interest rates created uncertainty around the repayment capacity of our clients. More specific for the agricultural sector there is a lot of uncertainty around regulation related to ecology.
In the course of 2023, the bank opted to maintain the different overlays due to the high level of uncertainty that still exist. During Q4 the different overlays were evaluated in order to reflect the level of uncertainty related to the provision amount.
The Bank continued in 2023 to identify pockets of risk in its portfolios consisting of clients who could potentially face repayment problems if energy prices and inflation remain historically high in the coming months.

Mortgage and consumer loans
Mortgage loans are the most important product within Crelan's credit portfolio concentrated on Belgium residential real estates.
An important risk parameter in granting loans is the client's ability to repay. In the case of mortgage loans, all income and expenses, including those related to loans, are taken into account to obtain a net income that is compared to what is known as the minimum disposable income, i.e. what the client should have left over for everyday expenses such as food, heating, etc. If this minimum income is not reached, the loan is rejected.

Last year an exercise was carried out to identify those clients that might have payment difficulties due to raising energy prices. The same exercise was carried out this year to take into account the overall macro-economic environment: based on the disposable incomes available in our database, we have indexed these incomes and have decreased them by EUR 300 / month (average impact on the energy bill in Belgium).
Based on the selection of clients that would no longer reach the minimum disposable income, we consider a transfer to stage 2 of the files that are in stage 1. The estimation of the management overlay is based on the application of the stage 2 coverage ratio on those exposures gives the level of the management overlay (see table below). However, we have lowered the conversion rate from 100% last year, to 80% this year, due to the fact that the evolution of the energy prices was favorable during the last months. The overlay is constituted for those clients that have an amount on the Crelan or AXA Bank savings account that is lower than EUR 2,500).

Professional and agriculture loans
For the professional portfolio the year 2023 was marked by historically high salary indexation levels in the beginning of the year, leading to an important increase of the operating costs. This led to historically high bankruptcy figures, mainly in sectors such as construction, HORECA and transport. After 1 year the crisis did not have a material impact (just yet) on the professional loan portfolios.

In line with the exercise performed last year, Risk has conducted an analysis to identify the most risky credit files. We identify risky clients based on a series of negative signals. Each client in the portfolio is given a score based on various internal and external indicators. The higher the score, the higher the risk. For those clients that are identified as riskier, we consider a transfer to stage 2 of the files that are in stage 1. The application of the stage 2 coverage ratio on those exposures gives the level of the management overlay (see table below). The bank applies as such the S2 coverage ratio but did not transfer the loans to S2 since it considers that staging rules are functioning well and as such staging for these files will follow in a later stage if the risks indeed materialize. This was the same methodology applied last year.

Sectorial provision on agriculture market
Crelan has an historical exposure towards the agricultural sector. Every year the bank experts perform an analysis in order to capture the evolution of the uncertainties that are related to the sector. Energy crisis, inflation and new regulation (e.g. nitrogen agreement) are keeping uncertainties for this sector on a high level. In order to cover this risk LRC has decided to maintain unchanged the existing overlay for the agricultural sector.

7.4.1.3. Risk policy, Limit Framework and Reporting

The purpose of credit risk management is to correctly identify and measure the credit risk on the balance sheet, to monitor the credit risk and to take the necessary actions to keep the credit risk within the risk appetite so preventing credit events to materially affecting the solvency or profitability of the bank.

To achieve this objective, loan portfolios must remain within certain predetermined limits. These limits are determined by a previously elaborated risk appetite framework (RAF) in which functional limits are defined. These functional limits are translated into operational limits which are used daily to ensure that the credit activity operates within the risk appetite defined by the Board of Directors

The risks on Crelan Group's Belgium mortgage loans, personal loans, agricultural loans and professional credits are managed in four phases (acquisition, management, remedy and recovery) based on the credit policies.

Mortgage loans are accepted based on a set of acceptance standards and policy rules. Acquisition scoring models are internally developed and regularly reviewed to assess the validity of these internal risk models. Crelan Group is compliant with the guidance of the NBB (so called "speed limits").

An essential part of credit risk management is formed by the Bank Remedy Department. This department adopts measures to minimize the bank's credit risk depending on the nature and severity of the incident. Moreover, the department determines the amount of monthly provisions to make for future write-offs. The procedures and controls for the write-off on non-performing loans are incorporated in a write-off policy in accordance with the EBA guidelines.

In compliance with regulatory expectations, Crelan Group performs stress testing for retail credit risk. The main goal is to assess the sensitivity of credit losses for the existing credit portfolio as well as to assess the solvency of the bank under stressed situations.

The evolution of credit risk is actively tracked as part of the reporting for the Lending Risk Committee which reviews the risk on a regular basis. All these principles lead to a highly effective risk management system with control processes that prevent undesired manipulations. This system is strongly integrated into the operations of the 'Financial and Credit Risk' division and is subject to continuous monitoring by the Risk Committee at Board level.

7.4.1.4. Portfolio

The loan portfolio consists of mortgages, professional, agricultural, consumer and other loans, with mortgage loans representing the most important share.

Given the good collateral coverage and the low probability of default, the risk profile of the total credit portfolio is low.

7.4.2. Credit Risk Exposure

For the vast majority of Belgian loans credit risk measurement is done by means of Internal Rating Based (IRB) models at Crelan and AXA Bank Belgium. A residual proportion of loans are measured by the Standardized Approach. Europabank measures all its exposures with the Standardized approach as they target a specific client segment. Crelan Group applies the Standardized approach for the investment portfolio and participations, as seen in section 7.4.4.

The credit risk exposures are risk-weighted for 21% according to the Standardized Approach and for 79% according to the IRB. When only looking at the Retail portfolio, 93% is risk-weighted following IRB.

For on-balance sheet items, the net value is the gross carrying value of the exposure less allowances/ impairments. For off-balance sheet items, the net value is the gross carrying value (nominal amount) of the exposure less provisions.

Crelan Group's retail portfolio is mainly concentrated towards households. These households are serviced by Crelan by means of mortgage loans, consumer loans and credit facilities to current accounts. Furthermore, Crelan Group has some exposure towards non-financial and financial corporations. These exposures correspond to our professional loan portfolio targeting farmers, self-employed clients, liberal professions, and micro enterprises. A diverse mix of industry sectors are served by Crelan.

The mortgage portfolio has risen in 2023 with 0.7% due to lower new production of mortgages but which proofs to remain of good quality (compliant with the speed limits).

For the consumer loan portfolio, we noticed an increase in 2023 (5.2%). The production did more than compensate for the natural erosion of the portfolio strong demand for financing energy-saving equipment.

The professional loan portfolio of Crelan Group agriculture included decreased in 2023 by 1.74% in the context of rising interest rate.

7.4.3. Credit Quality

7.4.3.1. Definition of default

Crelan and AXA Bank Belgium both have a definition of default for retail loans that is compliant with the harmonized definition of default formulated by EBA.

Both banks consider a client/facility to be in default if and if only one or more of the following conditions is fulfilled:

- The client/facility is in litigation. In such a case, the contract with the client has been cancelled, and actions such as claiming guarantees are taken to recover the full amount of the exposure;
- The client/facility has more than 90 days past due of material arrears. The materiality threshold for the arrears is set EUR 100 and at least 1% of the exposure;
- The client/facility is "unlikely to pay". The banks perceive indications that the client will most likely not be able to fully satisfy its credit payments without possible claim on the guarantees. Indications of unlikeliness to pay include bankruptcy, fraud, contagion through connected clients, and deterioration of credit worthiness of forborne loans.

In case a client/facility is in the 2 last categories, it is referred to a "possible loss". On the contrary, a credit/facility which is in litigation is said to be doubtful.

When a client/facility becomes defaulted, it is considered to be impaired and thus a specific provision has to be accounted for. At that moment an evaluation should always be made if this default has an impact on the estimated future cash flows of the financial asset, and if accordingly, an impairment loss should be recognized.

Note that in end 2023 AXA Bank Belgium changed its impairment method for the defaulted exposures that are not doubtful. The entity was using a collective approach, and adopted the individual approach in line with the target of the merge of both entities.

7.4.3.2. Acceptance policy

Both Crelan and AXA Bank Belgium have a selective and prudent harmonized acceptance policy in place. As a result, the new production of both banks was characterized by a high quality and the entire credit portfolio showed a good performance despite the current macro-economic challenges such as the energy crisis.

7.4.3.3. Credit quality stages

7.4.3.3.1. Performing – stage 1

Under IFRS 9, within the segment of performing loans, a distinction is made between loans without any significant increase in credit risk since origination on the one hand and loans with a significant increase in credit risk since origination on the other hand. Loans that are in the performing segment without any significant increase in credit risk are categorized as Stage 1. For Stage 1, the impairments are recognized for a 12-month expected credit loss. If none of the qualitative or quantitative triggers as described in Stage 2 and 3 are triggered, a loan is categorized in Stage 1.

7.4.3.3.2. Underperforming – stage 2

Crelan and AXA Bank Belgium consider the following conditions, both quantitative as qualitative, to attribute to a significant increase in credit risk (SICR) and therefore the loans are categorized as Stage 2 (underperforming):
Triggers for both banks:

- Days past due greater or equal to 30;
- Negative listed in CKP 12 database;
- Forbearance measures on credit.
- Current PD rating in the worst bucket before default (rating 9/E).

Specific triggers for AXA Bank Belgium:

- Current PIT[12] PD is above a factor 3 times PD at origination and absolute difference is above 67 BPS.
- Difference in current PIT PD to PD at origination is greater or equal than 2%-points.

Specific triggers for Crelan:

- Current rating downgraded outside RAF after the origination (rating C- or lower).
- Rating downgrade (which are equivalent to an increase in the underlying 12-month PD increase of at least 200% compared to origination)
- Transfer to the watch-list by decision of the credit committee, based on negative qualitative signals identified during the reviews and monitoring process of the portfolio.

If a single one of the qualitative or quantitative triggers conditions is met, the loan will be classified as Stage 2.
Note that the criteria have been harmonized from a conceptual point of view end Q4 2022. Some differences remain due to technical differences in the tool and/or processes.

7.4.3.3.3. Non-performing – stage 3

Stage 3 contains all loans in default, see section 7.4.3.1 for its definition.

When a client/facility becomes non-performing, an impairment loss should be recognized. At that moment an evaluation should always be made if this default has an impact on the estimated future cash flows of the financial asset.

Furthermore, the default status is fully aligned with the 'non-performing' and 'impaired' statuses and hence with stage 3.

7.4.3.4. Specific and general credit risk adjustments

Based on the CRR definition, credit risk adjustments are the amounts of specific and general loan loss provisions for credit risk that have been recognized in the financial statements in accordance with the applicable accounting framework. The Consolidated Financial Statements of Crelan Group are drawn up in compliance with the IFRS – including the International Accounting Standards (IASs) and interpretations as accepted within the European Union.

[12] Point-in-time

Under IFRS 9 the credit risk and the potential associated credit losses are captured through the expected credit loss principles and all credit risk adjustments are categorized as specific. There is no general loss allowance as defined under the Bank Accounts Directive (Council Directive 86/635/EEC).

All expected credit losses calculated through internally developed statistical models and other historical data are considered being collectively measured allowances.

All loans in default (litigated in litigation and not litigated in pre-litigation) have individually measured allowances (cf. harmonization of the approach for AXA Bank Belgium – see 7.4.3.1). Crelan Group calculates expected credit losses starting from the initial recognition of the loan on the balance sheet. For loan commitments, the date that Crelan Group becomes party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of applying the impairment requirements.

Based on the following key inputs:

- Exposure at default
- Loss given default
- Probability of default

expected credit losses are calculated as a probability-weighted outcome based on 3 scenarios: an up-turn scenario, a base scenario and a down-turn scenario.

Crelan Group uses a separate provision account, which reflects the impairment special depreciation, undergone by the underlying financial asset as a result of credit losses. The calculation of the expected losses also takes into account the impact of the time value and the related adjustment is recognized through the interest yield.

Negative differences between the calculated recoverable amounts and the carrying amount are recognized in the income statement as an impairment loss. Each increase due to a downswing is recognized through the addition for impairment accounts in the income statement. Each decrease due to objective indicators that show that the recoverable amount increases as a result of an improvement in the assessed recoverable cash flow is accounted for through the write-back of impairments in the income statement account. However, it shall never lead to an amortized cost, which would be higher than the amortized cost if no impairment depreciation had taken place. The provisions are directly booked against the receivables if there is no possibility of recovery.

7.4.3.5. Credit Risk Mitigation (CRM)

Both AXA Bank Belgium and Crelan define in their credit policies the need to establish collaterals to mitigate the credit risk.

7.4.3.5.1. Main types of collateral received

Based on the product there are different types of collaterals given.

Collateral for mortgage loans
The credit is typically secured by a mortgage (inscription or mandate) on immovable property (full ownership) in Belgium. The property should be normally marketable. The mortgage that must be provided can be reused in the context of potential subsequent mortgage loans (and even used for other loans). All collaterals complementing mortgage must be provided before the official registration of the loan.

Collateral for professional loans
These collaterals are the following:

- Tangible collaterals concern a property, movable or immovable, with an intrinsic value, in most of the cases a mortgage inscription or mandate.

- Personal guarantees consist of claims against a person.
- Moral undertakings provide no means of enforcement to the bank and rely on the honesty of those that have issued them.

Collateral for agricultural loans
They are similar to the professional loans with mortgages and mandates on the immovable properties (including land) and pledges on the movable assets (equipment, cattle, …).

Collateral for consumer loans
For consumer credits transfer of debt collection or act of relinquishment of wages and other income is used as collateral. For clients who also have a mortgage loan, the mortgage can also be considered as collateral.

Valuation policy for non-performing loans
Clients with loans in arrears are a limited part of the bank's portfolio but applying an indexation approach might not be appropriate for these loans as the assessment of potential losses more heavily rely on property values at this stage. Crelan Group therefore performs an external valuation at the moment of becoming doubtful for those properties for which no recent (i.e. ≤ 3 year) individual valuation is available. A yearly verification will be performed to ensure the last external valuation is less than 3 years old. In case of older external valuations, a (new) valuation will be performed.

7.4.3.6. Changes in the stock of credit risk adjustments

Since the start of IFRS 9 at the beginning of 2018, all credit risk adjustments are categorized as specific.

7.4.3.7. Evolution portfolio in 2023 in the context of macro-economic evolution

Notwithstanding the COVID-19 crisis in 2021 and the energy crisis which unfolded in 2022 the credit portfolio of Crelan Group remains healthy in the course of 2023 without material signals of deterioration. This is mainly due to the intrinsic quality of the credit portfolio and the prudent acceptance policy. The tables in section 4.4.1 provide an overview of the evolution of Crelan Group's credit portfolio in 2023 over the various IFRS 9 stages and show the expected loss level per stage.

In 2023, the non-performing loans (NPL) ratio remains stable at a low historical level of 0.9% while loans in stage 2 with a significant increase of credit risk after origination decrease sharply from 9.5% to 8.1% as flagged UTP COVID 19 credits continued to come back in stage 1 after the probation period of 2 years.

The coverage ratio for Stage 3 increased sharply in 2023 as a result of the regulatory requirements for long-term NPLs that is not linked to an observed deterioration in collateral quality. Indeed, the regulation expects minimum coverage for non-performing loans that are in default since a long time – the time in default being dependent on the type of exposures. Crelan therefore implemented those minimum coverage in 2023, leading to an increase of impairments. The affected portfolio is exposures that are in default since more than 7 years (i.e. date of default prior to 2016).

