

The Crelan Group closes the 2021 accounting period with great commercial figures and a solid financial result.

Growth in production, an increased earning power and a considerable increase of the result

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- The Crelan Group allocates EUR 8.85 billion in new loans (+15.4%), sells for EUR 2.98 billion in off-balance-sheet instruments (+24%) and has seen customer deposits increase by EUR 2.23 billion (+5.7%).
 - The Group's profit figures are being exceptionally influenced by both a realised capital gain on the sale of Crelan Insurance and the recognition of the badwill due to the takeover of AXA Bank Belgium. The result of AXA Bank Belgium for 2021, moreover, is not yet part of the consolidated figures of the Crelan Group because the takeover of this bank took place on 31 December 2021.
 - After the neutralisation of the aforementioned capital gains, the IFRS net result of the Crelan Group (without AXA Bank Belgium) amounts to EUR 66 million (+34%) and that of AXA Bank Belgium, EUR 93 million (+41%). This means that the Crelan Group would have achieved a net profit of EUR 159 million excluding finance costs in its new composition.
 - The CrelanCo General Meeting has decided to allocate a 3% dividend to the cooperative shareholders for a fifth year in a row.
 - The Crelan and AXA Bank Belgium teams are preparing the integration of both banks with the objective to achieve an even stronger proximity bank for customers by 2024 that can cater quickly and efficiently for their changing needs.

We refer to the Crelan Group in the message below for the consolidated figures of Crelan, its subsidiary Europabank and AXA Bank Belgium.

A shared future story with potential



Philippe Voisin, Crelan and AXA Bank Belgium CEO: “On 31 December, AXA Bank Belgium joined the Crelan Group that now represents three bank brands: Crelan, Europabank and AXA Bank Belgium. This is also the first time that we can present the shared results of this new expanded banking group. Crelan and AXA Bank Belgium have a coinciding profile and use a similar

procedure and you can see this in the 2021 results and trends. This reinforces my conviction that the Crelan and AXA Bank Belgium integration, planned for the spring of 2024, will create a stronger bank that will cater more quickly and even better in relation to the requirements and preferences of the cooperative shareholders and customers.”

Good commercial results

The economic recovery and the good availability of the teams in the bank offices, including in periods of tightened coronavirus measures, had a positive effect on production results.

Growth continued in relation to payment transactions, the savings and investment concepts and the granting of credit. The Crelan Group also made great progress in relation to insurance operations.

Customer deposits: EUR 2.23 billion growth (+5.7%)

Customer deposits of the Crelan Group increased by EUR 2.23 billion. At the end of 2021, the outstanding customer deposits amounted to **EUR 41.40 billion (+5.7%)**. Crelan takes EUR 1.09 billion in growth for itself (+5.6%), AXA Bank Belgium EUR 1 billion (+5.5%) and Europabank EUR 139.45 million (+9.8%).

The trend of previous years continues: the current and savings accounts continue to grow and the bank certificates and fixed-term accounts continue to gain ground when compared to the off-balance sheet investments.

DIGITAL BANKING IS ON THE RISE

The number of current accounts grew by 4.3% at Crelan and by 2.2% at AXA Bank Belgium.

With regard to payment transactions, we have noticed that COVID-19 additionally stimulates the use of digital payment facilities and cashless payments.

On a group level, the number of online registrations, for example, rose by 8.5%, but the strongest evolution can be seen in mobile applications.

At Crelan, the number of mobile registrations rose by 13.6% (+42,980) to 360,132 and the mobile app was also in first position in relation to the number of performed transfers as from May for the first time.

At AXA Bank Belgium, the number of active users of the digital channels increased by 6.1% (+24,722) to 429,094.

THE SAVINGS ACCOUNT CONTINUES TO BE A FIXED ASSET

Even though the interest rate is low and inflation eats away at the savings achieved, the availability, safe nature and taxation regime elements continue in place that do not lead to doing well when it comes to savings accounts. On a group level, the outstanding savings have therefore risen by EUR 1.40 billion to EUR 29.73 billion (+4.9%). At Crelan, this involved EUR 697 million (+5.3%), at Europabank, EUR 110 million (+13.6%) and, at AXA Bank Belgium, EUR 591 million (+4.1%).

Off-balance sheet investments: EUR 2.98 billion gross production (+24%)

The savings accounts may continue to appeal to an important extent, but that does not stop more and more customers to also take the step to foreign products (funds, investment companies with variable capital, etc.) to optimise their investments and to diversify based on their risk profile.

