



**Annual  
report  
2024**  
Crelan Group

# Introduction

Crelan and AXA Banque merged on 10 June 2024. Since then, the Crelan Group has been represented by two brands: Crelan and Europabank.

In accordance with Article 3:17 of the Code of Companies and Associations, the figures in this report are an abbreviated version of the officially published annual accounts of the Crelan Group, closed on 31 December 2024. These are the consolidated financial statements under IFRS. Our auditor issued an unqualified positive opinion on these published financial statements.

The figures presented in this annual report may relate to the whole of the Crelan Group as well as to the individual entities, namely Crelan and Europabank.

For the first time, the annual report includes a Sustainability statements section. The purpose of this section of the annual report is to present Crelan's sustainability strategy, actions and commitments. The section has been written in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the requirements of the European Sustainability Reporting Standards (ESRS), and presents Crelan's approach to and thinking about its role within society and in relation to the environment. This section complements the other sections of the annual report, which focus on financial information; connections are frequently made between these different sections.

As a cooperative bank with deep roots in the Belgian economy, Crelan has made ethical business conduct and respect for people and the environment an essential part of its activities. The sustainability section is therefore designed to enable readers to clearly identify Crelan's impact on various aspects of sustainability and understand its actions and commitments in this context. This section replaces the sustainability report and climate report that Crelan used to produce, reflecting our desire to align with changing reporting standards and improve the quality and relevance of the ESG information it publishes.

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# Annual report





**CEO's  
review  
of 2024**

# 2024, a banner year for Crelan

2024 will go down in the Crelan Group history as an exceptional year. The year of the completion of the merger and integration between AXA Banque and Crelan. The operation was ambitious, but meticulously prepared over several years, paving the way for the creation of a bigger, stronger entity.

Crelan has already ensured a prominent place for itself in the Belgian banking landscape. Without, however, straying from our values of proximity and personalisation.

Today, Crelan has its sights firmly set on the future. After the migration and merger phases, the time has now come to roll out the bank's transformation. The aim is to enhance the quality of our services, expand our digital offerings, strengthen security processes, and create a fully integrated cooperative ecosystem.

We are well aware of the challenges ahead, but also of the exciting opportunities that await us. In a constantly evolving and uncertain world, we remain particularly cautious for external factors like the market developments, technological advances, the geopolitical situation or social and environmental changes.

Faced with these challenges, our priority remains to listen to our customers – individuals, businesses and farmers – and to offer concrete support, whether in their personal lives or with the development of their businesses. As a Belgian cooperative bank that takes pride in its local presence, Crelan takes its responsibilities towards its customers and cooperative shareholders seriously, and stands by them through thick and thin.

Our ambition is clear: to offer even more relevant, efficient and responsible solutions, while pursuing steady and sustainable growth.

Over the past year, we have laid the solid foundations on which we will build tomorrow, and we look forward to tackling the challenges ahead together.

This annual report testifies to our progress, our strategy for the future and our determination to create a positive impact, for our customers and for all our stakeholders.

The Group posted excellent net income of €192.3 million for 2024. Crelan Group's financial structure remains robust, with a high total solvency ratio of 35.3%, well above regulatory requirements.

Commercially, the total amount of loans granted by the Group in 2024 reached €5.5 billion and the total loan portfolio stood at €49.5 billion, despite difficult market conditions for both retail and business customers.

These strong results are the direct outcome of the day-to-day commitment of our agents and head office staff. They are also driven by the trust of our 296,751 cooperative shareholders and our 1.7 million customers. Our sincere thanks to them.

Philippe Voisin,

*CEO Crelan*



**Who are we?**

The Crelan Group can count on **4,327** enthusiastic collaborators - both staff members and independent bank agents with their employees - who are every day committed to service almost **1.7 million** customers.

The financial group is formed by the cooperative bank CrelanCo, the Crelan and Europabank.

Based on the balance sheet total, Crelan is in the fifth position among Belgium's retail banks.

Visually, then, the Crelan group is present in the market with two banking brands: Crelan and Europabank.



CrelanCo CV is **for 100% shareholder** of the Crelan Group. The core equity of this recognised cooperative bank is formed by the participation of **296,751** cooperative shareholders.