7.4.4. Standardised Approach (STA)

7.4.4.1. Portfolios under the Standardized approach

Crelan Group uses the standardized approach for determining the credit risk for a limited part of its portfolio. Europabank measures all its exposures with the Standardized approach as since they target a specific client segment (clients with a slightly higher risk profile). The standardized approach measures credit risk either pursuant to fixed risk weights, which are predefined by the regulator, or through the application of external ratings. More specifically, the Standardized approach is used to determine the credit risk of:

- Derivatives and repos;
- Investment portfolio;
- Participations;
- Other small portfolios.

These exposures are discussed in detail in this next section.

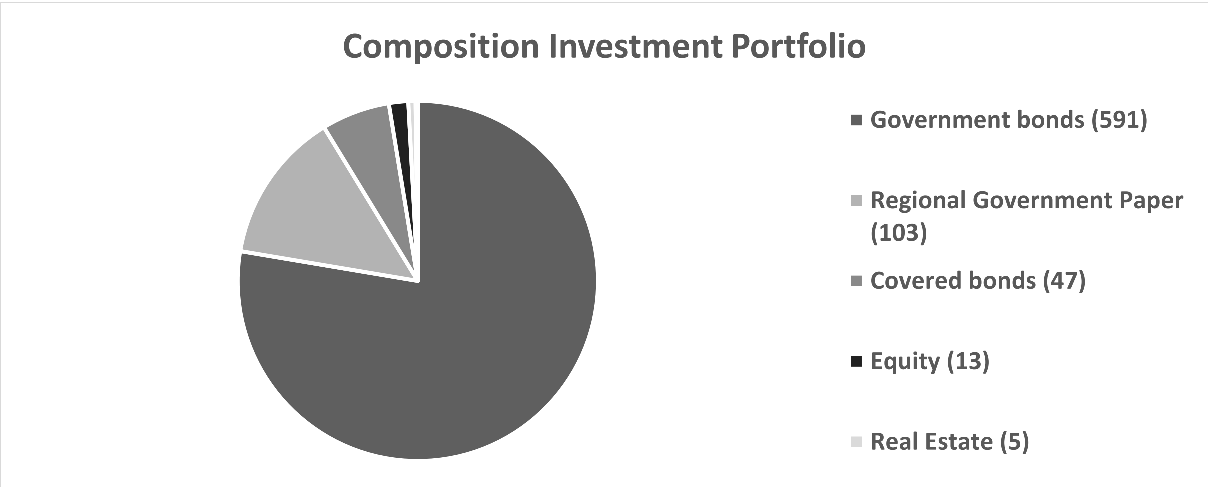
7.4.4.1.1. Derivatives and repos

The exposure on derivatives and repos is calculated according to the Standardized approach for counterparty credit risk (SA-CCR) and is therefore set out under the section 7.5 'Counterparty Credit Risk'.

7.4.4.1.2. Investment portfolio

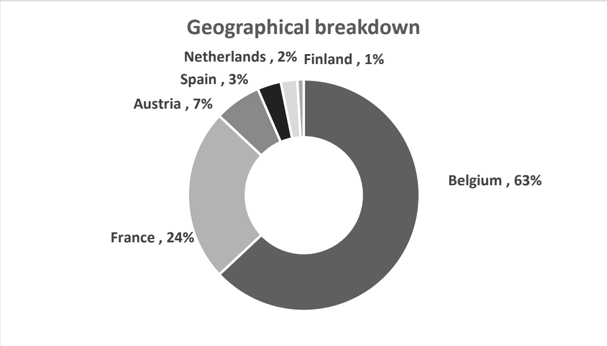
The market value of the investment portfolio decreased over 2023 (EUR 404 million in total), mainly due to the sale of bonds in combination with bonds that came to maturity. The remaining investment portfolio at the end of December 2023 is EUR 761 million.

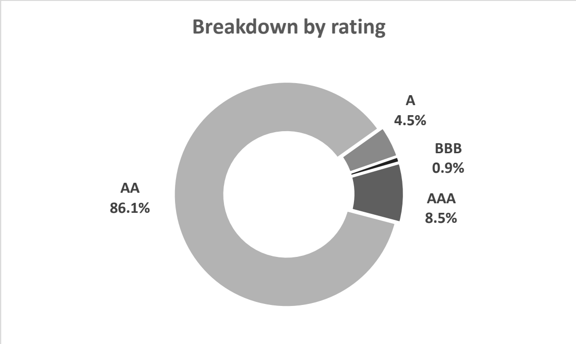
The investment portfolio of Crelan Group mainly consists of high-quality government bonds (78%) and regional government papers (14%).
The next graph illustrates the exposures in Crelan Group's investment portfolio (in million EUR).



Moreover, the credit ratings and market price changes of Crelan Group's positions are being carefully monitored to examine the vulnerability of the credit portfolio to a number of adverse developments. There is no single position with a rating below investment grade.

Geographically, the investment portfolio credit risk is limited to countries that are members of the European Union.





7.4.4.1.3. Participations

Crelan Group has a limited participations portfolio (EUR 9 million at the end of December 2023). These shares represent participating interests in non-consolidated subsidiaries (Beran NV) and financial intermediary entities (e.g. Visa Belgium and Payconiq).

7.4.4.1.4. Other small portfolios

Some other small portfolios are treated under the Standardized Approach. It concerns among others tangible assets and other receivables. A very small part of the retail credits that because of their size do not longer qualify as "Retail" is allocated to the exposure class "Corporate" and treated following the Standardized Approach. Small retail portfolios such as tax credits, guarantees and negative current accounts are also treated under the Standardized Approach. Deferred tax assets that rely on future profitability and arise from temporary differences below threshold is also part of the Standardized Approach. Europabank measures all its exposures with the Standardized approach as they target a specific client segment.

7.4.5. Internal Rating Based Approach (IRB)

7.4.5.1. General

Within Crelan Group both Crelan and AXA Bank Belgium received the approval from the NBB/ECB to apply the (A)IRB approach to their Belgian retail credit activity. This is the most sophisticated approach available under the regulatory framework for credit risk and allows a bank to make use of internal credit rating models and subsequent internal estimates of risk parameters. These methods and parameters represent key components of the bank's internal risk management and process supporting the credit approval process, the economic capital, provisions and expected loss calculation and the internal monitoring and reporting of credit risk. AXA Bank Belgium received NBB's permission in 2008 while Crelan in December 2011. For AXA Bank Belgium the approval to use the IRB approach was reconfirmed by the ECB after the Targeted Review of Internal Models (TRIM) in 2017. In Q4 2022 IRB models for AXA Bank Belgium were recalibrated towards the new definition of default while respecting the regulatory guidelines on internal modelling in line with the EBA repair program restoring the trust in internal models used for capital requirement calculations. In the same way, AXA Bank Belgium implemented in December 2023 changes in its LGD model in line with the EBA Guidelines on downturn estimation. A new expected loss best estimate model was also implemented The IRB landscape of Crelan and AXA Bank Belgium will be harmonized in the next few years.

7.4.5.2. Internal credit rating models

To apply the IRB approach, both Crelan and AXA Bank Belgium have developed internal predictive models in compliance with Basel's III Internal Rating Based Approach. The relevant parameters include the:

- Probability of Default (PD) of retail credits;
- Loss Given Default (LGD);
- Exposure At Default (EAD), including Credit Conversion Factor (CCF).

The input data of these models consist of product characteristics, socio-demographic data of applicants, financial data and external data that must meet certain quality criteria. Given the vast amount of available information it was possible by means of statistical techniques to develop rating models that are highly powerful in predicting future default behavior.

PD models assign a score to each loan, based on product characteristics and borrower criteria. Based on these scores, PD classes are formed and a long-run PD is attached to each class. This long-run PD is the historic average default rate, corrected for being 'forward looking'. This way at Crelan, 11 PD classes are created, rating A+ being the class with the lowest risk and rating E with the highest risk. Rating classes F and Z contain defaulted loans. For AXA Bank Belgium 10 PD classes are created, 1 being the class with the lowest risk and 9 with the highest risk. The 10th class contains defaulted loans.

The LGD models estimate the size of the loss for loans that default. A workout LGD approach is taken for that purpose. Levels of losses are discriminated thanks to several characteristics such as e.g. the value of the guarantee that backs the loan. LGD is constructed based on two separate elements: the probability of cure and the loss given recovery. The combination of both elements results in a final LGD grade, to which a correction is done to take into account downturn conditions.

The EAD is the amount due by the borrower at the time of default. This amount includes the outstanding capital at the time of default, past due capital repayments and interests and fines. For unused credit lines and offers in the pipeline, CCF models have been developed based on historical data. These models estimate the proportion of the off-balance sheet that will be drawn by the customer at time of default.

As part of the model development, there is a calibration process, linking the rating and the PD/ LGD. This calibration is revised and adjusted during the yearly model review process.

7.4.5.3. Expected losses (EL)

These are the expected value of losses due to default over a specified horizon. EL is typically calculated by multiplying the Probability of Default (percentage) by the Loss Given Default (percentage) and the Exposure at Default (amount). It is considered as an expectation due the Probability of Default factor. PD, LGD, EAD and EL form the building blocks for calculating the capital requirements for credit risk under IRB approach.

7.4.5.4. Impairments

As of 2018, impairment losses are recorded according to IFRS 9 requirements (calculated on a lifetime expected credit loss (ECL)) for defaulted loans and on a 12-month or lifetime ECL basis for non-defaulted exposures; depending on whether there has been a credit risk deterioration and a corresponding shift from Stage 1 to Stage 2. Specific IFRS 9 models are used for this purpose which are in fact extension of the existing rating models (see section 7.4.3.3 for more information on the impairment stages).

7.4.5.5. Control mechanisms for rating systems

The 3 lines of defense principle is applied on the rating system. The Risk Analytics team is responsible for the development, maintenance and performance monitoring of the models in the IRB approach. Next to that, the Validation team acts as second line of defense, controlling and validating in accordance with internal guidelines the modelling activities performed by the Risk Analytics team. Finally, Crelan Group's internal audit is the third line of defense, performing internal audit on models following the audit process in place.

7.4.5.6. Exposures using the IRB approach

Crelan Group uses IRB models to calculate the own funds requirements for Corporate SME and for Retail exposures:

- The pre-securitization Retail portfolio measured with the IRB models increased from EUR 44,975 million exposure amounts at the end of 2022 to EUR 45,293 million exposure amounts at the end of 2023. The quality of the retail portfolio improved during 2023 and the pre-securitization RWA (excluding macro-prudential add-on) decreased from EUR 4,058 million in 2022 to EUR 3,529 million at the end of 2023. This RWA decrease is also caused by the implementation of the new ELBE model in Q4 2023. The decrease linked to the implementation of the model is -144 million based on Q4 2023.
- The Corporate SME portfolio measured with the IRB models increased slightly from EUR 1,610 million at the end of 2022 to EUR 1,634 million at the end of 2023. The corporate SME portfolio showed stable quality during 2023, resulting in a slight increase in RWA from EUR 498 million in 2022 to EUR 505 million at the end of 2023.

In Q4 2020 AXA Bank Belgium issued a synthetic securitization with Significant Risk Transfer as explained in chapter 7.2.5 to support the growth of the loan portfolio while optimizing the risk-return balance. On Q4 2023 securitization reduces RWAs by EUR -75 million.

7.4.5.7. Regulatory floors

Crelan Group applies the regulatory 10% LGD floor for its mortgage loans.

7.4.5.8. Belgian specific regulation

As of Q2 2022 the macroprudential add-on on mortgage exposures is no longer applicable and was replaced by the Sector Systemic Risk Buffer (SSRB). The macroprudential measure imposes the constitution of a CET1-capital buffer in the form of a sectoral systemic risks buffer for Belgian residential real estate exposures of banks that use internal models for the computation of risk-weighted exposures (IRB banks). The targeted exposures are the same as the ones targeted by the previous measure applied until 30 April 2022, according to Art of the 458 CRR. That is, the relevant real estate exposures targeted by the measure are retail exposures secured by residential real estate located in Belgium. They also include exposures partially or fully secured by mortgage mandates and cover both defaulted and non-defaulted loans. This sectoral systemic risk buffer is computed by multiplying the risk-weighted assets (RWAs) related to the abovementioned relevant exposures by 9%. Contrarily to the previous Art. of the 458 CRR measure, this measure does not result in an increase of the RWAs but in the constitution of a specific CET1-capital buffer, called (sectoral) systemic risk buffer. The Overall Capital Requirements (OCR) for the SSRB of Crelan Group is at a level of 2.51% at the end of Q4 2023.

7.4.6. Macro-economic outlook

In the beginning of 2023, the macro-economic outlook was uncertain due to the aftermaths of the energy crisis and the war in Ukraine. The start of the war in the Middle East added uncertainties and geopolitical risk. The rise of the interest rates was also a significant macro-economic event of 2023. Crelan Group is following a set of indicators and metrics and adapted it throughout 2023 to include the uncertainties and the change in macro-economic outlook in its financial figures through management overlays and change in the scenario.

The most significant change is an adaptation of the evolution of house prices, that directly impacts the values of the collaterals of Crelan Group. Due to the rise in interest rates, the current valuation of real estate is not considered as sustainable and Crelan Group considers that a correction will occur, with a decrease in the price over the next years.

For end of 2023, Crelan Group has defined 3 macro-economic scenarios for the future years, following the process and methodology internally defined. Those scenarios are provided in the tables below. In the base scenario, a slow GPD growth is forecasted for the upcoming years, with a stable unemployment rate[13]. The nominal house price is forecasted to decrease in the upcoming years due to the rise of interest rate.
The adverse scenario is considering a more pessimistic view on the upcoming years. A decrease in GDP for 2024 is forecasted. This decrease is a consequence of a more pessimistic impact on the aftermaths of the energy crisis and inflation. In that scenario, a delicate recovery occurs in 2025. The unemployment rate increases sharply, while a more significant drop in house prices is predicted. In the opposite way, the upturn scenario is considering a more favorable outlook for the economy compared to the base scenarios. The house price is, however, still decreasing due to the current unstainable level in a higher interest rate environment.

Crelan Group is considering the upturn scenario as highly unlikely. Therefore, a weight of 5% is given to that scenario under IFRS9. The base scenario has a weight of 60% and the adverse scenarios receives a weight of 35%.

Those scenarios as well as their associated weights lead to an increase in provisions at the level of Crelan Group since the outlook for house price (and the subsequent value of collaterals) is negative. Note that many uncertainties remain on the aftermaths of the energy crisis, and the outcome of the Ukrainian and Middle East war. Given these circumstances, management overlays were also put in place (see 7.4.1.1.2).

GDP growth%	2024	2025	2026
Adverse	-2.01%	0.09%	0.81%
Base	1.26%	1.30%	1.27%
Upturn	4.52%	2.50%	1.66%

Unemployment (%)	2024	2025	2026
Adverse	6.62%	6.32%	6.10%
Base	5.60%	5.59%	5.59%
Upturn	4.58%	4.85%	5.05%

HPI growth (%)	2024	2025	2026
Adverse	-4.63%	-4.57%	-4.65%
Base	-2.97%	-2.99%	-2.97%
Upturn	-1.21%	-1.60%	-1.30%

[13] The unemployment rate for 2023 was 5.70% (based on the figure available end of 2023).

