

Crelan, the cooperative banking group, achieves excellent results for 2023 and finalises preparations for the merger between Crelan and AXA Bank

- The *underlying net operating income* of Crelan Group, comprising Crelan, AXA Bank and Europabank, reached **€287.7 million** in 2023, up 74% (+€121.9 million) compared to 2022.
- After taking into account some specific items, in particular the costs of the integration and migration programme of AXA Bank with Crelan, the Group posted an excellent *net income of €207 million* for 2023, an increase of €48.8 million or **31 %** compared to 2022.
- The *CET1 ratio* (Core Equity Tier 1) stood at **25.5 %** at the end of 2023, up 4.2 %-pts compared to 2022, further strengthening Crelan Group's financial strength and maintaining it at a particularly high level.
- A proposal to distribute a *dividend of 4.25%* to our 283,629 cooperative shareholders will be made at CrelanCo's Annual General Meeting.
- At the end of 2023, Crelan Group had a total of **€42.4 billion** in customer deposits and **€15.5 billion** in off-balance sheet investments and **€49.0 billion** in loans.

Excellent annual financial results

Crelan Group's *underlying net operating profit* for 2023 amounted to **€287.7 million**, an increase of €121.9 million or an increase of **74 %** compared to 2022.

The banking group owes this excellent operating profit in particular to the **€309.6 million growth in net interest income**, which now stands at €987.7 million, up from €678.1 million in 2022 (+46%). Fee and commission income is also up, and now stands at €255.3 million compared to €247.2 million in 2022 (+3.3%)

After taking into account some specific items, in particular the costs of the integration and migration programme of AXA Bank with Crelan, Crelan Group posted an **excellent net profit of €207.0 million** (+€48.8 million euros) **an increase of 31%** compared to 2022.

Financial strength remains at a very high level

The financial structure indicators increased: both the **CET1 ratio** (up from 21.3% to **25.5%**) and the **Total capital ratio** (up from 26.3% to **30.8%**) remain at high levels in 2023, well above regulatory requirements (unaudited ratios)

The issuer rating has improved at **S&P:A- LT and A-2 ST with a stable outlook** and has received a positive outlook from **Moody's:A3 LT and P-2 ST with a positive outlook**.

In this context, Crelan Group progressed towards its **MREL** targets: from September 2022 to January 2024, the group successfully issued a total of **€2,150 billion** in senior non-preferential debt to a large number of diversified institutional investors.

4.25% dividend for cooperative shareholders

In line with this excellent result, a proposal will be made by the Board of Directors at CrelanCo's Annual General Meeting at the end of April to pay its 283,629 cooperative shareholders **a dividend of 4.25 %**, up from the 4% paid last year. Crelan Group is thus enabling its cooperative customers to benefit from the group's strong earnings and financial solidity.

Deposits and investments: security first

In 2023, heightened geopolitical tensions, an uncertain economic outlook and high inflation created a demand for savings and investment products offering both a degree of security and better returns.

The successive rate hikes decided by the ECB enabled Crelan to offer higher interest rates on savings and term accounts. The latter, in particular, made it possible for many savers and investors to invest part of their funds at guaranteed interest rates over the longer term. Outstanding term deposits increased fivefold to 6.9 billion euros (+5.9 billion, +547.7%).

Customers used both their existing savings (savings accounts - €4.8 billion) and immediately available money (sight accounts - €1.0 billion) for this purpose.

These movements and the favourable market trend led to an increase in the off-balance sheet portfolio (funds, notes, bonds, life insurance) of 2.4 billion euros (+18.5%) to 15.5 billion euros and stability in the deposit portfolio at 42.4 billion euros.

Outstanding loans up despite uncertainty weighing on demand

The total loan portfolio increased to €49.0 billion (+2.6%), with total loans granted amounting to €6.3 billion (-21.8%).

Both demand for mortgage loans in the private market and for investment loans in the business market dropped significantly in 2023.

This was again due to economic uncertainty and inflation which, combined with rising interest rates, led to investment projects being postponed or suspended. Additional pressure was exerted on the housing market due to stricter renovation standards, and on the agriculture and horticulture market due to the nitrogen issue and increased administrative and regulatory requirements.