This trend has been apparent for many years already and is more and more emphatic every year. The total gross production of foreign off-balance-sheet products amounted to **EUR 2.98 billion (+24%)** of which EUR 1.23 billion (+24.4%) in the AXA Bank office network and EUR 1.75 billion (+24.2%) at Crelan. These strong production figures and the favourable evolution of the market rates also led to an increase of the managed assets by EUR 2.27 billion to **EUR 13.96 billion in managed equity (+19.5%)**. This includes funds, investment companies with variable capital, pension savings and investment insurances (branches 21 and 23).

FUNDS AND NOTES TAKE THE LEAD

Both at Crelan and at AXA Bank Belgium, funds and notes took the lion's share in relation to this.

Mixed (profile) funds and share funds were popular. Investments that invest in sustainability (global ecology, climate action, water, sustainable value, etc.) could continue to count on many.

AXA Bank Belgium realised more than half of its fund production in the Delegio concept, an integral concept of profiled funds that focus on the personal banking segment. The Delegio Privileged Portfolio had the most success within this range.

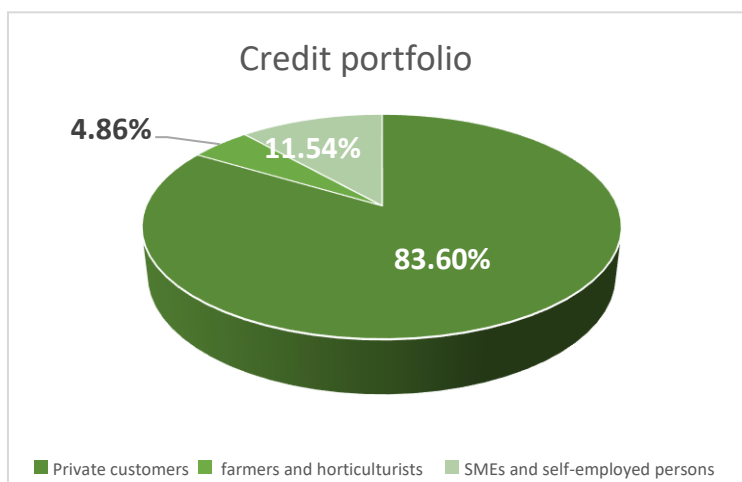
At Crelan, the Crelan Invest opportunities that are managed by Amundi Asset Management and the opportunities of the Crelan Fund managed by Econopolis Wealth Management of Geert Noels turned out to be successful concepts.

Granting of credit: new projects were supported for EUR 8.85 billion (+15.4%)

In 2021, the Crelan Group supported the local economy and projects of its customers by granting credits for **EUR 8.85 billion**. This means that the granting of credit of the Group again saw a strong **increase: 15.4% or EUR 1.18 billion**.

The Crelan Group now manages a **credit portfolio of EUR 43.04 billion (+6.7%)**.

83.60% of this portfolio is comprised by credits to private customers and 16.40% consists of credits for professionals of which a substantial part to farmers and horticulturists.



At Crelan, Europabank and AXA Bank, the granting of credit to private customers is on the rise by EUR 2.40 billion (+4.2%), EUR 253 million (+14.5%) and EUR 4.22 billion (+26.4%) production, respectively, in 2021.

Mainly the housing loans that make up the largest part of this portfolio did well.

The loans to professionals, which, for the Crelan Group, are the SMEs, self-employed persons, people with fee professions and the farmers and horticulturists, also make up an important part of the portfolio. The economic recovery and investments during the past years in training and specialised advice form the foundation for the growth in this segment.

For example, AXA Bank Belgium allocated professional loans for EUR 713 million (+7.2%), Europabank for EUR 196 million (+16.8%) and Crelan for EUR 1.07 billion (+9.97%).

An amount of EUR 401 million was allocated by Crelan to the farming and horticultural sector (+5.1%). The bank has, however, noticed an important difference between both regions. After many years of growth, a stabilisation of the number of credit files occurred and ultimately production dropped by 7% in Flanders after the nitrogen ruling. The uncertainty, after all, entailed the deferral of investments.

On the other hand, in Wallonia, the number of credit files rose by 8% and production by 20%.

During the first months of 2022, Crelan has noticed that growth continues in Wallonia, but also that the Flemish market is again gaining momentum.

Evolution portfolios and production results

To ensure a relevant comparison is possible, the results of AXA Bank Belgium are also included in the 2020 figures even though the bank was not yet part of the Crelan Group.