Crelan's cooperative roots date back to the 1960s and have their origins in the bank's strong ties with the Belgian agriculture and horticulture sectors. The first cooperative societies collected the savings of farmers, which in turn enabled the bank to grant agricultural loans. From the 1990s onwards, these cooperative societies joined Crelan's shareholder structure and thus played an important role in the privatisation of the originally state-owned financial institution. In November 2015, all the former cooperative societies merged and CrelanCo became the sole shareholder.

The Crelan Group, therefore, is not only a cooperative but also a 100% Belgian banking group whose decision-making centre is resides in Belgium and with a range of products and services that are exclusively aimed at the Belgian market. All Belgian deposits are re-invested in the Belgian economy by financing Belgian projects.



Crelan Bank is a **federation of credit unions**, formed by Crelan NV and its shareholder, CV CrelanCo. Full solidarity exists between the two.

**Crelan offers a wide range of banking and insurance products for private individuals, entrepreneurs and SMEs.** Crelan seeks to offer its customers total solutions rather than just products, with payment formulas, savings and investment products, various forms of credit and insurance policies sold through brokers. Crelan uses its own product range that it completes with products from a number of partners who are all references in their fields. This includes on the one hand investment products from Amundi, Econopolis Wealth Management and AXA Invest Managers and on the other hand non-life insurance policies from AXA Belgium life insurance policies from Allianz via the insurance brokers linked to the banking agencies

Furthermore, with a specialised range of products, the bank is the privileged partner of farmers and companies in the agricultural and horticultural sector.

If you ask our customers why **they chose Crelan, they invariably mention the close relationship they have** with their Crelan bank agent. 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 680 office doors are open for our customers each and every day.

The only way to achieve satisfied customers is through satisfied employees. Crelan therefore pays constant attention to well-being at work and was awarded the Top Employer label for the ninthtime in a row in 2024.

Sustainable decisions and social commitment, including through the CrelanCo Foundation, are self-evident to us. For more information on this subject, see chapter B.3 - Entity specific topic: Cooperative Banking, page 188 of the CSRD report.





**europabank**

Contrary to what its name might suggest, Europabank is a Belgian bank, based in Ghent, and has been part of the Crelan group since 2004.

As a **subsidiary of Crelan**, Europabank offers a specific range of products and services for individuals and entrepreneurs. It is known in particular for its **specialisation in more risky credits** for private individuals and entrepreneurs.

Merchants and entrepreneurs also know the bank as a **processor of transactions carried out with debit cards and Visa and MasterCard credit cards** and as a provider of **finance leasing and renting**.

The bank has 47 branches.

Unlike Crelan, Europabank does not work with a network of independent banking agents, but exclusively with employees.

Europabank cooperates with Crelan on commercial, technical and financial matters.

**Figures at 31/12/2024**

Company	Number of employees	Number of branches	Number of customers	Number of cooperative shareholders	Operating in
Crelan*	3,935*	680	1508,766	296,751	Belgium
Europabank	392	47	197,425	-	Belgium

\*1,327 members of staff and 2,608 agents and collaborators in the network of independent agents

For more information on the history of Crelan and the Crelan Group, please visit [www.crelan.be](http://www.crelan.be).

# Structure and shareholdings

**NV Crelan and the cooperative bank, CV CrelanCo, together form a federation of credit institutions, with NV Crelan as its central institution. There is full solidarity between the two and the results of NV Crelan and CV CrelanCo are therefore consolidated.**