The mortgage market in Belgium thus fell by around 33% in volume terms. Crelan Group followed this trend to a lesser extent, with a fall of 28.2%. In these difficult market conditions, both Crelan and AXA Bank Belgium managed to increase their market share to 12.2%. At group level, a total of €3.9 billion in home loans was granted.

In consumer credit, production rose slightly by 0.3% to €656.3 million. This increase is due to the recovery in demand for car loans, as the semiconductor crisis gradually eases.

Lending to SMEs and the self-employed fell by 9.8% to €1.4 billion, while lending to farmers and horticulturalists fell by 16.9% to €323.3 million due to regulatory uncertainties in the sector.

Crelan and AXA Bank prepare to merge

Meticulous preparations for the merger

When AXA Bank Belgium was acquired on 31 December 2021, Crelan announced that the aim was to merge the two brands into a new bank that would continue to operate under the Crelan logo.

Since then, teams from both banks have been meticulously preparing the merger of the 2 banks with a view to completing the operation in 2024. It is scheduled during the month of June 2024, when the data of almost 850,000 customers and just over 300 AXA Bank branches will be transferred and integrated into Crelan's IT platform.

It goes without saying that 2023 was largely dominated by these preparations. Numerous Crelan applications have been updated or developed in order to secure and simplify the integration of AXA Bank customers and agents, including a new portal for branch access to the IT platform, a new Mobile App and a new application for granting consumer loans in branches.

Since the summer, thorough test phases have also been launched to simulate data transfers and to check that the migration protocols are working properly. Crelan wishes to leave nothing to chance and to carry out the entire operation efficiently and with as little disruption to customers as possible.

The merger: a win-win situation

*"The merger of Crelan and AXA Bank is part of a global strategy aimed at creating added value for cooperative shareholders, customers, employees and the bank itself. We have been working on this for several years and the merger planned for June 2024 will be an important step in the execution of this strategy", announced **Joris Cnockaert, CCO of Crelan and AXA Bank.***

The merger of Crelan and AXA Bank is designed to provide our customers with advice and services that offer greater added value. A goal that has already been met, as today the two banks are pooling their knowledge and experience in the field of payments, savings and investment advice and loans. Crelan and AXA Bank have been cooperating for several years with well-established partners in the insurance and investment sectors, and this complementary offering, which is now open to all customers, includes life insurance from Allianz, non-life insurance from AXA Belgium and investment products from Amundi, AXA Investment Managers and Econopolis Wealth Management. In addition, Crelan and AXA Bank agents can also call on Europabank's experience in payment terminals, loans and leasing, and interest rate formulae.

Since 2022, interested AXA Bank customers, provided they have a suitable investment profile, have also been able to subscribe to CrelanCo cooperative shares and thus become 'co-owners' of the

Crelan Group. A formula that has hit the mark: by 2023, the number of cooperative shareholders had risen from 277,755 to 283,629, and cooperative capital from €912 million to €941 million.

A bigger bank also means more opportunities to invest in services, as illustrated by the new mobile application launched by Crelan at the end of 2023, the first concrete result of collaboration between Crelan and AXA Bank colleagues. AXA Bank customers will also be able to use this new application immediately after the migration weekend.

Finally, the branch network has also been prepared for the new bank, with a unified commission scale for agents and a clear definition of the 'bank branch of the future'. This project describes the minimum standards that a future Crelan branch will have to meet in order to provide customers with the best possible advice. It takes into account, in particular, a sufficiently large branch team with different areas of expertise. It provides a framework for discussion for banking agents whose branches are geographically close and for whom a merger would bring added value.

A new brand identity, but the same high-quality, local service

After the merger, Crelan will become Belgium's 5th largest bank, with a full range of products and a high-performance digital platform. But Crelan also wishes to be the big bank that meets one of its customers' most important expectations: on-the-ground proximity. Crelan branches are present throughout the country's towns and villages. Customers can easily pay a physical visit to their agent, with whom they can build up a relationship of trust over several years, and who, in turn, goes to great lengths to provide them with a personal, high-quality service. To get this message across clearly, Crelan decided to refresh its brand identity extensively. The new logo and brand identity were unveiled to the general public in November 2023. This new Crelan logo is made up of 3 layers in the familiar shade of green associated with the bank. These 3 layers reflect our dynamism but above all symbolise the close relationship that exists between Crelan, its agents and its customers.