In millions of EUR	2020	2021	Evolution in €	Evolution as a %
Balance sheet production	2,193.78	2,233.19	+39.41	+1.8
Customer deposits	39,162.18	41,396.60	+2,234.43	+5.7
Off-balance sheet production	2,395	2,978	+582.42	+24.3
Off-balance sheet turnover	11,686.62	13,959.88	+2,273.26	+19.5
Credit production	+7,664.83	+8,847.48	+1,182.65	+15.4
Credit turnover	40,350.28	43,040.38	+2,690.10	+6.7

Strong progress of the net result with and without exceptional factors related to the takeover of AXA Bank Belgium and the sale of Crelan Insurance

The net result of the Crelan Group is impacted in a very favourable manner by both a capital gain of EUR 46.66 million on the sale of Crelan Insurance and a capital gain of EUR 598.81 on the takeover of AXA Bank Belgium.

The **net profit** increased due to this to EUR **660.35 million** (EUR +610.94 million).

These exceptional elements do not consider the net result of EUR 49.41 million in 2020 that evolved to EUR 66.31 million in 2021. This also entails a great increase of the result by 34.2%.

The growth in fee income by EUR 19.3 million also contributed to the increase of the result. This was due to the increased investment activity.

The increase of the costs (EUR +30.7 million) mainly as a result of the takeover and integration of AXA Bank Belgium and additional IT investments, on the other hand, had a negative impact.

In relation to the facilities for the credit portfolio (stages 1, 2 and 3), Crelan could reverse EUR 10.8 million in capital losses thanks to the favourable evolution of the macro-economic parameters in relation to the calculation of value adjustments and high quality of the portfolio. In 2020, Crelan allocated another EUR 5.2 million. Europabank started a provision for EUR 3.4 million when compared to EUR 12.6 million in 2020 and AXA Bank Belgium entered a commitment of EUR 29.6 million at the end of 2021 within the framework of its first consolidation by Crelan. The Crelan Group therefore included EUR 22.3 million as an additional decrease in value on a consolidated basis.

THE RESULT OF AXA BANK BELGIUM

In 2021, AXA Bank Belgium managed to achieve very strong results driven by both higher revenue and lower costs, but also due to the reversal of some fees and commissions where the reversal of EUR 5.2 million on the credit portfolio is the most important. The high quality of this portfolio and the lower than estimated impact of COVID-19 were the reasons for this. The consolidated net earnings increased to **EUR 93 million**.

The result of AXA Bank Belgium did not affect the result of the Crelan Group since the takeover took place on 31/12/2021.

PROPOSED EUR 159 MILLION NET RESULT

If we neutralise the effects of the takeover of AXA Bank Belgium and the sale of Crelan Insurance, which are mainly capital gains, the Crelan Group would have achieved a net result of EUR 66 million. The result would therefore increase to EUR 159 million in the new group composition.

A SOLID GROUP OF BANKS AND AN INCREASE OF THE EARNING POWER

The Crelan Group is a strong and solid group with a **CAD ratio of 19.74%** and a **tier I ratio of 17.97%**. The cost-income ratio (**CIR**) evolved from 73.36% at the end of 2020 to **73.81%*** in 2021. The **return on the equity** is **51.38%** at the end of 2021 including the capital gains on the sale of Crelan Insurance and the takeover of AXA Bank Belgium. Without these 2 elements, it evolves from 3.91% in 2020 to **5.16%**.

* Corrected figure: with neutralisation of the takeover impact

3% dividend

The bank again distributed a **dividend of 3%** to the cooperative shareholders for the 2021 accounting period. This means that the cooperative shares of CrelanCo have now already given a gross return of 3% during five consecutive years.



Luc Versele, chairperson of the Board of Directors: "In part thanks to the confidence of the 274,000 cooperative CrelanCo shareholders, we have again taken an important step in the growth story of our banking group in 2021 with the takeover of AXA Bank Belgium. We believe it is important we recognise this commitment with personalised benefits,

by supporting social projects that are advanced by members of the cooperative through the Crelan Foundation and by offering a sound return on their participation. We hope that this great operation will appeal to even more Crelan customers and also AXA Bank customers and will inspire them to invest and participate as cooperative shareholders in our future project of being a sustainable proximity bank."

At the end of 2021, CrelanCo had 274,003 members of the cooperative who represent a share capital of EUR 895 million. The total distribution of dividends comprises an amount of EUR 26.6 million.

Expanding a strong proximity bank

Currently, Crelan and AXA Bank Belgium are still two separate brands on the market, but the colleagues of both banks are actively preparing the integration that is scheduled to be completed by the autumn of 2024. As from this point, the banks will merge and all operations will be continued under the Crelan logo.