7.4.6.1. ECL sensitivity to Macro-economic outlook

The ECL has been computed under each of the macro-economic scenarios internally defined (i.e. base, adverse and upturn)[14].Those computations provide a measure of sensitivity of ECL level with respect to the macro-economic outlook. The table below shows the results. As can be seen, the ECL is the lowest in the upturn scenario and at its highest level in the downturn level. The sensitivity to macro-economic scenario is mainly influenced by the house price, which directly impact the recoveries on defaulted loans. The house price evolution is the most negative in the adverse scenario.

Scenario	ECL
Downturn	149.14
Base	144.62
Upturn	140.51

Note that the results presented in the above table are without management overlays.

7.5. Counterparty Credit Risk

Crelan Group engages in different types of derivatives in order to hedge its balance sheet risks. To measure the counterparty credit risk of these derivatives, we consider the possible future evolution of the derivative value in case of counterparty default. To achieve this, the derivatives are valued after applying market shocks. The losses that are caused by these market shocks should stay under the allowed limit for the counterparty.

Asides derivatives, Crelan Group regularly trades repurchase agreements in which its own-issued covered bond is exchanged for cash or an LCR-eligible asset. As own-issued covered bonds are not included in the liquidity buffer of the Liquidity Coverage Ratio, this type of repurchase agreements has a positive impact on the LCR (see section 7.3 Liquidity Risk). To measure the counterparty credit risk on repos, a similar method as for derivatives is used: market shocks are applied on all securities posted and received. These shocks reflect the possible future fluctuations of the securities in case of counterparty default. Furthermore, an additional haircut is applied in case wrong-way risk is incurred.

Exposure of Crelan Group to derivatives and money market transactions, which are described in the previous paragraph, is limited via a very strict policy regarding collateral requirements. Exposures to such transactions are subject to a daily credit risk monitoring and collateralized on a daily basis with both market counterparties and central clearing counterparties. Collateral exchanged is limited to cash and high-quality securities in order to ensure adequate limitation of credit exposures.

Risk reducing agreements
For all derivatives, it is mandatory to enter into an 'ISDA Master Agreement' and a 'Collateral Service Agreement' (CSA). These CSAs should be compliant with the EMIR regulation. New trades are not allowed with counterparties with whom no EMIR compliant CSA was signed. For repo transactions, it is mandatory to enter into a 'Global Master Repurchase Agreement'. Each new counterparty should be presented to and approved by the Balance Sheet Risk Committee.

Exposure at Default
In this section, we give an overview of our exposure at default of a counterparty related to the dealing room activity for both derivatives and (reverse) repos. The regulatory definition is used, that considers the nature of the instruments and simulates the exposure amount in case of counterparty default. This exposure is used to calculate the risk weighted assets and the capital requirements.

[14] The weights for Q4 2022 are the following: 60% for the base scenario, 35% for the downturn scenario and 3% for the upturn scenario.

(i) Repo & Reverse Repo
The regulatory exposure of the repo activity is calculated in the following manner:

- All transactions are grouped per netting set. The collateral received under the netting set is deducted from the exposure.

- Supervisory volatility adjustments are applied to non-cash securities received/posted under the repo transaction. These haircuts reflect the possible negative evolution of the securities exchanged

On 31 December 2023, the regulatory exposure of the repo activity amounted to EUR 151 million;
- of which EUR 96 million is caused by the difference between exposure and collateral received;
- of which EUR 55 million is the result of the supervisory volatility adjustment applied to securities posted and received.

(ii) Derivatives
The regulatory method to determine exposure at default for derivative counterparties includes the following steps:

a) Transactions are grouped in 'netting sets', in which it is legally possible to net positive and negative market values, collateral received and collateral given. The outcome of this calculation is the net replacement cost, capped at zero in case of a negative sum;
b) For each transaction a risk factor is determined, which reflects the possible negative evolution of the transaction value in case of counterparty default;
c) (a) and (b) are added and are multiplied by the regulatory 1.4 alpha factor. The outcome of this calculation gives the exposure at default per counterparty.

Furthermore, we split the exposure between exposure on bilateral counterparties and exposure on central clearing platform (CCP) for interest rate swaps which we access via clearing brokers HSBC and ABN Amro.

The aggregated results as of 31 December 2023 are displayed step by step below.

a) The sum of all positive market values amounts to EUR 1,003 million. These positive market values amounts are neutralized by negative market values (EUR 22 million of negative market values). This neutralization goes beyond purely accounting netting of off-balance sheet items based on legally enforceable netting rights. In total Crelan Group pledged EUR 42 million collateral and received EUR 926 million collateral. This leads to a net replacement cost of EUR 678 million.
b) The sum of the risk factors amounts to EUR 161 million. To clarify: this is the regulatory prescribed calculation of a negative evolution of the derivatives portfolio at the simultaneous default by all counterparties in stressed market conditions.
c) After applying the regulatory alpha factor of 1.4, we arrive at a total exposure at default of EUR 1,175 million in stressed market conditions and at the simultaneous default by all counterparties. Under stable conditions, this exposure still amounts to EUR 678 million. It is important to note that EUR 591 million in these figures stems from the high collateral requirements of the central counterparty LCH Clearnet.

Crelan Group has very high standards regarding the quality of its counterparties and none of the derivatives is past due or impaired.

Concentration Risk
Crelan Group follows the regulatory requirements regarding the limitation of large exposures, where exposure to a group of affiliated counterparties may not exceed 25% of the eligible capital. Due to diversification of counterparties, the concentration risk at Crelan Group is very low: there are no exposures on connected client groups that exceed 10% of eligible capital.

7.6. Market Risk

For market risk, Crelan Group differentiates between the market risk that is related to the 'trading book' (accounting classification), and interest rate risk related to the 'banking book'. The trading book includes all financial instruments that are used in the context of specific trading activities. Crelan Group does not carry out any trading activities for its own account. The financial instruments falling under the 'trading book' accounting classification consist of the handling of secondary customer orders for Forex, the Eurobond and the Structured Notes activity. The banking book includes all other financial instruments that do not belong to the trading book. These mainly concern the bank's retail business.

7.6.1. Interest Rate Risk Banking Book

Interest rate risk in the banking book is defined as the risk of a decrease in economic value or net interest income of the banking book because of changes in interest rates and spreads.

Interest rate risk at Crelan Group arises mainly from the following products/activities:

- As a primarily retail bank, Crelan Group attracts retail deposits (mainly saving and sight accounts) and grants retail loans (mainly mortgage loans); the former typically with shorter maturities than the latter. The mismatch in maturities of those products gives rise to interest rate risk; more specifically yield curve risk.

- The bulk of Crelan Group's retail deposits are non-maturing with rates, although discretionary by nature, linked indirectly to market rates because of a strongly competitive banking environment. Furthermore, saving accounts in Belgium benefit from a legal floored rate of 11 bps. These features are captured in dedicated models which are incorporated in Crelan Group's overall yield curve risk management but which, in turn, give rise to model risk.

- Belgian mortgage loans, which constitute the largest share of Crelan Group's retail loans, are predominantly fixed rate mortgage loans (82%) and the variable rate mortgage loans all have caps which create a partial interest rate hedge for the client. All mortgage loans feature a legal – for the customer rather inexpensive prepayment option. Over the past years, this feature translated into important prepayment waves. This prepayment risk is also captured in dedicated models which are incorporated in Crelan Group's overall interest rate risk management.

- Another specificity of the Belgian mortgage loans market is the fact that client rates of variable rate mortgage loans are indexed to OLO rates and legally capped. Those features create basis risk and option (cap) risk respectively.

7.6.1.1. Interest Rate Risk Management

7.6.1.1.1. Risk Policy, Limits Framework and Reporting

Risk Framework
Interest rate risk in the banking book is extensively covered in Crelan Group's risk appetite framework:

- Crelan Group's most strategic risk appetite statements on solvency, earnings and value defined the buffer to be held above regulatory requirements in function of, amongst others, the sensitivity of Crelan Group's net interest income.
- The regulatory outlier tests are included as strategic risk appetite statements.
- Dedicated functional risk appetite statements set limits on the EVE and NII sensitivity of Crelan Group's banking book.

- On top of the above limits, operational indicators are used to monitor all other subcomponents of interest rate risk (basis, option and spread risks).

On top of this, Treasury activities included in Crelan Group's banking book are also subject to sensitivities and VaR limits monitored daily.

Risk Reporting
Crelan Group's main reporting on interest rate risk in the banking book is included in the monthly Balance Sheet Risk committee (BSRC) book and quarterly risk report. These reports include the following risk indicators:

- Sensitivity of the economic value of the banking book to various rate scenarios: parallel shifts from -200bps to +300bps, steepening and flattening scenarios.
- Sensitivity of the net interest income of the banking book to various rate scenarios: parallel shifts from -200bps to +300bps, steepening and flattening scenarios.
- (Reverse cumulative) maturity and repricing gaps.
- Regulatory economic value and net interest income sensitivity indicators.
- 99.9% Value at Risk (VaR) analysis (in quarterly risk report).
- Dedicated indicators for cap risk, model risk, OLO basis risk and Euribor basis risk.

This set of indicators provides the BSRC with a comprehensive view of all sub-components of IRRBB. They are produced by a dedicated IRRBB management tool managed in coordination between the ALM and Risk Management departments.

7.6.1.1.2. Policies for Hedging and Risk Mitigation Techniques

Crelan Group applies the following hedging policies to mitigate the interest rate risk in its banking book:

- To keep the interest rate sensitivities within the regulatory and internal limits, the bank is actively managing a portfolio of derivatives within its banking book activities. Monthly production of retail assets and liabilities (including pipeline) is hedged systematically to keep Crelan Group's exposure levels within the desired range.
- Cap risk embedded in variable rate mortgage loans is hedged via an active purchasing policy of market caps and swaptions.
- OLO basis risk embedded in variable rate mortgage loans is hedged via the maintenance of an OLO portfolio: declining OLO spreads generating lower revenues on mortgage loans are then compensated by capital gains on OLOs.

Prepayment risk is managed via dedicated models (at Crelan and AXA Bank Belgium) including natural and rate-driven prepayments and a permanent adjustment of Crelan Group's overall interest rate risk position to the desired level (delta hedging). The objective is to fully harmonize the prepayment models in 2024.

7.6.1.1.3. Exposures to Interest Rate Risk in the Banking Book

The banking book of Crelan Group including its subsidiaries mainly consists of retail loans and investments on the asset side, retail savings and deposits and non-retail long term funding including covered bonds and EMTNs on the liability side.
The largest share of retail loans are Belgian mortgage loans, of which 82% have a fixed interest rate and 18% have a floating interest rate. The interests of the variable rate mortgages are linked to the evolution of the OLO rates. The Belgian law imposes a cap on the variable interest rates of these loans. The following table lists the values for 2 internal indicators: the Bank SI ('Solvency Indicator') and the Bank NII ('Net Interest Income').
The absolute Bank SI gives the impact of a parallel 1% rise in market interest rates on the economic value of the banking book. The relative Bank SI expresses this impact as a percentage of the regulatory capital.
The Bank NII gives the impact of a parallel 10 basis points upward and downward shift in market interest rates on the interest result of the banking book.

Interest Rate Risk	31/12/2023	31/12/2022
Bank SI (absolute)	-31,996	44,648
Bank SI (relative)	-1.3%	2,1%
Bank NII (+ 10 bps)	1,644	207
Bank NII (- 10 bps)	-2,875	-11,547

7.6.2. Market Risk Trading Book

The market risk in Crelan Group's trading book is the risk of loss arising from adverse movements in interest rates, market prices or exchange rate fluctuations of the trading book. Crelan Group has a low risk appetite for market risk and the trading risk is hence very limited.

7.6.2.1. Market Risk Management

7.6.2.1.1. Risk Policy, Limits Framework and Reporting

Crelan Group maintains a very conservative approach to market risk of its trading book. Market risk exposures are the object of a continuous follow-up. These exposures are compared to an overall economic capital limit covering all of Crelan Group's market risks. This risk appetite limit is completed by different VaR and sensitivity limits. Alert triggering and escalation processes are also used by Crelan Group's Risk Management department to ensure that the bank remains within its conservative risk appetite for market risk.

To meet the Basel III minimum regulatory capital requirements, Crelan Group uses the Standardized Approach defined in Title IV of the CRD/CRR regulation to measure, monitor, report and manage its market risks. This approach measures the following components of market risks:

- General interest rate risk
- Specific interest rate risk
- Foreign exchange risk

The Standardized approach for foreign exchange risk applies to all bank positions meaning positions from both AXA Bank Belgium's trading and banking books.

7.6.2.1.2. Policies for Hedging and Risk Mitigation Techniques

The trading book is subject to materiality thresholds that have been introduced by the National Bank of Belgium (NBB) in 2015 in the framework of the new Belgian bank legislation. The 'Non Risk-Based Ratio' for AXA Bank Belgium, which is based purely on volume, is well below the threshold defined by the NBB. The 'Risk-Based Ratio', which reflects the underlying risks, is also remarkably lower for Crelan Group than the regulatory threshold. This can be explained by the limited market risk strategy for its trading book resulting in low Market Risk Weighted Assets.

Furthermore, Crelan Group's risk limit framework ensures that the VaR with a 99% confidence level and a holding period of 1 day does not exceed 0.25% of T1 capital as requested as well by the Belgian banking law.

7.6.2.1.3. Exposures to Market Risk for the Trading Book

Crelan Group's market risk consists mainly of interest rate risk. In addition, the equity risk arising from the emission of Euro Medium Term Notes (EMTN) is low, since Crelan Group hedges this exposure in the financial markets. Furthermore, Crelan Group is not involved in any trading activities related to commodities.

Crelan Group is also offering externally issued EMTNs towards retail clients The consequence of this product is that front office is agreeing on a transaction with the external issuer 6-8 weeks before the issuance of the note. In line with the Belgian banking law, this product is considered a trading book activity as Crelan Group bears some market risk during that period of time. Crelan Group currently calculates the VaR of the third party EMTN in a conservative way. As per end of December 2023 Crelan Group was not in the process of commercializing any of these types of EMTNs.

The activities mentioned in the previous paragraph are closely monitored by the Risk Management department from Crelan Group within a very strict limit framework. The VaR limit for all activities related to the trading book is limited to EUR 5.8 million. The VaR with a confidence level of 99.5% and a time horizon of 10 days is calculated daily using a historical simulation of a two-year time series. The VaR for all trading book activities at the end of 2023 is equal to EUR 0.44 million and therefore well below the predefined limit. Finally, this model is subject to the appropriate yearly back testing and validation by an external auditor to preserve the accuracy and relevance of the model.

7.6.3. Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in exchange rates. Crelan Group operates a policy to minimize exposure to currency risk. Any material residual positions are hedged systematically. As a result, Crelan Group had no requirement for FX risk in 2023 as its net FX position never exceeded 2% of its equity.

7.7. Operational Risk

Crelan Group defines operational risk as the risk of loss resulting from inadequate or failed internal processes, employees, systems or external events.