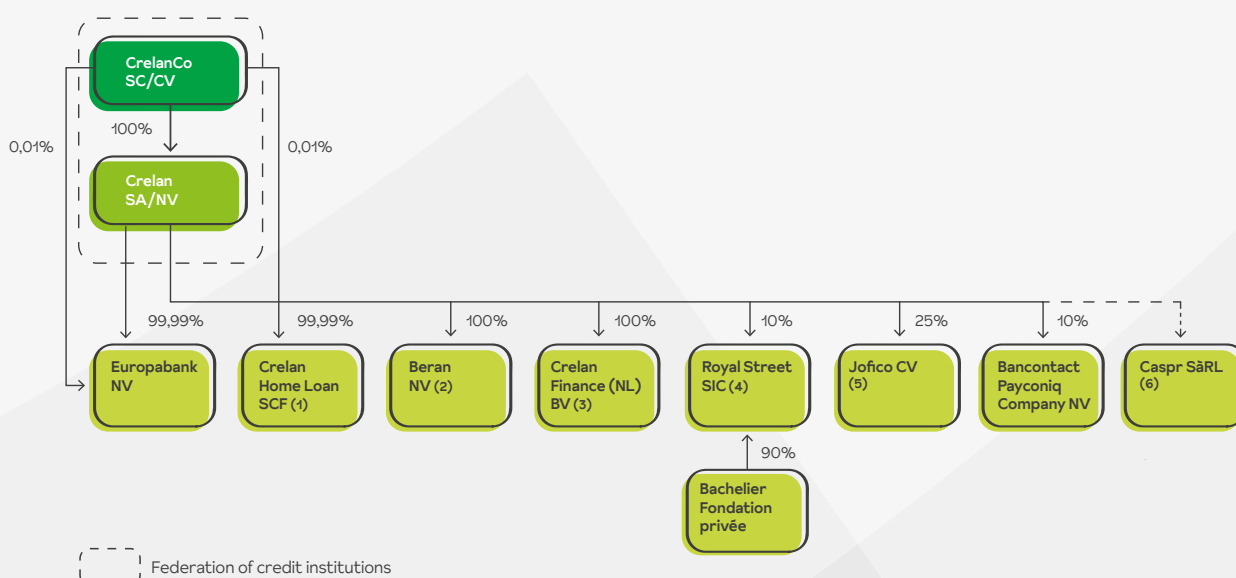
The CV CrelanCo owns 100% of the shares and voting rights in NV Crelan. At 31 December 2024, the cooperative capital of CrelanCo was held by 296,751 cooperative shareholders.

The Management Committee of NV Crelan is responsible for the operational activities of NV Crelan and CV CrelanCo

The federation formed by NV Crelan and CV CrelanCo is referred to in this report as “Crelan” or “the Bank”, while the broader name “Crelan Group” or “the Group” refers to all the entities or subsidiaries listed below that are included in the consolidation through full integration.

Europabank’s accounts are included in the consolidation scope of the Crelan Group according to the Royal Decree of 23 September 1992 on the consolidated financial statements of credit institutions.

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



(1) French special vehicle (SPV) issuing covered bonds backed by mortgage loans (name change upon approval)  
 (2) Belgian entity owning the land where the Berchem HQ is built upon  
 (3) Dutch special vehicle (SPV) issuing EMTN's (name change upon approval)  
 (4) Belgian special vehicle (SPV) issuing RMBS's (actually unused)  
 (5) Belgian cooperative company focusing on joint operations of ATM's  
 (6) Luxembourg special vehicle (SPV) issuing RMBS's. Although Crelan is not shareholder, it exercises control so that Caspr SàRL falls within the consolidation perimeter.

# Crelan and AXA Bank Belgium are now Crelan!



The merger between Crelan and AXA Bank Belgium was completed on June 10<sup>th</sup> 2024. This merger is the culmination of a process that began with the acquisition of AXA Bank Belgium by Crelan at the end of 2021. It is also the result of fantastic teamwork.

It has made it possible to create a more robust financial entity capable of better serving our customers and cooperators by pooling our respective expertise. Crelan has now entered a new era. It is now the 5<sup>th</sup> largest bank in the country, while remaining true to its values of proximity.

With this milestone behind us, we can focus even more on developing modern, competitive financial services for our customers, while remaining true to our cooperative values. Together with our independent agents, our aim is to offer quality services that meet the needs of our customers and cooperative members.

## The merger and beyond

### 2024, an incredible year

2024 will be remembered as an incredible year for Crelan. A year filled with numerous complex challenges but, above all, the year in which we successfully completed the merger between Crelan and AXA Bank.

While we have turned the page on this merger, the story does not end here for Crelan. Quite the opposite. We are now embarking on the next chapter: transforming the bank, with our core mission remaining unchanged – simplifying the life of our clients and cooperative shareholders by offering the right financial solutions.