This new brand identity, which has its roots in continuity but is resolutely turned towards the future, is accompanied by a concrete proposition for the general public: Crelan, the bank that's better for you!"

"Crelan wants to remain a locally rooted bank, even after the merger, with branches that are close to customers. The large number of branches operated by the two banks, which are often next door to each other, gives us the opportunity to operate with larger branches and branch teams that can serve customers even better while maintaining a local presence. I'm particularly pleased that we've been able to reach sound agreements with the agents on this subject, through mutual consultation. We have promoted our new brand identity: Crelan is a major bank in terms of its range of services and digital tools, but will also remain for its customers the bank with a human touch that is always nearby: right there 'just down the road, Joris Cnockaert.

Cooperative and sustainable, the DNA of the new bank

Crelan can and wants to stand out in two areas: as a cooperative and a sustainable bank.

To further strengthen our governance and our impact on these two strategic pillars, in 2023 the bank created a department dedicated to its cooperative and human commitment, on the one hand, and to ESG, on the other. On the one hand, this department aims to further develop the cooperative character of the bank, in particular by involving cooperative shareholders more in its activities. On the other hand, it focuses on the role that Crelan can play in society as a promoter and facilitator of a sustainable transition, in particular by defining a concrete and clear ESG policy.

"Crelan achieved a very good performance in 2023, despite a difficult economic climate and geopolitical uncertainties that weighed on economic agents. Our operating profit, up 74%, bears witness to the relevance of our positioning: to be a bank close to our customers through our local branches, to be a more efficient bank offering a full range of advice and services for individuals, businesses and agriculture. "

"In 2023 we continued to invest to modernise our platform and prepare for the merger between AXA Bank and Crelan, which will take place in a few months' time. We are even better positioned to support our customers in their projects."

*"We can congratulate ourselves on the relevance of our cooperative model: one that is protective for customers, at the service of the Belgian economy while supporting societal transformation. I would like to thank our employees, agents and partners who have shown unwavering commitment and played a decisive role in this year's excellent results, as well as our customers for their continued trust", **Philippe Voisin, CEO of Crelan and AXA Bank.***

About Crelan Group

The financial group consists of CrelanCo SA, Crelan SA, Europabank SA and AXA Bank Belgium SA. It ranks fifth among Belgian retail banks by total assets. The Crelan group is represented by three bank logos: Crelan, AXA Bank and Europabank. At 31/12/2023, Crelan Group had: 4,456 employees (both staff members and independent banking agents and their employees), 792 branches, 283,629 cooperative shareholders, almost 1.8 million customers and a balance sheet total of just under €54 billion. In addition, the banking group manages €42.4 billion in customer deposits, €15.5 billion in off-balance sheet investments and supports Belgian households and businesses through €47.1 billion in loans.

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List of appendices:

- Solvency and capital management
- Consolidated Balance sheet
- Statement of realised and unrealised results
- IFRS Consolidated balance sheet

Statutory auditor's statement:

The statutory auditor, EY Reviseurs d'Entreprises SRL, represented by Christel Weymeersch and Christophe Boschmans, has confirmed that its audit work, which is substantially complete, has not to date revealed any significant matters requiring adjustments to the 2023 consolidated income statement, the consolidated balance sheet and explanatory notes included in this press release. This confirmation does not apply to the explanatory

notes specifically designated as "unaudited".

I This press release contains information that is subject to transparency regulations for listed companies.