In the Basel framework, operational risk is divided into 7 categories:

i. **Internal Fraud:** fraudulent financial reporting, improper of fraudulent financial activity as well as misappropriation of assets and other internal frauds
ii. **External Fraud:** theft and fraud as well as information system fraud
iii. **Employment Practices and Workplace Safety:** employee relations, diversity and discrimination, safe environment, loss of key staff and talent management
iv. **Clients, Products and Business Practices:** suitability, disclosure and fiduciary, improper business or market practices, incl. advisory activities, breach of regulation and legislation, unauthorized activity, product flaws
v. **Damage to Physical Assets:** natural disasters, vandalism, terrorism, etc.
vi. **Business Disruption and Systems Failures:** system disruptions and breach of information security
vii. **Execution, Delivery and Process Management:** data entry errors, accounting errors, failed mandatory reporting, negligent loss of client assets, etc.

For Crelan Group, the definition of Operational Risk also includes Compliance Risk; which is defined as the risk of loss resulting from the failure of an institution to adopt appropriate policies, procedures or controls, to comply with its legal obligation arising from laws, regulations, or any other type of binding contracts.

For Crelan Group, the definition of Operational Risk excludes Reputation Risk and Strategic Risk. However, when assessing the impacts of operational risks, the potential damages to Crelan's reputation are considered by a qualitative indicator while major damages are followed by the Executive Committee.

7.7.1. Operational Risk Management

7.7.1.1. Risk Policy, Limit Framework and Reporting

For the regulatory capital Crelan Group applies The Standardized Approach (TSA) (i.e. equals the average of the own fund requirements (OFR) across all business lines over the last 3 annual exercises whereas the OFR is the result of the multiplication of the Net Banking Product per Business Line with the Beta-coefficient of the Business Line.) and is only updated at the end of each year.
Europabank applies The Business Indicator Approach (BIA).

Crelan Group installed a dedicated Committee (level Executive Committee), the Audit Risk & Compliance Committee (ARCC), to steer audit, operational, information & security and compliance risks.

The risk & compliance teams work continuously on 'risk awareness' within the entire organization (by organizing training courses for the different business lines, participating in major projects and product launches, by establishing a network of risk correspondents.). Focus points for 2023 were the further roll-out of the Process Analysis (build-up of the internal control frameworks for all Crelan processes and systems, consisting of the key risks and corresponding mitigating controls) as well as strengthening the governance and management of End User Computing
Furthermore, a company-wide 'High level Risk Self-Assessment exercise' (a top-down Risk Self-Assessment) has been conducted.

To guide these activities an ORM Charter is in place as well as an Internal Control Charter and Handbook. In the ORM-Charter, the risk appetite framework is incorporated, in which the playing field for operational risk in Crelan's processes is defined and monitored.
Crelan Group uses for Crelan & AXA Bank a GRC-tool combining all ORM-activities (Loss data collection, Risk identification & assessment, Control identification, assessment & testing, Action Plans) and can leverage on the reporting and integrated view capabilities within the application.

The focus for 2024 will be on detecting and preventing fraud and cyber risks (hacking, phishing and cyber/virus-attacks), regulatory risks (related to MIFID, AML, ...), people risk (key employee exposure, pandemic, …) and the integration & migration plan.

7.7.1.2. Policies for Hedging and Risk Mitigation Techniques

Mitigating actions are defined for our most important operational risks. Different options are possible:

- Transfer the risk (e.g.: insurance contract establishments for fire incidents, cyber incidents and agent fraud).

- Draft action plans to strengthen the process and to reduce the risk to a lower/acceptable level. These action plans are defined by the business, challenged and monitored by the 2nd line Risk teams and reported quarterly to Management.

- Avoid (a part of) the risk, e.g. by phasing out certain activities or descoping projects.

Crelan Group is monitoring its operational risk by means of an operational, information and compliance risk dashboard in which key risk indicators (KRI's) are measured on a quarterly basis. The dashboards are presented to the ARCC each quarter and are in line with the boundaries set in the risk appetite framework for operational risk. Furthermore, an inventory of all risks is kept within our GRC tool SCALA. This inventory is reviewed on an annual basis or ad-hoc. Period reporting on the most important operational risks for Crelan is also done to the ARCC.

The Operational Risk and Internal Control team performs 2nd line monitoring and testing of the key controls, covering the main risks in the processes and systems. Note that for AXA Bank Belgium, all processes were reviewed and controls structurally documented and tested. For Crelan the testing is performed as part of the Process Analysis project, for which the roll-out is ongoing and will continue in 2024.

7.7.1.3. Security Risk

Crelan Group defines security risk as a potential threat or vulnerability that could compromise the Crelan Group's operations, assets, or reputation.

The Security and Privacy team is led by the CSO (Director Security) and is part of the 2nd line of defence. The CSO reports to the CRO.

The Security and Privacy team, i.e. responsible for security risk, is divided into 3 divisions:

1. Governance Risk & Compliance & Operational;
2. Technical & Physical Security;
3. DPO Office (Privacy) – with a direct line to the CRO.

Security Risk Management activities are centralized in the Governance Risk and Compliance team, performed by the Security Risk Expert. The Security Risk Expert is responsible for overall security risk management coordination throughout the Security and Privacy team.

The mission of Security Risk Management to identify, assess, and manage the bank's risk exposures in a manner that supports the achievement of its strategic objectives while protecting the bank's reputation and franchise. We will do this by providing independent and objective risk management advice, developing, and implementing effective risk management policies, procedures, and controls and by continuously monitoring and reporting on the bank's risk profile.

The roles and responsibilities include, but are not limited to:

- Identifying potential security risks to the organization's assets, including physical assets, intellectual property, and sensitive information.
- Assessing the likelihood and impact of identified risks.
- Include all identified security risks in the risk register
- Prioritizing risks based on the likelihood and impact of the potential threat.
- Developing and implementing a risk management plan that includes measures to mitigate or eliminate the identified risks.
- Monitoring and reviewing the effectiveness of the risk management plan and making changes as needed.
- Communicating with management and other stakeholders about the status of security risks and the effectiveness of risk management measures.
- The Security Risk Management team is responsible for implementing the risk management plan and monitoring its effectiveness, but it may also involve other departments and employees in risk identification, assessment, and mitigation.

The governance framework that drives Security Risk Management:

Furthermore, 'security risk awareness' is continuously highlighted within the entire organization. During 2023 a structured security awareness roadmap was established and implemented containing various elements such as the organization of the yearly Security Day, the continuous awareness training via the PHISHED platform and regular publications on the Crelan intranet on various security related topics to ensure all staff is aware of new threats and developments in the security world. To guide internal and external staff, a new general security risk register was established in 2023 and reporting is derived from this register to guide the security risk management direction of Crelan. The focus in 2024 will be to extend the scope of the security risk register to ensure that all security risks are capted, and to spread awareness of security throughout the whole organization
In collaboration with Operational Risk and in order to increase (security) risk awareness within Crelan Group, a company-wide 'High level Risk Self-Assessment exercise' (a top-down Risk Self Assessment) is conducted on a yearly basis.
Security Risk Management uses the risk appetite framework as incorporated by Operational Risk in their ORM Charter.

In 2023, the conceptual design of the new Crelan Security Control & Compliance framework was established. Based on this design, the project team started to describe the control objectives and child controls related to security to ensure compliance with all applicable regulations (e.g. DORA, GDPR, NIS2) & regulatory requirements. Roll-out of the new control framework started end of 2023 and will continue throughout 2024. The security team communicates regularly with management and other stakeholders about the status of risks and the effectiveness of the controls.

Crelan Group conducts regular assessments on its security posture. These assessments are conducted by independent teams who review the bank's ISMS policies and procedures, assess the effectiveness of controls, and ensure compliance with used standards and regulations. This process helps identify vulnerabilities, areas for improvement and demonstrates to customers and supervisors that Crelan Group takes security seriously, and it's an important aspect of the overall security strategy. It helps the bank to be aware of current threats and adjust the security measures accordingly.

7.7.1.4. Compliance Risk

Compliance risk represents the risk that an institution and/or its employees will be sanctioned at the judicial, administrative, or regulatory level due to non-compliance with the rules of integrity and legal and regulatory conduct, with the consequence, loss of reputation and possible financial harm. This loss of reputation may also be the consequence of non-compliance with the internal policy in this area, and with its own values and rules of conduct in terms of the integrity of the institution's activities. A loss of reputation can undermine the credibility of the institution and its employees. Credibility represents the fundamental element to be able to be active in the financial sector.

The risks of "compliance" can be multiple:

- damage to reputation, which tarnishes the image of Crelan,
- negative publicity that damages customer confidence,
- legal sanctions, including against natural persons whose liability would be called into question,
- the administrative penalty, which may lead to limitations or withdrawals of approvals or licenses,
- the financial loss that the Bank may incur as a result of non-compliance with applicable banking laws, external regulations issued by the supervisory authorities (NBB/FSMA) as well as codes of conduct or standards of good practice applicable to the banking sector.

Compliance risk management at Crelan Group is based on a general integrity policy, a Compliance charter, policies regarding the Compliance domains and a whistleblowing policy. These documents are reviewed on a regular basis to take into account the constant evolution of the regulatory framework and due to changes observed in public opinion.

The organization and operation of the Compliance department are as follows:

Compliance Officer (CO) who coordinates and supervises the Compliance function. The CO therefore assumes overall responsibility for the compliance of Crelan and its subsidiaries and ensures the execution of the integrity policy.

A team of several Compliance advisers and collaborators, with a certain specialization in particular:

- A group, mainly in charge of recurring activities related to the prevention of money laundering and terrorist financing (AML/CFT).
- A team dedicated to formulating opinions and carrying out more specific or ad hoc analyses and which also deals with other sub-areas such as MiFID, investor and consumer protection, etc.
- A group dedicated to monitoring activities.

Compliance Correspondents within several departments of the bank where they exercise their main function.

The operation of this structure is detailed in the yearly Compliance Report.

The Compliance Department intervenes in several key activities of the bank using policies, procedures and second line controls. As there are: the prevention of money laundering and terrorist financing, including in the field of granting and managing credits, sanctions and embargoes, compliance with legal and regulatory requirements regarding MiFID, market abuse, the conflicts of interests, product governance etc. …

Crelan Group has an overall framework (policies & procedures, training, controls) in place to ensure that it is in compliance with all material requirements of the Financial Services and Markets Authority (FSMA) and the National Bank of Belgium (NBB), and any other domestic or foreign regulators. There are however certain specific points on which regulators have asked for remediation both in MiFID and AML domains. Crelan has started remediation plans for which implementation is ongoing throughout a wide range of actions. Main issues are related to:

- AML transaction screening procedures;
- Sales tool for invest products.

7.8. Other Risks

7.8.1. Political and regulatory Risk

Geopolitical risks are risks associated with conflicts between countries. These conflicts can range from sanctions and protectionist measures to outright wars and terrorist attacks.

The most important geopolitical risk at the moment is the war in Ukraine. This war will affect the quality of the loan portfolio, given inflation and the rise in energy prices. Households will be affected, but so will companies with limited repayment capacity. Crelan also has significant exposure to agriculture, where some sectors face both high volatility in market sales prices and rising energy prices (e.g. pigs and greenhouse horticulture). Next to this war, there are other geopolitical conflicts that lead to the similar effects.

It is currently difficult to assess the potential financial impact on the bank; this will depend on the development of the geopolitical situation, but so far there are no signs of portfolio deterioration. Social measures in Belgium also protect borrowers, such as automatic wage indexation or social energy tariffs.

So far, Crelan sees no signs of deterioration in the quality of its borrowers or their ability to repay. In case of future difficulties, the bank will take measures to support its customers in line with risk management procedures and rules.

For intensive agricultural sectors that are highly energy-dependent (e.g. pig and horticulture), conservative lending guidelines apply. Exposure to these sectors represents a limited portion of the portfolio, given the applicable sector lending limits, and is concentrated on a small number of counterparties which the bank knows well and which are regularly reviewed by the committee. The bank has also set up a collective provision of EUR 12 million to cover uncertainties related to this sector.

Apart from the secondary impact of the conflict on the Group's loan portfolio, the Group does not currently experience any other material impact on other risks.

Crelan has a number of mitigating measures in place to deal with this risk. Crelan is closely monitoring the situation and regularly reports to internal committees and the supervisor on the impact of the crisis on the credit portfolio. There is also an evaluation of provisions linked to the development of risks. At the end of 2023 Crelan has increased the management overlay with EUR 9.4 million compared to 2022 (total amounts to EUR 33 million).

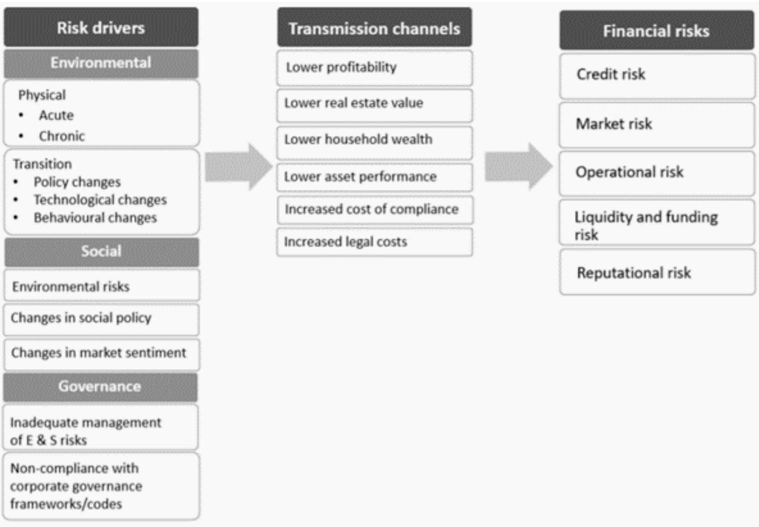
7.8.2. Model Risk

Model risk relates to the risk of decisions and calculations being related to the erroneous development, implementation and/or wrong usage of models. The Group is exposed to risks of losses or potential for adverse consequences arising from decisions based on incorrect or misused model outputs and model reports.

In order to mitigate this risk, Crelan has in place a model risk management framework as well as modeling and validation guidelines.

7.8.3. ESG Risk

The general risk management process of risk identification, assessment & measurement, treatment and reporting is also applied to ESG risks.
Crelan Group's risk identification is performed at least once a year with the review of the bank's risk taxonomy, which includes ESG risk. Note that ESG risk is considered a risk driver affecting other risks in the risk taxonomy. The figure below illustrates how ESG risks may drive other (financial) risks through economic transmission channels.



In line with the EBA definition[15], the bank has defined ESG risks as the risks of any negative financial impact on the institution stemming from the current or prospective impacts of Climate & Environmental (C&E), Social and/or Governance factors on its counterparties, invested assets or own assets & operations.

Note that for risk management purposes, C&E, Social and Governance risks are considered separately in risk assessments and mitigation action plans, with currently an increased focus on the C&E pillar. C&E risks are the risks of any negative financial impact on the institution, stemming from the current or prospective impacts of climate change or environmental degradation on its counterparties, invested assets or own assets and operations. Such risks can be divided into two groups: physical risks and transition risks.

Physical risks are risks of any negative financial impact on the institution stemming from the current or prospective impacts of a changing climate and environmental degradation, on its counterparties, invested assets or own assets and operations. This includes risk related to frequent extreme weather events - acute physical risks -, and risks related to gradual changes in climate - chronic physical risks.