## Doing what we do best: taking care of our cooperative shareholders and customers.

“I have witnessed Crelan Group’s evolution for 40 years. Two guiding principles have always been at the heart of this journey: excelling in what we do best without taking unnecessary risks and ensuring the well-being of our cooperative shareholders and customers. This philosophy is embedded in our DNA and has shaped the success we see today. The Board of Directors remains committed to these principles and intends to uphold them in the future. A cooperative bank must act prudently, like a responsible guardian, to safeguard the interests of its cooperative shareholders, customers and employees. They are the driving force behind this remarkable merger; they are the essence of our bank, a modern, well capitalized bank with the necessary know-how and financial resources to face future challenges with confidence, together with our independent agents, to provide continued excellent service to our customers and cooperative shareholders. I would like to thank them all for this on behalf of the Board.”



Luc Versele, Chairman of the Board of Directors, Crelan SA.

## Looking to the future with ambition and responsibility

“2024 was an extraordinary year for Crelan. It marked the successful completion of our merger with AXA Bank Belgium – a collective achievement we can all be proud of. I want to express my sincere gratitude to the Crelan employees for their dedication, to our Board of Directors for their vision and unwavering support, and to our cooperative shareholders and customers for their trust in the bank. Together, we have combined our strengths to build a solid future while staying true to our cooperative values. Now, we look ahead with ambition and responsibility, preserving the essence of what makes us who we are.”



Benoît Bayenet, Chairman of the Board of Directors, CrelanCo.



“The completion of the unprecedented merger between Crelan and AXA Bank proves that determination achieves results. Crelan has successfully navigated its migration and, just six months later, is launching a transformation project. This remarkable challenge deserves recognition.

We have 3 keywords for 2025: cohesion, openness and responsibility.

Cohesion, because we want to serve our clients even better; openness, towards others and a world undergoing rapid change; and responsibility, which is inherent to banking.”



Philippe Voisin, CEO Crelan.

“The merger between AXA Bank Belgium and Crelan is part of a long-term vision that strengthens our banking group and allows us to better meet the needs of our clients. Banks are required to make significant investments – on the one hand, in digital services that must be efficient and meet today’s needs, and on the other, in implementing ever-evolving regulatory requirements – all while operating with relatively limited

profit margins. The size of a bank plays a crucial role in this. Crelan is now twice as large and serves twice as many clients, enabling us to ensure a better return on our investments.”



Emmanuel Vercoustre, CFO

## Vision 2030

Crelan’s vision for the future is built on three pillars:

- **Being a trusted partner by delivering excellent service to our clients.**
- **Demonstrating our cooperative commitment and fostering a cooperative culture.**
- **Making a meaningful impact on society by contributing to a socially inclusive Belgium.**

“As a cooperative bank, we aim to be a trusted partner that simplifies and protects our clients’ financial lives while having a significant impact on Belgian society. We will continue to excel in what we do best, particularly in retail banking and mortgage lending, but we will also expand into new segments through all the entities within our group and our key partners, AXA, Amundi, Allianz and Econopolis.”



Pieter Desmedt, CRO Crelan.

## On the road to transforming our branch networks

“2024 was an exceptional year – not only because of the many operations required for the migration but also because, as the saying goes, ‘our store remained open during the renovations’. It is important to emphasise that, despite a year unlike any other, we achieved the ambitious goals we had set for ourselves. These goals aligned with our usual high standards, without any concessions. A huge thanks goes out to our agents and their teams for this extraordinary accomplishment.

All our branches have undergone rebranding to reflect our new corporate identity. Six months after the merger, this transformation became a reality. Now, we are focusing on reshaping our network in a strategic and positive way, not just to avoid having two Crelan branches on the same street but, more importantly, to establish well-equipped, optimally located branches across the country, staffed with specialists in every field.”



Joris Cnokaert, CCO.

## On the road to transforming our IT landscape

“In September 2024, we launched a critical transformation plan to drive the future development of our bank. If the merger was the first half of the match, this transformation plan is the second. This is an ambitious 3-year plan. The aim is to enhance the quality of our services, expand our digital offerings, strengthen security processes, and create a fully integrated cooperative ecosystem.”



Frédéric Mahieu, CIO.

## Successful HR harmonisation

“In 2024, we reached an agreement to harmonise HR policies between Crelan employees and those from the former AXA Bank Belgium. Today, we are all part of Crelan and, as of 1 January 2025, we are all working under these unified conditions. At the beginning of the year, we also launched a new employer branding campaign, designed to position Crelan as an employer of choice.”



Jean-Paul Grégoire CHRO.