II Minimum Requirement for own funds and Eligible Liabilities (MREL)

Solvency and Capital ratios

Solvency and capital management (unaudited)

		31/12/2023	31/12/2022
Capital ratios (as a percentage of risk-weighted exposure amount)			
	Common Equity Tier 1 ratio (%)	25,5%	21,3%
	Tier 1 ratio (%)	28,4%	24,0%
	Total capital ratio (%)	30,8%	26,3%
Leverage ratio			
	Leverage ratio	4,34%	3,89%
Liquidity Coverage Ratio			
	Liquidity coverage ratio (%)	188,4%	195,7%
Net Stable Funding Ratio			
	NSFR ratio (%)	142,0%	149,0%

Consolidated Balance sheet

Assets (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	9.716.707	11.751.718
Financial assets mandatorily recognised at fair value through profit or loss	6.526.593	6.494.954
Financial assets designated at fair value through profit or loss	0	0
Financial assets measured at fair value through other comprehensive income (FVOCI)	172.661.185	242.148.851
Financial assets measured at amortised cost	49.611.915.035	48.748.763.581
<i>Debt securities</i>	600.006.711	969.923.456
<i>Loans and receivables (including finance leases)</i>	49.011.908.324	47.778.840.125
Derivatives used for hedging	223.665.533	325.518.582
Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk	-2.006.576.306	-3.149.398.494
Property, plant and equipment	84.691.819	84.612.482
Goodwill and intangible assets	41.675.353	47.118.576
Investments in subsidiaries, joint ventures and associates	11.282.364	12.686.005
Tax assets	70.334.761	216.807.015
Other assets	195.981.383	165.356.099
Assets held for sale and discontinued operations	0	0
Total Assets	53.987.987.330	53.842.295.391
Liabilities (in EUR)	31/12/2023	31/12/2022
Financial liabilities held for trading	22.299.112	36.418.642
Financial liabilities at fair value through profit or loss	295.405.427	376.190.783
Financial liabilities at amortised cost	50.540.241.806	50.483.073.822
<i>Deposits from Credit institutions</i>	1.164.677.515	1.388.156.060
<i>Deposits from Other than credit institutions</i>	42.390.668.879	42.404.600.558
<i>Debt securities including bonds</i>	6.377.702.359	5.950.058.478
<i>Subordinated liabilities</i>	205.245.661	209.047.595
<i>Other financial liabilities</i>	401.947.392	531.211.132
Derivatives used for hedging	16.879.274	7.076.007
Fair value changes of the hedged items in portfolio hedge of interest rate risk	15.252.824	-40.456.212
Provisions	298.681.649	246.758.423
Tax liabilities	66.319.932	237.499.893
Other liabilities	222.841.273	164.607.600
Liabilities associated with asset groups held for sale and discontinued operations	0	0
Total Liabilities	51.477.921.297	51.511.168.959
(in EUR) (in EUR)	31/12/2023	31/12/2022
Capital	940.638.816	912.298.467
<i>Paid up capital</i>	940.638.816	912.298.467
<i>Unpaid capital which has been called up</i>	0	0
Share premium	0	0
Equity instruments issued other than capital	244.559.551	245.171.946
Other comprehensive income	-4.099.980	5.784.763
Items that will not be reclassified to profit and loss	-6.506.047	2.873.858
<i>Actuarial gains or loss on defined benefit pension plans</i>	-13.301.963	-13.917.632
<i>Changes in fair value of equity instruments measured at fair value through other comprehensive income</i>	-1.454.118	-33.863
<i>Change in fair value of a financial liability at fair value through profit or loss that is attributable to changes in the credit risk of that liability</i>	8.250.034	16.825.353
Items that may be reclassified to profit and loss	2.406.067	2.910.905
<i>Fair value changes of debt instruments measured at fair value through other comprehensive income</i>	2.406.067	2.910.905
Reserves (including retained earnings)	1.121.950.890	1.009.671.702
Income from current year	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 profit or loss