Transition risks refer to the institution's financial loss that can result (in)directly from the process of adjustment towards a lower-carbon and more environmentally sustainable economy on its counterparties, invested assets or own assets/operations. Transition risks include policy and regulatory risks, technology risks, risks related to market changes, and risks related to shifts in consumer and investor sentiment.

Following the yearly review of the bank's risk taxonomy, a risk assessment takes place to determine the materiality of identified risks. As part of this process, a C&E risk materiality assessment is carried out.

In 2022, a first internal exercise was conducted. Its outcome was used as starting point for 2023, as this assessment started with the 2022 list of identified C&E risk drivers. It was reviewed if each risk driver could still be considered as material and if the list was exhaustive. Additionally, a split was made between physical and transition risk drivers as well as per portfolio (mostly retail mortgages, consumer loans, and professional loans).

The next step was an assessment of each risk, combining both a quantitative and qualitative approach. The quantitative assessment part is an important update compared to the methodology in 2022 and uses publicly available stress scenarios as the starting point for different C&E risk drivers, each of which an impact is calculated and compared to a materiality threshold. For drivers for which a stress scenario is hard to

[15] Refer to paragraph 38 (page 28) of the following EBA report: EBA discussion paper ESG risks

construct, a qualitative approach has been applied, using a SAT/FAT matrix[16] to derive to an impact amount that can also be compared to the materiality threshold.

Another important update compared to 2022, concerns time horizons. Instead of short, medium and long-term, Crelan now applies four categories to add more granularity:

- Short term: 1 year
- Short-to-mid-term: 1 – 5 years
- Mid-to-long-term: 5 – 10 years
- Long term: more than 10 years

Credit risk
Credit risk refers to risk of loss if a borrower fails to repay a loan. At Crelan, this type of risk can arise for both retail and professional customers.

- Mortgages: transition risks
Energy performance increasingly plays a role in the valuation of a residence. Houses with a lower EPC value can decrease in value in the future, and that has an impact on the LGD value (loss given default). The additional consumption of energy for this type of housing can also have a negative impact on the CTP (capacity to pay) and the PD (probability of default), taking into account the sharp increase in energy prices. As this is related to measures for the transition towards a lower-carbon economy, this is a transition risk.

- Professional loans - transition risks
The most significant risk is the impact of various legislative initiatives that impact clients' business models, such as the carbon tax. Alike mortgages, this is also related to measures for the transition towards a lower-carbon economy and, hence, a transition risk.

- Mortgages & professional loans: physical risk
More extreme weather conditions due to climate change may impact the probability of default (PD) and capacity to pay (CTP). Damage caused by events such as extreme flooding, may require customers to use their budgets for insurance premiums and necessary repairs, and, therefore, stressing PD and CTP. In addition, the value of loan collateral also decreases.

Operational risk
Operational risks are defined as the uncertainties and hazards a company faces when it attempts to do its business. The main operational risk are the various changes within the legislative framework. Implementing reporting requirements and supervisory expectations in a proper and timely manner is crucial for financial institutions and also entails paying attention on the availability of high-quality data. This challenge can also be described as regulatory risk.

Liquidity risk
Liquidity risk is the risk that a company doesn't have enough cash to meet financial obligations on time. Liquidity risk can originate from a large scale acute weather event, triggering cash withdrawals and temporary suspension of loan repayments to recover the damage. In an even more extreme scenario, climate change may lead to assets losing value or triggers for the repricing of assets, causing losses on banks' balance sheets, disrupting financial infrastructure and, hence, adversely affecting bank liquidity. For banks who rely on institutional investors, to fund part of their activity, a reputational issue or lack of clear sustainability targets may reduce access to the market and thereby prevent refinancing, causing a liquidity issue as well.

Market risk
Market risks are risks associated with potential losses due to changes in market conditions. The value of investments can vary as the issuers of bonds or equities are subject to climate risk as well, resulting in fluctuations in the market value.

[16] A SAT/FAT matrix allows to compute a financial impact and compare this with the materiality threshold. Hence, it allows to classify risk drivers as material, even though they are only assessed in a qualitative way, using two axes: frequency and severity.

All known identified material risks must be evaluated and mitigated by adequate mitigation techniques and/or processes. To ensure that C&E risks are adequately embedded in the overall business strategy and risk management framework of the bank, C&E risks have been incorporated in the bank's Quarterly Risk Report (QRR) framework and quarterly Risk Presentation (RP).

The RP summarizes significant events of the quarter and can be considered as the executive summary of the QRR. The reports described above are presented on a quarterly basis to the Board of Directors (BoD), Executive Committee (ExCo) and Risk Committee (RC), which will take action based on the outcome of the discussions held. Note that the ECB is also informed of the outcome of the QRR. The different climate risks are monitored and evaluated in the different governance bodies applicable in the Crelan entity.

7.8.4. Pension Risk

The Group defines pension risk as the risk of facing additional contributions to pension schemes owned by the Group and risk of variation in IAS19 results, and subsequently in solvency. Should the Group need to make significant additional contributions, this could have an adverse effect on the financial position of the Group.

7.8.5. Business Risk

Business risk is the Risk arising from a bank's long-term business strategy. It deals with the bank not being able to keep up with the assumed balance sheet, which implies uncertainty in profits or danger of loss. Business risk can also arise from the bank choosing the wrong strategy. Business risk is identified, measured and mitigated through capital and processes (ECAP + stress testing scenarios). The ECAP scenario starts from the central strategic plan scenario and assumes stress on the mortgage production volumes and the margins over a 3-year period (adverse scenario). The business risk scenario is updated assuming lower margins (lower P&L) as well as higher production levels (higher RWA). In addition, the scenario assumes a decrease in investments by clients and a negative stock market evolution.

7.8.6. Settlement Risk

Settlement risk is the risk that arises when payments are not exchanged simultaneously. The simplest case is when a bank makes a payment to a counterparty but will not be compensated simultaneously. The risk is that the counterparty may default before making the compensating payment or delivery of the financial instrument.

This risk can theoretically appear in several areas at Crelan Group: in wholesale risk transactions (derivatives transactions, foreign exchange transactions and bonds transactions) and in retail risk transactions. The risk is considered immaterial by Crelan Group.

7.8.7. Securitisation Risk

Securitization risk is the risk related to the setting up of securitization transactions such as correct regulatory reporting, understanding and measuring of transfer of credit risk, stress testing, etc. Securitization risk is applicable as from 2021 since AXA Bank Belgium set up a synthetic securitization transaction. As Crelan Group calculates regulatory capital requirements based on the SEC-IRBA approach, the risk is mitigated via capital and processes.

8. Statement of the most important used measurement bases for financial reporting

8.1. General

The following measurement rules apply to the Crelan Group (hereinafter referred to as "Crelan", the "Group" or the "Crelan Group"). These measurement rules are based on the International Financial Reporting Standards (IFRS) as on 31 December 2022 as approved by the European Union. Bases for financial reporting that are not specifically stated further agree with the IFRS standards as accepted within the European Union.

8.2. Consolidation

An investor has control over a participating interest when it is exposed to or is entitled to variable returns due to its connection with the participating interest and has the assets to influence this revenue because of the power it has.

In deviation from this principle, the Group has decided not to include integrally specific subsidiaries in relation to the application of the IFRS Consolidated Financial Statements based on the relevant and intangibility principle.

Within this context, a subsidiary whose balance sheet total was lower than 0.15% of the balance sheet total of the Crelan Group in the previous accounting period is regarded as intangible and is not included any more as such in the consolidation scope except when the Board of Directors should take a different decision. This is included on the balance sheet in a separate line 'Investments in associated businesses, subsidiaries and joint ventures'.

When the consolidated financial statements are drawn up, the Crelan Group integrates the individual financial statements of all entities to be consolidated per item by adding comparable elements of assets, liabilities, equity, benefits and charges.

The following steps are followed so that the consolidated financial statements of the Group shows information as it concerned the financial statements of a separate economic entity:

- The book value of the participation in each subsidiary and the share in the equity of each subsidiary are completely eliminated;
- Balance sheet positions and gains and losses that arise from transactions within the Group (including income, expenses and dividends) are completely eliminated;
- The temporary differences that arise from the elimination of gains and losses on transactions within the Group are subject to IAS 12, Income taxes.

8.3. Inclusion on the balance sheet

8.3.1. Including/no longer including on the balance sheet

Financial assets and liabilities are included on the balance sheet when the Group is impacted by the contractual provisions of the instrument.

Financial assets are no longer included on the balance sheet when the contractual rights on the cash flows thereof no longer apply or the Group transfers the contractual rights on the cash flows and therefore all risks and benefits linked to the immovable property are transferred.

This is the case at the Crelan Group for all loans that reach their maturity date and that are fully repaid before the maturity date. Each difference between the book value and the received amount is included in the profit and loss account.

Financial assets are regarded as having been 'adjusted' if the contractual cash flows are renegotiated or are changed otherwise except if those financial assets are no longer included on the balance sheet or when they are reassessed periodically (financial assets with a floating interest rate). In that case, the gross book value of the financial asset must be reassessed (cash value of the adjusted contractual cash flows discounted based on the original effective interest rate) and the difference (amended gains or loss) must be included in the profit and loss account.

Financial liabilities are no longer included when the contractual liabilities are being complied with or terminated and/or they have matured.

A substantial amendment of the conditions of an existing financial liability or a part thereof will be processed from an accounting perspective as the termination of the original financial liability and the inclusion of a new financial liability. An adjustment of more than 10% of the current value where the adjusted cash flows were discounted based on the original effective interest rate is considered as a 'substantial' adjustment.

Any incurred costs or achieved benefits are included as part of the profit or loss with regard to the termination.

8.3.2. Transaction date and settlement date

All financial liabilities of the Crelan Group are always included on the settlement date on the balance sheet with the exception of liabilities with regard to derivatives that are included on the transaction date.

All items bought and sold in relation to financial assets that must be settled within the terms that have been determined by regulations or a market agreement are included on the balance sheet on the settlement date: the date when an asset is supplied to or by the Crelan Group. Assets with regard to derivatives are included on the transaction date.

8.4. Financial assets

The Crelan Group assess financial assets based on the rules defined in the IFRS 9 standard.
The classification depends on the following elements:

- The business model
- The characteristics of the contractual cash flows of the financial asset
- Specific rules

8.4.1. Business model

The first step in in the classification process is determining the business model in which the asset is bought. The following business models are distinguished:

- Hold to collect: the business model focuses on receiving contractual cash flows
- Hold to collect and sell: the objective of the business model is to receive contractual cash flows and sell financial assets
- Other business models (including Trading)

8.4.2. Contractual cash flows from financial assets

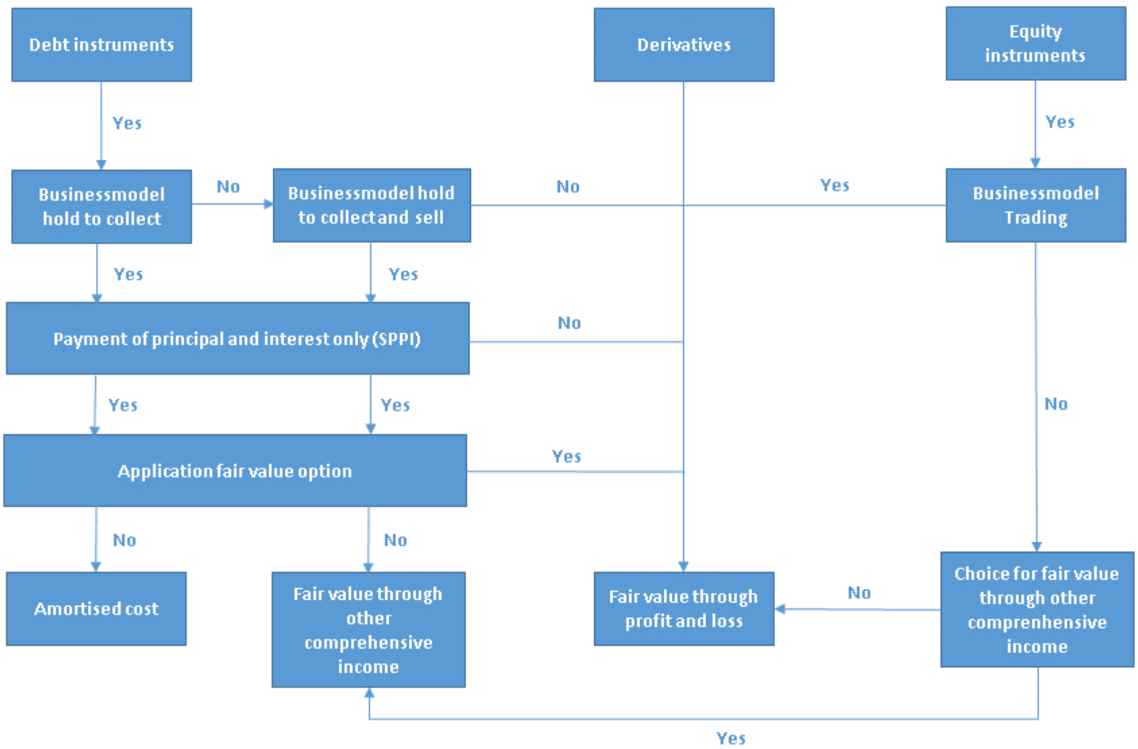
In relation to the contractual cash flows, an assessment is made to determine whether the cash flows are only related to repayments and interest payments in relation to the outstanding principal sum: the term "solely payments of principal and interest" (SPPI) is used.

8.4.3. Specific rules

- The Group may, in the first instance, decide to process the value fluctuations that are normally processed through gains or losses when acquiring the entity's own equity instruments via OCI (revaluation surplus directly in the equity). This choice is irrevocable.
- In relation to the first inclusion and this being irrevocable, the Group may decide to assess an asset for its fair value with value fluctuations in gains or losses if such a choice should eliminate an accounting asymmetry or should considerably reduce this ("fair value option").

8.4.4. Classifications

The table below provides an overview of the various classifications that may apply:



Based on the aforementioned classification, the following sections are identified on the balance sheet:

8.4.4.1. Financial assets held for commercial purposes

This category is measured at fair value with value fluctuations through the profit and loss account. A priori, Crelan is not involved in trading activities. Derivatives regarding which no effective hedging relationship can be defined in accordance with the IFRS rules are included in these category.

8.4.4.2. Non-trading financial assets mandatorily at fair value through profit or loss

This category is measured at fair value using valuation changes through the statement of profit and loss. Debt certificates that have failed the SPPI test are classified in this category.

8.4.4.3. Financial assets designated at fair value through profit or loss

This category is measured at fair value using valuation changes through the statement of profit and loss. This comprises the securities regarding which Crelan would choose for their measurement at fair value with value fluctuations through the profit and loss account.

8.4.4.4. Financial assets at fair value through other comprehensive income

This category is measured at fair value with value fluctuations through OCI. The entity's own equity instruments are, on the one hand, classified where Crelan has decided to assess them at fair value with value fluctuations through other comprehensive income elements in this category because they are durable long-term interests. On the other hand, part of the bond portfolio is also included here that is held for liquidity goals, balance sheet management and optimisation of the risk versus the revenue. This therefore concerns bonds and debentures in the 'Hold to collect and sell' model.

The fluctuations in fair value of derivatives that are a part of qualified cash flow hedges are also included in the other elements of the total result (OCI).