Proximity to the customer will continue to be an essential element of the future strategy. The bank wishes to use an omnichannel approach where the expert advice of the independent bank agents is supported and supplemented by high-performance digital platforms and a contact centre.

The bank also wishes to further use its assets of an extensive range of its own bank products supplemented by products from strong partners* and further strengthen the partnership opportunities within the Group.

The following projects are in the pipeline:

- The 'One organisation' project has been started to quickly provide clarity to all employees of the offices about the future structure and to make them feel at home quickly. Since 1 January, a new Management Committee has been authorised for both banks and, since 1 March, the directors and direct reports have been appointed/denominated. They currently manage the existing Crelan and AXA Bank teams. The full organisation chart will be drawn up and be operational by the end of 2022.
- To strengthen the synergies within the Group, AXA Bank agents will soon receive an explanation about products and services that they can suggest from Europabank to their customers. This deals with leasing concepts, payment terminals for traders and specific credit concepts.
- The bank is also preparing the introduction of the range of CrelanCo cooperative shares via the AXA Bank offices.
- The Crelan and AXA Bank teams are also working on a new mobile app that will be launched soon after the integration and will focus on convenience of use and performing current bank transactions as efficiently as possible.
- To conclude, much attention is also being paid to the different projects that must enable the integration and migration on an IT and operational level by 2024.

Philippe Voisin: "The Crelan and AXA Bank Belgium integration that we are currently preparing is mainly about collaboration: together achieving better. We now have the luxury and also the obligation to share knowledge,

know-how and experiences. Coming to know each other's procedures is enriching and stimulating. This collaboration must create added value and not just for the bank but also for customers, agents and employees. I am convinced of this."

* The Crelan Group works in partnership with AXA Belgium for non-life insurances, Allianz for life insurances and Amundi , Econopolis Wealth Management and AXA Investment Managers for investment products.

More information about the annual results is available in the annual report on the Crelan website.

Crelan Group ratios

	2020	2021	Difference
Tier I	21.72%	17.97%	-3.75
Total Capital	22.02%	19.74%	-2.28
Loan Loss	0.10%	0.05%	-0.05
Return on equity*	3.91%	5.16%	+1.25
Return on assets*	0.22%	0.28%	+0.06
Cost/Income Ratio*	73.36%	73.81	+0.45

* Corrected figures: with neutralisation of the takeover impact

About the Crelan Group

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

In the streetscape, the Crelan Group represents the following with three bank logos: Crelan, AXA Banks and Europabank.

The Crelan Group has on 31/12/2021: 4,869 employees (both members of staff and independent bank agents), 881 offices, 274,003 cooperative shareholders, nearly 1.8 million customers and a balance sheet total of EUR 53 billion. In addition, the banking group manages EUR 41 billion in customer deposits, EUR 14 billion in off-balance sheet investments and supports Belgian families and enterprises with EUR 43 billion in loans.

About Crelan

Crelan offers a wide range of banking and insurance products for private customers, self-employed persons and SMEs. Crelan wishes to offer its customers total solutions with payment concepts, savings and investment products, credit forms and insurance policies and not just products.

Crelan uses its own product range that it completes with products from a number of partners who are all a reference within their domain.

In addition, the bank is the favoured partner of farmers and horticulturists and of large enterprises from the farming and horticultural sector with a specialised product range.

If you ask our customers why they choose Crelan, the bond of trust that they have with their Crelan bank agent is invariably one of the reasons. We therefore boast of offering financial advice close to customers. Not just via digital banking channels, but also via our network of independent bank agents who know local communities and their customers well. More than 460 office doors are open for our customers each and every day.

www.crelan.be

About AXA Bank Belgium

AXA Bank Belgium makes its customers, Belgian families and businesspeople, stronger by supporting them proactively in building up and managing their capital through tailor-made advice for housing loans and investments. The bank is embedded locally thanks to its network of independent bank agents. User-friendly digital tools and personal contact go hand-in-hand. The bank was awarded several awards during the past five years including the one for being considered the most innovative bank in 2021 by its customers.

www.axabank.be

About

Europabank

As a subsidiary of Crelan, Eurobank offers a specific product and service range for private customers and businesspeople. It is mainly known for its specialisation in consumer credit.

Traders and businesspeople also know the bank as a processor of transactions with debit cards and Visa and Mastercard credit cards and as a provider of financial leasing and renting solutions.

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