Consolidated Statement of profit or loss (in EUR)	31/12/2023	31/12/2022
CONTINUING OPERATIONS		
TOTAL OPERATING INCOME, NET	1.039.908.667	774.105.913
Interest income	1.875.802.386	813.288.828
Interest expenses	-888.125.423	-135.192.782
Dividend income	303.195	791.622
Fee and commission income	255.329.513	247.213.736
Fee and commission expenses	-242.726.483	-193.623.813
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss	-15.520.013	7.459.366
Gains or (-) losses on financial assets and liabilities held for trading, net	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
Fair value adjustments in hedge accounting	3.816.929	10.498.903
Revaluations of foreign exchange differences	2.193.931	1.406.942
Gains or (-) losses on derecognition of assets	9.648	-2.744
Other operating income	29.112.104	36.028.217
Other operating expenses	-168.559	-304.159
Administrative Expenses	-589.979.264	-492.809.145
Staff Expenses	-193.880.227	-184.374.299
Other administrative Expenses	-396.099.037	-308.434.846
Cash contributions to resolution funds and deposit guarantee schemes	-47.047.875	-45.362.850
Depreciation	-23.708.644	-15.740.263
Property, Plant and Equipment	-17.385.528	-11.064.188
Intangible assets (other than goodwill)	-6.323.116	-4.676.075
Modification gains or (-) losses, net	147.659	147.659
Provisions	-52.410.495	13.974.347
Impairment	-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
<i>Financial assets at fair value through other comprehensive income (FVOCI)</i>	0	0
<i>Financial assets at amortised cost</i>	-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 on non-current assets or disposal groups classified as held for sale	0	0
TOTAL PROFIT OR LOSS FROM CONTINUING OPERATIONS BEFORE TAX AND MINORITY INTEREST	276.266.379	213.395.297
Tax expense (income tax) related to profit or loss from continuing operations	-69.249.623	-55.195.744
<i>Current taxes</i>	-79.558.925	-37.889.458
<i>Deferred taxes</i>	10.309.302	-17.306.285
NET PROFIT OR LOSS	207.016.756	158.199.554
Statement of other comprehensive income		
Other comprehensive income that may be recognised in comprehensive income in the future	-504.839	-95.552
<i>Revaluation of Financial assets measured at fair value through other comprehensive income (FVOCI)</i>	-673.118	-82.277
<i>Income tax relating to items that may be reclassified to profit or (-) loss</i>	168.279	-13.275
Other comprehensive income that will never be recognised in profit or loss	-9.379.906	1.224.670
<i>Actuarial (losses)/gains on defined benefit plans</i>	820.891	-21.356.834
<i>Fair value changes of financial liabilities at fair value through profit or loss that is attributable to changes in their credit risk</i>	-1.420.255	-33.863
<i>Fair value changes of equity instruments measured at fair value through other comprehensive income</i>	-11.433.759	22.433.804
<i>Income tax to items that will not be reclassified</i>	2.653.217	181.564
Total other 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

IFRS CONSOLIDATED BALANCE SHEET

€M	2023	2022	EVOLUTION
Loans	49.012	47.779	1.233
Debt receivables	600	970	-370
Treasury & fair value hedge	3.560	3.981	-422
Other Assets	817	1.112	-296
Total Assets	53.988	53.842	146
Deposits	42.391	42.405	-14
Covered bonds	4.650	5.189	-539
Central bank deposits	884	1.251	-367
Senior Non Preferred	1.431	301	1.130
Subordinated liabilities	205	209	-4
Other financial liabilities	402	531	-129
Other Liability	1.515	1.626	-111
Equity	2.510	2.331	179
Total Liabilities & Equity	53.988	53.842	146

The amounts above have been subject to an audit, which is substantially completed.

IFRS CONSOLIDATED STATEMENT OF INCOME

€M	2023	2022	EVOLUTION
Net banking income	1.282,8	967,9	314,9
Operating expenses	-903,5	-747,5	-155,9
Cost of risk	-50,6	-24,7	-26,0
Provisions	-52,4	14,0	-66,4
Negative goodwill & Profit from disposal	0,0	3,7	-3,7
Taxes	-69,2	-55,2	-14,1
Net income	207,0	158,2	48,8

The amounts above have been subject to an audit, which is substantially completed.

€M	2023 UNDERLYING (APM)	2022 UNDERLYING (APM)	EVOLUTION
Underlying Net banking income	1.312,8	974,1	338,7
Underlying Operating expenses	-875,4	-745,6	-129,8
Underlying Cost of risk	-42,3	-14,9	-27,3
Underlying Provisions	-8,6	1,0	-9,6
Underlying Taxes	-98,8	-48,8	-50,0
Underlying Earnings	287,7	165,8	121,9
Specific Items	-80,7	-7,6	-73,1
Net income	207,0	158,2	48,8

The amounts above have not been subject to an audit.