8.4.4.5. Financial assets at amortized cost

The credit portfolio as well as the debt certificates in accordance with the hold to collect management model that have passed the SPPI test fall under this category.

8.4.4.6. Reclassifications

Financial assets can only be reclassified if the Crelan Group should change its business model for the management of the financial assets. Future changes to a business model may only occur very sporadically and must arise from tangible external or internal changes to the activities of the Crelan Group that are visible to external parties. Each change to a business model must be approved by the internal bodies competent for this and must be confirmed by the Board of Directors. After a change to the business model, the Crelan Group will not carry out any activities any more based on the old business model.

Reclassifications are only implemented prospectively without this changing earlier authorised gains, losses or interests:

- Reclassification of amortised cost at fair value with processing of value adjustments in profit or loss: each profit or loss from the difference between the previous amortised cost and the fair value is included as profit or loss.
- Reclassification of the fair value including the processing of value adjustments in profit or loss at amortised cost: the fair value is the new gross book value in relation to reclassification.
- Reclassification of amortised cost at fair value including the processing of value adjustments in the other elements of the total result (OCI): each profit or loss from the difference between the previous amortised cost and fair value is included in the other elements of the total result (OCI).
- Reclassification of the fair value including the processing of value adjustments in the other elements of the total result (OCI) at amortised cost: the financial asset is reclassified at fair value on the reclassification date. In addition, the accumulated profit or loss in other elements of the total result

(OCI) is taken from the equity and adjusted based on the fair value of the financial asset on the reclassification date.
- Reclassification of the fair value including the processing of value adjustments in profit or loss at fair value including the processing of value adjustments in the other elements of the total result (OCI): the financial asset continues to be measured at fair value.
- Reclassification of the fair value including the processing of value adjustments in the other elements of the total result (OCI) at fair value including the processing of value adjustments in profit or loss: the financial asset continues to be measured at fair value and the accumulated profit or loss in the other elements of the total result (OCI) is reclassified from equity to profit or loss.

8.4.5. Impairment

Special impairment with regard to financial assets at amortised cost are determined based on an internal model that calculates the expected loss. Financial assets have been subdivided into 3 stages in accordance with IFRS 9:
- Stage 1: this category comprises assets that have not experienced a significant increase of the credit risk since the asset was included on the balance sheet. For these assets, a special impairment loss is calculated based on the expected loss over a time horizon of 1 year.
- Stage 2: This category comprises assets that have experienced a considerable increase of the credit risk since the asset was included on the balance sheet. For these assets, a special impairment loss is calculated based on the expected loss over a time horizon of the full maturity of the asset.
- Stage 3: this category comprises assets that are in default/non-performing.

The Crelan Group uses 3 year future-focused information. The macroeconomic parameters that are used within this context or the provisions in accordance with IFRS 9 (Stage 1 + 2) are the following:

- The GDP growth in Belgium (3 year forecast);
- The unemployment percentage in Belgium (3 year forecast);
- The evolution of property prices in Belgium (30 year forecast).

Three scenarios are used for each parameter[17]:

- A basic scenario;
- A positive scenario;
- A negative scenario.

Low credit risk

The Crelan Group deems the credit risk of a financial instrument as being low if the financial instrument:

- Has a low risk in relation to non-payment.
- The borrower has a high capacity to meet his/her cash liabilities in the near future while taking the adjustments in the economic and business conditions that the possibility of the borrower to meet his/her loan liabilities could decrease into account.

As a consequence, non-retail exposures that are measured at fair value including the processing of value adjustments in the other elements of the total result (OCI) and that are classified based on "investment grade" (BBB and higher) are included on the date of closing are included automatically in stage 1 (expected credit losses over a time horizon of 12 months) included. This is reduced to BB- and higher for government exposures.

[17] The weights that have been allocated to each of the scenarios as on 31 December 2021 are respectively (in order of specification) 55%, 15% and 30%. The higher weight that is allocated to the pessimistic scenario when compared to the optimistic scenario is a clear indication of the prudent risk policy that the Group has chosen.

8.4.5.1. Estimation of the credit risk

To determine whether an asset is subject to a significant increase of the credit risk, a selection of parameters (they may vary depending on the asset, for example, the probability of default) or the evolution thereof may point to an increased credit risk. The presence of at least one of these parameters will then result in the stage transfer within the framework of IFRS 9. They are both quantitative and qualitative factors that may change as time passes. Payment arrears of 30 days are used as a backstop, which means when a considerable increase of the credit risk is assumed.

The Crelan Group uses the "probability of default" as a criterion to determine whether there is a significant increase of the credit risk in the retail portfolio. The Crelan Group transfers, within this context, all financial instruments of which the "probability of default" over more than 12 months between the first inclusion and the reporting date has risen by a relative amount and up to a maximum. Additional triggers are:

- Negative reporting in the Central Individual Credit Register
- Allocation of forbearance
- An individual monitoring list (‘credit monitoring list) of customers where, for example, an individual score that is allocated to each customer, a regular analysis of customers with a circulation of > EUR 1 million and the aforementioned forbearance are taken into account.

In the non-retail portfolio, a significant increase of the credit risk is determined based on the rating of the financial instruments, namely, a decrease by a minimum number of notches since the purchase date and up to a specific absolute level (usually below "investment grade").

8.4.5.2. Determination of the impairment

The special impairment itself is determined as the expected future loss on the cash flows of assets. In practice, this is calculated for the assets of Stages 1 and 2 as a product of the probability of default (PD), loss given default (LGD) and exposure at default (EAD):

PD: the probability of non-payment within a specific time horizon.
EAD: the expected exposure when non-payment occurs (non-retail: gross exposure).
LGD: difference between expected cash flows without non-payment and expected cash flows in case of non-payment.

Groups

The modelling of the parameters takes place on a group basis. The financial instruments are grouped based on shared risk characteristics such as:

- Type of instrument
- Credit risk ratings
- Type of collateral
- Loan-to-value ratio for retail mortgage loans
- Date of initial accounting entry
- Remaining maturity
- Number of years on the books

The groups are regularly reviewed to ensure the different groups continue to be homogeneous.

For assets of Stage 1, a PD is calculated for a horizon of 12 months while, for that of Stage 2, for the entire term.
For assets of Stage 3, the impairment matches the difference between the expected contractual cash flows and the expected future cash flows (while taking the time value into account).

The PDs, LGDs and EADs that are used to determine the special impairment ae based on the PDs, LGDs and EADs that are used for prudent credit risk reporting (Basel). Adjustments are made to ensure these parameters are aligned with the IFRS regulations. The most important adjustment concerns the transition from a weighted average over a longer period ("through the cycle") to a provision on at a specific time ("point in time"). The conservative determinations, moreover, that the regulatory authorities have requested are not included and future elements are added.

For the non-retail portfolio, these parameters are derived from historic data and adjusted to statistically meaningful parameters. It should be noted that the non-retail portfolio only consists of "high investment grade" and usually guaranteed positions: government and supranational bonds, reverse repurchase agreement transactions and secured loans. This means that the expected credit losses are immaterial.

8.4.5.3. Non-payment

The definition of non-payment is in line with the EBA guidelines regarding non-payment (EBA/GL/2016/07).

Non-payment can be processed in accordance with quantitative or qualitative criteria. The same criteria as used for the management of the internal credit risk model are used. Considerable arrears of more than 90 days is used as the benchmark.

A financial asset in the non-retail portfolio is earmarked as "non-payment" as from when non-payment is determined based on the contract conditions.

8.4.5.4. Special impairment with regard to bought financial assets or financial assets that have already experienced a special impairment when created.

On the reporting date, the Crelan Group only uses as special impairment for expected losses with regard to bought financial assets or financial assets have already experienced a special impairment when created the cumulative adjustment with regard to expected credit losses calculated for the entire life span and since the first inclusion on the balance sheet.

Subsequently, the amount of the adjustment in expected credit losses calculated for the total life span must be included on each reporting date in the profit or loss as a special impairment profit of loss. Favourable adjustments in the expected credit losses calculated over the total life span must be included as a special impairment profit even if the expected credit losses calculated for the total life span are lower than the amount of the expected credit losses that were included in relation to the first inclusion in the estimated cash flows.

8.5. Financial liabilities

Financial liabilities are those liabilities held for commercial purposes, debts to credit institutions, debts to customers, debt certificates, subordinated debts and other financing instruments.

The measurement at fair value and the distribution of the results depend on the IFRS category regarding financial liabilities, namely, financial liabilities held for commercial purposes and other financial liabilities.

8.5.1. Financial liabilities held for commercial purposes

The Group considers a financial liability for commercial purposes as:

- It was mainly acquired with a view to sell or buy back in the short term;
- It is one of the identified financial instruments, jointly managed and regarding which there are indications for a recent and actual profit plan programme in the short term;
- It is a derivative regarding which no formal hedging can be documented under IFRS rules.

Liabilities held for commercial purposes are initially measured at fair value and adjustments in fair value are subsequently included in the profit and loss account.

8.5.2. Financial liabilities indicated as being measured at fair value including the processing of value adjustments in profit or loss

In addition, the Group may make an irrevocable choice when first included to indicate a financial liability (that meets the conditions in relation to the rest to measure at amortised cost) as measured at fair value including the processing of value adjustments in profit or loss if this classification eliminates or limits to an important degree an inconsistency in the measurement at fair value or inclusion that would be the result of the measurement at fair value of assets and liabilities or recognising gains and losses on a different basis. The Group may, moreover, specify that the entire hybrid contract is measured at fair value including the processing of value adjustments in profit or loss if a contract includes one or more derivatives enclosed in the contract, except:

- When the derivative or derivatives in the contract does or do not lead to an important change of the cash flows that would otherwise be required by the contract; or
- When it is clear without or with not much analysis that the separation of derivative or derivatives in a contract is or are not permitted.

The Group has used this option in the case of EMTNs (European Medium Term Notes) issued by AXA Bank Belgium or AXA Belgium Finance.

For this last category, the Group has opted to include all adjustments in fair value in profit or loss with the exception of the adjustments in the credit risk of the liability (DVA, debit valuation adjustment) that must be included in the other elements of the total result (OCI) as prescribed under IFRS 9.

8.5.3. Other financial liabilities

Other financial liabilities comprise debts to credit institutions, debts to customers, debt certificates, senior non preferred debt, subordinated debts and other financial liabilities.

This, in particular, concerns he outstanding balances on current and fixed-term accounts of other credit institutions at the Crelan Group, deposits that are immediately payable, term deposits and saving accounts of customers as well as the (subordinated) deposit certificates.

The financial liabilities are measured at fair value increased by the direct imputable transaction costs when they are first included. Next, the financial liabilities are measured at amortised cost by using the effective interest method. Regular depreciation is included in the profit and loss account included as interest charges.

8.6. Fair value of financial assets and liabilities

The fair value of financial assets and liabilities is the quoted price of these or identical assets and liabilities on an active market (Level 1). If there is no active market for a financial instrument, the fair value is determined based on a cash value calculation based on observable market data (Level 2). If a fair value determination solely based on observable market data is impossible, the fair value is determined by using non-observable data (Level 3).

8.7. Sale and repurchase of securities

Securities linked to a repurchase agreement stay on the asset side of the balance sheet. The debt that arises from the repurchase liability of assets is included in the liabilities on the balance sheet in the form of debts to credit institutions or as debts to non-credit institutions depending on the counterparty.

Securities linked to a repurchase agreement for securities (reverse repurchase agreement) are not included on the balance sheet. The borrowed resources, however, are included on the asset side on the balance sheet as receivables in relation to credit institutions or receivables in relation to other and not credit institutions depending on the counterparty.

The difference between the selling price and the repayment price of the securities is processed as interest income spread over the maturity of the contract.

8.8. Issued financial guarantees

The first inclusion of the issued financial guarantees on the balance sheet occurs on the contract date. It takes place based on the fair value, which usually matches the received benefit for issuing the financial guarantee. If the received premium does not match market practices, the difference with the fair value is immediately included in profit or loss.

First, the received premium is in proportion to the time amortised over the maturity of the contract. This takes place on a "contract by contract" basis. Subsequently, it is determined (on a portfolio basis) whether a provision does not need to be recorded for possible or certain enforcements. This provision is discounted if the impact is material.

The write-off occurs when the term expires. In the case of enforcement, the issued guarantee will be removed from the records for the guaranteed amount that was built up through the provision.

8.9. Offsetting of a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount is only included on the balance sheet if the Group has a right enforceable by law to offset the included amounts and has the intention to either settle the liability on a net basis or to realise the asset at the same time as the liability is settled.

8.10. Derivatives and hedging transactions

8.10.1. Accounting records and measurement at fair value

Derivatives are financial instruments of which the value changes as the result of adjustments in the underlying value (interest rate, exchange rate, index and share), they require little or no initial net investment and are settled at a later time. Derivatives are financial instruments such as swaps, term contracts, futures and options (issued and bought).

The first inclusion of all derivatives takes place at their fair value. Later adjustments to the fair value (excluding accrued interest rate) are included in the profit and loss account. An increased interest rate is processed in proportion to the time in the profit and loss account.

The Group classifies derivatives as follows:

- Derivatives that are not hedging derivatives are held as financial assets or liabilities for commercial purposes
- Hedging derivatives

8.10.2. Hedging

When taking out the derivative, the contract is included as a fair value hedging and therefore the risk of variation in the fair value of an included asset or liability is hedged (i.e., covered). The Group can make a distinction between fair value hedging of an individual asset or individual liability ("micro hedging") and fair value hedging of a portfolio interest rate risk hedging ("macro hedging"). In the last case, the Group defines a group of current hedging assets to hedge (i.e., cover) the interest rate risk of a group of financial assets and/or liabilities.

Documentation

Hedging derivatives meet the conditions and criteria that apply to current hedging assets imposed by IAS 39. The hedged assets and/or liabilities meet the conditions and criteria of hedged positions imposed by IAS 39. When entering into the hedging transaction, the hedging relationship is formally indicated and documented as well as the objectives of the Group with regard to the risk management and strategy when entering into the hedging relationship. The documentation contains an indication of (the group of) the hedging instrument or instruments, the hedged position(s), the nature of the risk to be hedged and how the Group will determine whether (the group of) the hedging instrument or instruments is effective when compensating the risk of adjustments in the fair value of the hedged position(s).

Efficiency tests

The Group exclusively enters into hedging transactions that will be very effective at the start and also is expected to be so in the periods that follow in relation to compensating for changes in the fair value to be attributed to the hedged risk. The actual effectiveness of the hedging transactions is determined on a monthly basis. The result of the ratio between the fair value fluctuation of (the group of) the hedging instrument or instruments and the hedged position(s) must fall within a range of 80-125 per cent. If this is not the case, the hedging relationship is stopped.

Measurement at fair value

The profit or loss as the result of fluctuations in the fair value of (the portfolio of) the hedging instrument or instruments is immediately included in the profit and loss account. The profit or loss of the hedged position(s) to be ascribed to the hedged risk leads, on the one hand, to an adjustment of the book value of the hedged position and is, on the other hand, included in the profit and loss account. The variations in the fair value in the profit and loss account as the result of (the portfolio of) the hedging instrument or instruments, on the one hand, and of the hedged position (s), on the other hand, will be fully or partially compensated and every ineffectiveness of the hedging relationship will be included in profit or loss.

If a hedging relationship no longer meets the criteria for hedging transactions as defined in IAS 39, the hedging relationship is prospectively stopped. Hedging derivatives are reclassified as "Financial assets or liabilities held for commercial purposes". The book value of the hedged position(s) is subsequently processed as it would be processed under IFRS without a hedging relationship. Adjustments in the fair value of the history presented on the balance sheet are included in the profit and loss account over the remaining life span of the of the hedged element(s).

Interest income and charges that arise from, on the one hand, current hedging assets and, on the other hand, hedged positions are processed in interest result.

8.10.3. Embedded derivatives

An embedded derivative is a component of a drawn up contract that also contains a non-derivative basic contract. The result is that some cash flows from the combined instrument change in the same way as that of a standalone derivative.

If a drawn up contract contains a basic contract that is a financial asset, the regulations in item 8.4 applies to the entire combined contract.

If a combined contract contains a basic contract that is a financial liability, a derivative embedded in a contract is separated from the basic contract and recorded as a derivative only if:

- There is no close relationship between the economic characteristics and risks of the derivative embedded in the contract and the economic characteristics and risks of the basic contract
- A separate instrument with the same conditions as the derivative embedded in the contract should comply with the definition of a derivative
- The combined instrument is not measured at fair value including the processing of value adjustments in profit or loss (that is to say, a derivative that is embedded in a financial liability measured at fair value including the processing of value adjustments in profit or loss will not be separated).

If, nevertheless, the contract includes one or more derivatives embedded in the contracts and the basic contract is a financial liability, the Group may decide to indicate the entire combined contract as measured at fair value including the processing of value adjustments in profit or loss insofar as the conditions specified under item 8.5.2 "Financial liabilities indicated as measured at fair value including the processing of value adjustments in profit or loss" have been met.

8.11. Tangible fixed assets

The Group processes tangible fixed assets in accordance with the cost model. This means that the tangible fixed assets are included on the balance sheet at their cost (including the directly attributable acquisition costs) reduced by the accumulated depreciations and accumulated special impairment. The cost is the amount that was paid to acquire the asset increased by all directly attributable costs that were incurred to have the asset at the intended location and/or condition.

The amount of an asset to be amortised is the purchase price minus its residual value. In practice, the residual value is generally insignificant. If this is the case, the Group has decided not to take the residual value into account when determining the amount to be amortised. Depreciable amounts are allocated over the expected use term of the asset. The estimated use term of an asset is re-examined at each balance sheet date. Sites and engineering equipment are not amortised but are subject to special impairment. The depreciation costs for each period are included in the profit and loss account.

The Group uses the following depreciation periods:

Buildings	
Structural work of non-commercial buildings	33 years
Furnishing of non-commercial buildings	10 years
Structural work of commercial buildings	30 – 40 years
Furnishing of commercial buildings	9 – 10 years
Hardware	5 years

Systems	10 years
Cases	10 – 20 years
Illuminated advertising	3 – 5 years
Machines and material	3 – 5 years
Furniture	10 years
Rolling stock	4 – 5 years

Maintenance and repair costs are included in the profit and loss account for the period during which they were incurred. The costs of spare items are activated and subsequently amortised when these expenses deliver future economic benefits for the Group. The possible book value of the elements to be replaced is no longer included on the balance sheet.

The profit or loss as the result of the inclusion of an asset from the balance sheet as the result of a decommissioning or removal is included in the profit and loss account. If an asset is destroyed, the remaining amount to be amortised will be immediately recorded in the profit and loss account.

If a material fixed asset is being held for selling, it will be classified as held for selling, the depreciable amounts are stopped and the asset is measured at the lowest value of its book value and its fair value minus selling costs.

8.12. Other intangible fixed assets

An intangible fixed asset is an identifiable non-monetary asset without physical form that is only included on the balance sheet when it is likely that the expected future economic benefits that can be ascribed to the asset will go to the entity and that the costs thereof can be determined reliably.

Other intangible fixed assets refer to software that is bought internally or has been created for internal use and bought customer files. For internally generated software, only the development costs are activated that can be directly ascribed to the software that is completed and is used effectively to generate economic benefits.

An intangible fixed asset is measured at cost when first included. Subsequently, the cost model is used. The software is included on the balance sheet at cost reduced by the accumulated depreciable amounts and any accumulated impairment. Software and customer files are amortised linearly. The amount of an intangible fixed asset to be amortised matches the cost reduced by the residual value. In practice, the residual value is generally insignificant. If this is the case, the Group has decided not to take the residual value into account when determining the amount to be amortised.

For intangible fixed assets the following depreciation periods are used:

Internally developed software	3-10 years
Acquired software	5-10 years
Customer files	10 years

8.13. Government assistance

The ECB as the supra-national public institution within the European Union is regarded by the Group as an institution that is the same as local, national and international authorities/government institutions.

The more favourable conditions that are included within its targeted longer-term refinancing operations (TLTRO) are therefore deemed as government subsidy. The value of the benefit is determined as the difference between the received amount and the initial value of the loan in accordance with IFRS 9 – Financial instruments.

They are expressed on the balance sheet when the following can be stated with reasonable certainty:

- The Group will fulfil the conditions linked to the subsidy;
- The subsidies will be received.

They are systematically included as revenue in the income statement for the periods in which the related costs that they intend to compensate are included.

8.14. Business combinations (IFRS 3)

Takeovers are processed based on the takeover method. The Group buys the net assets and includes the acquired assets and the liabilities taken over (including conditional liabilities). The acquired identifiable assets and the liabilities taken over are measured at fair value on the takeover date.

A conditional liability acquired in a business combination is included when it is an existing liability that arises from events in the past and of which the fair value can be determined reliably.

Goodwill paid when acquiring businesses from the scope of consolidation (a subsidiary) is included on the balance sheet as an intangible asset and is initially measured at cost on the takeover date, which is the positive difference between the cost of the business combination and the interest of the Crelan Group in the net fair value of the identifiable assets, liabilities and conditional liabilities. Negative goodwill is immediately processed in the profit and loss account.

Goodwill acquired during a business combination will not be amortised. The Crelan Group subjects the goodwill assessment to an annual impairment test or more often than once a year if specific events indicate that the book value may be higher than the value that can be realised. Previously included special impairment with regard to goodwill will not be reversed.

The annual goodwill measurement test is based on the discounted cash flow-model. If the net current value of the profit forecasts based on the strategic plan of the relevant subsidiary is lower than the included goodwill, the difference between the two amounts will be immediately included in the profit and loss account. The discount rate matches the risk-free interest rate plus a risk premium depending on the risk profile of the relevant subsidiary.

8.15. Special impairment of non-financial assets

The Group assesses whether there is an indication for a possible value loss of a not-financial asset at every reporting date. A special impairment loss is included when the value of the asset that can be realised is lower than the book value. The value that can be realised is the highest of the fair value minus the selling costs for the intrinsic value.

The book value of non-financial assets that have been subjected to a special impairment is reduced up to its estimated value to be realised and the amount of the impairment is included in the profit and loss account for the current reporting period.

If the amount of the impairment of non-financial assets (excluding goodwill) decreases in a next period and the decrease can be objectively linked to an event that has occurred after the impairment, the previously included value loss will be reversed.

8.16. Provisions and conditional liabilities

Provisions are liabilities with uncertainty about the scope of future expenses and when these must be incurred. The Group includes a provision on the balance sheet when - on the balance sheet date - a liability arises from events in the past, when it is likely that the liability will require an outgoing cash flow and when the liability can be estimated reliably.

Within the Crelan Group, provisions are mainly related to legal cases, claims, tax liabilities and pension liabilities.

- For legal cases and claims, provisions are calculated on an individual basis (for each legal file or claim) based on the amounts due and payable to the beneficiaries. The amount and the allocation of future cash flows are uncertain and will depend on the timing of the legal cases or claims.
- For provisions for pension liabilities, refer to the chapter regarding employee benefits (see the notes in 8.18. & 4.13.).
- All identifiable liabilities with uncertainties regarding the scope of future costs and when these costs will be incurred and that cannot be included in the aforementioned categories are included in other provisions.

A conditional liability is entered into when the Group has a potential liability that arises from events in the past, but regarding which it is unlikely that an outflow of resources will be required or regarding which the liability cannot be reliably determined.

Conditional assets (rights) are not included on the balance sheet; they are, however, specified in the notes if an inflow of economic benefits is likely.

8.17. Interest income and charges

Interest income and charges are included in the profit and loss account for all interest-carrying instruments by using the effective interest method. This method is used to calculate the depreciation of a financial asset or a financial liability and allocate interest income and charges toe to the relevant period. The effective interest rate is the interest rate that has exactly been discounted in relation to the expected flow of future payments or cash balances during the expected life span of the financial instrument when compared with the net book value of the financial asset of the financial liability. The Group estimates the cash flows in relation to the calculation of the effective interest rate. This calculation comprises all provisions and benefits paid or received by contract parties that are an integral part of the effective interest rate as well as transaction costs. Transaction costs are the extra costs that can be ascribed directly to the acquisition or disposal of a financial asset or liability. They comprise commissions paid to agents, consultants, brokers and security traders, file handling costs received from clients as well as levies from regulatory bodies and stock exchanges and various types of taxes.
Accrued interest on derivatives held for commercial purposes is included in proportion to the time in the profit and loss account.

8.18. Provisions and provision benefits and charges

The Group makes a distinction among different types of commissions:

- In the case of received commissions in exchange for specific services, inclusion in the income statement takes place when the services are provided. This is the case for received commissions for asset management and insurance activities.
- The production commissions paid when creating credits and savings bonds are spread over the duration of the relevant credits and savings bonds and included in the profit and loss account based on the effective interest rate.

- The other commissions with regard to credits and savings bonds are settled on an annual basis and included in the profit and loss account.

8.19. Dividends

Received dividends are included in the income statement when the definitive right to collect them is determined.

8.20. Realised and non-realised gains and losses

Gains and losses realised in relation to the sale and stopping financial instruments classified as 'hold to collect and sell', show the difference between the received revenue and the initial book value of the sold asset or liability after the deduction of a possible impairment that could have been included in the profit and loss account and after taking the impact of any adjustments as the result of hedging into account.

The difference between the fair value of financial assets and liabilities held for commercial purposes at the end of the current period and at the end of the previous period is included in the "Gains and losses on financial assets and liabilities held for commercial purposes". For derivatives, the fluctuation of the fair value during the period (excluding the accrued interest) is also included in this section. The fluctuation of the fair value of hedging derivatives is presented on a separate line together with the fluctuation of the fair value of the hedged risk. An increased interest rate is included in interest income and charges.

Non-realised gains or losses on 'hold to collect and sell' financial assets that are included in the equity (within the 'other components of the equity' line that is related to other elements of the total result – OCI), are included in the profit and loss account when the relevant financial instruments are sold or when a special impairment loss is included.

Both non-realised and realised gains or losses with regard to equity instruments remain in the other elements of the total result (OCI) with the exception of the received dividends (cf. 8.14).

8.21. Income taxes

This item includes the current and accumulated tax allocations for the accounting period. Deferred tax liabilities are included for all taxable temporary differences between the book value of the assets and liabilities and their tax value.

For the tax liabilities for the accounting period, provisions are included based on the expected tax amount in accordance with the tax rates that apply on the closing date.

Deferred tax assets are included when a deductible temporary difference occurs between the book value and the tax value of an asset or liability. Recognition is only possible insofar as it is likely that a taxable profit will be available in the future and regarding which temporary differences can be allocated.

Accumulated tax allocations are calculated based on the expected tax rate during the year of realisation of the asset or the settlement of the liability.

8.22. Leases

The Group as a lessor

The Crelan Group operates as a lessor and only grants financial leases to its customers. Nearly all risks and benefits that are inherent to the property of the asset (except for legal property) are transferred to the lessee. It is, moreover, possible that a transfer of property takes place at the end of lease.

Financial lease transactions are initially included as receivables on the balance sheet for an amount that equals the net investment in the lease. The net investment in a financial lease matches the gross investment in the financing lease discounted for the implicit interest rate of the lease.

The amount of the receivable also implies the directly initial costs that can be allocated as well as the residual value of the lease, namely, the determined value for which the lessee can acquire the leased asset at the end of the lease.

The effective interest rate is calculated based on future cash flows. Based on this effective interest rate, future cash flows are reversed on the balance sheet date to arrive at a net cash value that matches the fair value of the leased asset (including the initial costs that can be immediately allocated).

Non-acquired financial income matches the difference between the gross investment and the net investment in the lease and are included in the profit and loss account based on the aforementioned effective interest distributed over the period of the receivable.

Lease receivables are included on the balance sheet for their net value, that is to say, after deducting any special impairment in relation to this.

The Group as the lessee

As a result of the adjustments in IFRS 16 (Leases), companies must show the lease liabilities to which they are exposed as from 1 January 2019. These liabilities are represented by a right of use on assets and by lease liabilities on the liability side.

The leases to which the new standard refers mainly refer to leased buildings, company vehicles and payment terminals. The implicit interest rates are not available and Crelan therefore adjusts the regular amounts using the suitable interest rate for each product[18].

Based on the principle of immateriality (IAS 8.8), AXA Bank Belgium has not yet applied IFRS 16.

8.23. Employee benefits

Short-term benefits

Short-term employee benefits such as wages, salaries and social charges are at the expense of the period in which the performance was carried out. Non-discounted provisions are recorded as part of the payments to be made during year following the end of the current accounting period (for example, holiday pay, bonuses, etc.).

Termination benefits, however, are only recognised when a causal link can be demonstrated.

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[18] Used interest rates for buildings, company vehicles and ATMs, respectively: the 10 year mortgage interest rate, the 5 your vehicle loan interest rate and the 7 year professional loan interest rate.

Pension liabilities

The Group has various defined benefit plans and various defined retirement benefit plans. The pension liabilities are all financed by paying contributions to insurance companies.

With regard to defined benefit plans, the employer and employee pay a fixed amount periodically for the accrual of the retirement capital. On the one hand, this fixed contribution is included as a liability and, on the other hand, as a charge in the period in which the employee has performed his/her job.

In accordance with Belgian legislation that applies to the retirement benefit plans of the second pillar (the legislation regarding additional pensions), all Belgian retirement benefit plans of the defined benefit type under the IFRS standards must be regarded as retirement benefit plans of the defined pension type.

For defined retirement benefit plans, expenditure is regularly determined based on actuarial calculations that are performed at least once a year. The PUC method is, on the one hand, used to calculate the cash value of the gross liabilities that must be included on the balance sheet and, on the other hand, for the calculation of the retirement costs at the expense of the year of service that are processed in the profit and loss account.

The retirement costs of the delivered services are immediately included in the profit and loss account unless the benefit is not immediately and unconditionally committed. In that case, the retirement costs of the delivered services are included linearly for the average period that has elapsed until the performance were started unconditionally.

Up to and including 31 December 2010, the net cumulative actuarial gains and losses that exceeded the corridor (the highest amount that corresponds with 10% of the cash value of the gross liabilities and 10% of the fair value of fund investments) at the expense of the profit and loss account spread over the remaining years of service of the employees who participate in the plan.

Since 1 January 2011, actuarial gains and losses are fully included in non-realised results for the period in which they occur. The financial statements were adjusted that closed on 31 December 2009 and 31 December 2010 in accordance with IAS 8 regarding adjustments in the bases for financial reporting.

The fund investments of the Group comprise insurance contracts that are eligible in accordance with IAS 19. Insurance contracts are drawn up by non-associated insurers and the revenue of these contracts can only be used to finance employee benefits under defined retirement benefit plans.

Other long-term benefits

For other long-term employee benefits, which are paid after the year after the closing date of the current period (such as long-term bonuses, bridging pensions and hospital admission insurances), a calculation of the cash value of the gross liabilities also applies. The actuarial differences due to the periodic review of the assumptions and assessments are, however, immediately included in the profit and loss account.

8.24. Liquid assets, cash equivalents and cash flows

Liquid assets and cash equivalents comprise the cash, balances at central banks and other financial assets with a maximum maturity of three months as from the acquisition date.

Crelan determines its operational cash flows in accordance with the indirect method. In accordance with this method, the net result for the period is adjusted to take non-monetary transactions, accumulated tax allocations, provisions, adjustments in debts or trading receivables into account as well as income and expenses with regard to investments or financing flows.

8.25. Securities of exchange rate adjustments

Monetary and non-monetary items in a foreign currency are converted into EUR when first included using the exchange rate on the transaction date.

Next, a daily monetary measurement process is performed for the monetary components. All monetary balances that have remained in a foreign currency are converted using the closing rate of the month. All positive and negative differences are included in the profit and loss account included regardless of the rating category.

Non-monetary elements at the Crelan Group only consist of share instruments in foreign currencies. They are measured at fair value the first time. Next, the measurement category is examined. The exchange results as a result of the conversion based on the closing rate is also included in the profit and loss account as an adjustment in the fair value of the underlying instrument in relation to the financial asset category regarding financial assets held for commercial purposes. This exchange result is deferred in the equity in the case of the financial asset category available for selling.

Monetary and non-monetary items in foreign currencies are converted into EUR when removed from the balance sheet date on the transaction date.

In the case of non-monetary elements in foreign currencies that belong to the financial asset category of the financial assets available for selling, the full exchange result between the first inclusion and the removal from the balance sheet as realised added and less value in the profit and loss account is included.

8.26. Equity

Equity comprises capital issued via ordinary shares and cooperative shares, the reserve from the remeasurement of the fair value of financial assets with value fluctuations via OCI as well as the reserves from withheld gains.

In addition, it includes the equity and also all issued financial instruments of elements thereof that must be classified as an equity instrument based on their economic characteristics in relation to the contractual agreement.

An important distinction with the classification as a debt instrument within this context is that Crelan Group cannot be made to:

- Deliver liquid assets or financial assets.
- Exchange in financial instruments that can potentially be detrimental.
- Deliver a variable number of its equity instruments.

Both the benefits of such instrument as well as the related transaction costs of the issue are directly deducted from the equity.

8.27. Additional information

8.27.1. Most important sources that lead to estimation uncertainty

Drawing up financial statements in accordance with the IFRS guidelines entails a specific number of assessments and assumptions. Although all available information is used to ensure these assessments and assumptions can be deemed to be as reliable as possible, the actual results may deviate thereof.

The assessments and assumptions are mainly related to the following areas:

- Estimation of the value that can be realized in case of special impairment (see section 4.3 and 4.4);

- Determination of the fair value of financial instruments not quoted on the stock exchange (see section 4.15.2);
- Measurement at fair value of the CVA and DVA in relation to derivatives and financial liabilities measured at fair value including the processing of value adjustments in profit or loss (see section 4.11.2);
- Determination of the expected use period of tangible and intangible fixed assets (see section 4.5 and 4.6);
- Estimation of the existing liabilities as the result of events in the past when provisions are included (see section 4.12);
- Actuarial assumptions in relation to the measurement at fair value of pension liabilities (see section 4.13);
- Estimation of deferred tax assets (see section 4.7);
- Determination of the hedging reserve when applying fair value hedging (see section 4.14);
- Determination of the audit when setting up the scope of consolidation (see section 8.2);
- Assessment of the future credit production that will be eligible when verifying the conditions with regard to the targeted longer-term refinancing operations (see section 4.11.1.5);

8.27.2. Events after the balance sheet date

Events after the balance sheet date that indicate circumstances already present on the balance sheet date (for example, additional information on previous estimates) require an adjustment of the financial statements if material.

Events after the balance sheet date that indicate circumstances after the balance sheet date (for example, evolution of the dollar or the fair value of securities) do not require an adjustment of the balance sheet, the profit and loss account and the statement of changes in the equity of the cash flow statement. If material, however, information is provided on the nature and the estimated financial impact to avoid that the financial statements could be misleading.

8.27.3. Adjustments in the estimates and measurement bases

If it is difficult to determine whether it is a change in the estimation or a change in the assessment principle, a change in estimation is selected based on the IFRS regulations.

A change in estimation is applied prospectively. Insofar a change in estimations leads to adjustments in assets and liabilities or concerns a component of the equity, this change is processed in the period in which the change took place by changing the book value of the asset, of the constraint or the component of the equity concerned.

In the case of a change in the assessment principle, it is applied retrospectively.

When it is unfeasible from a practical perspective to determine the period-linked consequences of a change in a basis for financial reporting based on comparing information from one or more prior reporting periods, the new basis for financial reporting is used on the book value of assets and liabilities as from the earliest period (the earliest period may be the reporting period) for which retrospective application is possible The opening balance for that period is adjusted accordingly for each equity component concerned.

When it is not feasible from a practical perspective to determine the cumulative effect at the beginning of the reporting period of the application of a new basis for financial reporting on all prior reporting periods, the comparing information is adjusted to apply the new basis for financial reporting prospectively as from the earliest date on which this is feasible from a practical perspective.

Based on materiality, the file handling costs received from clients were previously not taken into account when determining the effective interest method (point 8.17). Given the acquisition of AXA Bank Belgium (where these revenues were already considered), this was taken into account from 2022 onwards. Due to the volumes and the life cycle of the loans (mainly in terms of the availability of information on prepayments and refinancings), it is not feasible to reconstitute the comparative information and this change in accounting policy has only been applied prospectively. The following amounts were:

- included on the balance sheet and deferred through the acquisition value: EUR –7,738,836
- included in the results as part of the effective interest method: EUR +292,797

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Independent auditor's report to the general meeting of Group Crelan for the year ended 31 December 2023

In the context of the statutory audit of the Consolidated Financial Statements) of Group Crelan (the "Company") and its subsidiaries (together the "Group"), we report to you as statutory auditor. This report includes our opinion on the consolidated statement of the financial position as at 31 December 2023, the consolidated statement of the realized and unrealized results, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31 December 2023 and the disclosures including material accounting policy information (all elements together the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements. These two reports are considered one report and are inseparable.

We have been appointed as statutory auditor by the shareholders' meeting of 27 April 2023, in accordance with the proposition by the Board of Directors following recommendation of the Audit Committee and following recommendation of the workers' council. Our mandate expires at the shareholders' meeting that will deliberate on the Consolidated Financial Statements for the year ending 31 December 2025. We performed the audit of the Consolidated Financial Statements of the Group during 7 consecutive years.

Report on the audit of the Consolidated Financial Statements

Unqualified opinion

We have audited the Consolidated Financial Statements of Group Crelan, that comprise of the consolidated statement of the financial position on 31 December 2023, the consolidated statement of the realized and unrealized results, the consolidated statement of changes in equity and the consolidated statement of cash flows of the year and the disclosures ,including material accounting policy information, which show a consolidated balance sheet total of € 53.987.987.330 and of which the consolidated income statement shows a profit for the year of € 207.016.756.

In our opinion, the Consolidated Financial Statements give a true and fair view of the consolidated net equity and financial position as at 31 December 2023, and of its consolidated results for the year then ended, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union ("IFRS") and with applicable legal and regulatory requirements in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA's") applicable in Belgium. In addition, we have applied the ISA's approved by the International Auditing and Assurance Standards Board ("IAASB") that apply at the current year-end date and have not yet been approved at national level. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the Consolidated Financial Statements" section of our report.

We have complied with all ethical requirements that are relevant to our audit of the Consolidated Financial Statements in Belgium, including those with respect to independence.

We have obtained from the Board of Directors and the officials of the Company the explanations and information necessary for the performance of our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current reporting period.

These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and consequently we do not provide a separate opinion on these matters.

Credit risk with regard to the loan portfolio

Description of the key audit matter

As at 31 December 2023, the loan receivable portfolio of the Group amounts to € 49,222,345,442 (gross, valued at amortized cost) and the related impairments amount to € 210,437,118. These loans receivable mainly consist of credits granted to individuals and corporates.

Impairments represent the Group's best estimate of the expected credit losses at the balance sheet date. They are calculated based on the default risk over different time horizons, depending on whether the borrower's credit risk has increased significantly since the credit has been granted:

- The impairments of the exposures of which the credit risk has not increased significantly ('stage 1') are based on the expected credit losses over a period of 12 months;

- The impairments of the exposures of which the credit risk has increased significantly or which is credit-impaired ('stage 2' and 'stage 3') are based on the expected credit losses over the lifetime of the credit.

Expected loss calculations are probability-weighted estimates of the present value of the cash deficits, using models, applying scenarios, and taking into account the impact of historical losses on the one hand and forward-looking information on the other. The inputs for these models are based, among other things, on historical loss rates, credit terms and cash flow projections, which are assessed subjectively to determine the assumptions used to calculate the impairment losses.

Important subjective evaluations in the process are:

- The criteria to determine exposures with a significant increase in credit risk (and the corresponding 'stage');

- The assumptions used in the expected credit loss model such as the borrower's financial condition (and its corresponding default risk), and the credit loss that would be incurred in the event of default (which depends on the expected recovery value of the collateral, if any);

- The inclusion of forward-looking information (probability-weighted macro-economic scenarios);

- Manual adjustments applied where the model parameters or calculations were not deemed representative by management, based on the current risks and conditions of the portfolio.

Considering that the impairments related to the loans and advances are significant to the consolidated balance sheet and income statement, and given the degree of subjective judgment involved and the related uncertainty of impairment estimates, we consider this to be a key audit matter.

Summary of the procedures performed

- We have assessed the design and operating effectiveness of the key internal controls related to the credit issuance, the credit risk management (including periodic credit review, monitoring of the borrower's credit quality using indicators such as days in arrears and forbearance, and the determination of the rating), the flow of information between the source systems and the expected credit loss calculation tool, and the model development and monitoring (specifically the independent validation process).

- We compared the inventory of loans and advances for which expected credit losses were calculated with the amounts included in the Consolidated Financial Statements.

- In respect of the models for expected credit losses, we engaged our internal experts to assess the appropriateness of the model and the methodology used (in accordance with IFRS requirements).

- For the specific impairments determined at individual file level, we have selected a sample of loans (in stage 2 and stage 3) and performed a detailed inspection of the credit file, whereby we have assessed that:

  - The credit risk policy has been applied;

  - The credit quality and the 'stage' have been determined correctly;

  - The collateral (if any) has been properly estimated;

  - The recoverability of the loan and the impairment have been determined correctly.

- To assess the reasonableness of the forward-looking information incorporated in the expected credit loss models, we assessed the outlook and the probability weights applied to the different scenarios, and compared them with supporting information (publicly available economic information), if applicable. In particular, we considered whether this forward-looking information adequately reflects the impacts of the economic environment and is in line with expectations for Gross Domestic Product and unemployment rates as published by regulators.

- To assess the appropriateness of the manual adjustments applied by management, we considered the possibility that impairment losses may have been impacted by events or trends not reflected in the Group's models, or by limitations in data.

- Finally, we have assessed the completeness and accuracy of the notes 4.4 and 7.2 to the Consolidated Financial Statements in accordance with IFRS requirements.

Responsibilities of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of the Consolidated Financial Statements that give a true and fair view in accordance with IFRS and with applicable legal and regulatory requirements in Belgium and for such internal controls relevant to the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of Consolidated Financial Statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, and provide, if applicable, information on matters impacting going concern, The Board of Directors should prepare the financial statements using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the Company or to cease business operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the Consolidated Financial Statements

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

In performing our audit, we comply with the legal, regulatory and normative framework that applies to the audit of the Consolidated Financial Statements in Belgium. However, a statutory audit does not provide assurance about the future viability of the Company and the Group, nor about the efficiency or effectiveness with which the board of directors has taken or will undertake the Company's and the Group's business operations. Our responsibilities with regards to the going concern assumption used by the board of directors are described below.

As part of an audit in accordance with ISA's, we exercise professional judgment and we maintain professional skepticism throughout the audit. We also perform the following tasks:

- identification and assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, the planning and execution of audit procedures to respond to these risks and obtain audit evidence which is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting material misstatements resulting from fraud is higher than when such misstatements result from errors, since fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtaining insight in the system of internal controls that are relevant for the audit and with the objective to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluating the selected and applied accounting policies, and evaluating the reasonability of the accounting estimates and related disclosures made by the Board of Directors as well as the underlying information given by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going-concern basis of accounting, and based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going-concern;

- evaluating the overall presentation, structure and content of the Consolidated Financial Statements, and evaluating whether the Consolidated Financial Statements reflect a true and fair view of the underlying transactions and events.

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

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the audits of the subsidiaries. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities.

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

From the matters communicated with the Audit Committee within the Board of Directors, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our report, unless the law or regulations prohibit this.

Report on other legal and regulatory requirements

Responsibilities of the Board of Directors

The Board of Directors is responsible for the preparation and the content of the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report.

Responsibilities of the auditor

In the context of our mandate and in accordance with the additional standard to the ISA's applicable in Belgium, it is our responsibility to verify, in all material respects, the Board of Directors' report on the Consolidated Financial Statements, the non-financial information attached to the Board of Directors' report, and other information included in the annual report, as well as to report on these matters.

Aspects relating to Board of Directors' report and other information included in the annual report

In our opinion, after carrying out specific procedures on the Board of Directors' report, the Board of Directors' report is consistent with the Consolidated Financial Statements and has been prepared in accordance with article 3:32 of the Code of companies and associations.

In the context of our audit of the Consolidated Financial Statements, we are also responsible to consider whether, based on the information that we became aware of during the performance of our audit, the Board of Directors' report and other information included in the annual report, being:

- Consolidated ratio's and Consolidated key figures
- Balance sheet

contain any material inconsistencies or contains information that is inaccurate or otherwise misleading. In light of the work performed, there are no material inconsistencies to be reported.

The non–financial information required by article 3:32, § 2, of the Code of companies and associations has been included in the Board of Directors' report on the Consolidated Financial Statements. The Company has prepared this non-financial information based on undefined. However, we do not comment on whether this non-financial information has been prepared, in all material respects, in accordance with undefined.

Independence matters

Our audit firm and our network have not performed any services that are not compatible with the audit of the Consolidated Financial Statements and have remained independent of the Company during the course of our mandate.

The fees related to additional services which are compatible with the audit of the Consolidated Financial Statements as referred to in article 3:65 of the Code of companies and associations were duly itemized and valued in the notes to the Consolidated Financial Statements.

Other communications.

- This report is consistent with our supplementary declaration to the Audit Committee as specified in article 11 of the regulation (EU) nr. 537/2014.

Brussels, 4 April 2024

EY Bedrijfsrevisoren BV
Statutory auditor
Represented by

Christel Weymeersch *
Partner
*Acting on behalf of a BV/SRL

Christophe Boschmans *
Partner
* Acting on behalf of a BV/SRL

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