## 2024 at a glance

### The markets

#### Context

The year 2024 was to be the year of the 'soft landing' – an indication that the global economy (especially in Europe and the US) – was headed for a tangible slow-down in economic growth (hence 'landing'), whereby a full recession would probably be narrowly averted (a 'soft landing'). This scenario also envisioned a perceptibly weakened but not 'broken' labour market. Such a cool-down was widely expected and even welcomed to some extent; a limited slow-down in economic growth would help clear the last vestiges of excessive inflation.

The start of 2024 was marked by a general expectation that inflation dynamics in the major developed economies had weakened sufficiently to give central banks – the European Central Bank (ECB) and the US Federal Reserve (Fed) in particular – the green light to reverse their interest rate policies. Both 2022 and 2023 were dominated by a sharp rise in policy rates in both the Eurozone and the US (and many other economies) in response to inflation levels that were spinning out of control. The year 2024, however, was expected to be the year of the turnaround (or 'pivot') for the interest rate policy. In the US, the Fed had more or less promised this turnaround in the autumn of 2023. Bond investors were already fully anticipating the impending interest rate cuts, causing the US market interest rate to fall sharply by the end of 2023. They were left waiting during the first half of 2024: the widely expected reversal in policy rates failed to materialise, and the interest rate market was forced to constantly adjust its expectations, resulting in plenty of volatility on the bond markets.

A major reason for these shifting interest rate expectations was American growth figures that nearly always outperformed expectations, which caused some economists to change their discourse from 'soft landing' into 'no landing.' Economic growth in the US continued to gain momentum, including in the second half of the year, due in part to significant public investment programmes, a strong labour market and high consumer spending.

The 'no landing' discourse simply did not materialise in the Eurozone. The European economy narrowly managed to escape recession, but that is where the good news ends. Various countries, and Germany in particular, skirted a slump in economic activity. Across Europe, the industrial sector is experiencing heavy weather due to a combination of structural and cyclical factors. Structurally, the substantial cost handicap in relation to the US and China is worthy of particular mention, especially in terms of energy supply. In terms

of the cyclical headwind, lower economic growth for key trading partners (especially China) generally plays a role.

In Europe, weak industrial activity was largely offset by a fair degree of activity in the services sector, even though we noticed a decrease in this dynamic during the second half of the year. At the same time, it is undoubtedly positive that the labour market did not significantly weaken and that the real purchasing power of European consumers is rising, due to a combination of rising wages and falling inflation. The only caveat is that European consumers remain reticent about converting their increased purchasing power into actual consumption, which is just one of the reasons for the gap in growth rates between Europe and the United States.

Geopolitical tensions were rife in 2024. The wars in Ukraine and the Middle East dragged on, causing untold human suffering but relatively little in the way of economic disruption. Energy prices, which were the most likely 'conduit' of stress between the geopolitical hotbeds and the global economy, continued to behave in a controlled manner. Oil prices fluctuated in a fork from around 70 to 85 US dollars/barrel (WTI). The upward geopolitical price pressure was more than offset by weaker oil demand, especially from China.

Even though the impact of the geopolitical situation was limited, there was no shortage of the 'usual' political turbulence. The German–French axis that drives the European Union became politically paralysed. The unpopular Scholz government failed to lead Germany's ailing economy towards recovery and was forced to call elections, further delaying much-needed recovery policies. In France, President Macron found himself bogged down in a political quagmire after calling early parliamentary elections. Markets are not very forgiving of this kind of political caper, and the interest rate differential between French and German gilts is widening, an indication that investors are demanding a higher risk premium on bonds from debt-laden, slow-growing, politically unstable member states. For now, Belgium is managing to stay out of the markets' crosshairs.

Important elections also took place outside of Europe in 2024. Around 50% of the world population went to the polls this year, and in many cases voted against the ruling party or parties. By contrast, in India, the world's largest democracy, prime minister Modi was confirmed in his role. Under his previous government, India grew into a fast-growing economy that has, to some extent, been able to take over the role that China fulfilled up to the outbreak of the COVID-19 pandemic. The Chinese economy continued to struggle with relatively low growth. The growth model that has proved highly successful in recent decades – the development of a cost-efficient industry focused on exports – has been in the doldrums since COVID-19. Attempts by the Chinese government to turn the tide by moving towards a model based more on domestic consumption have been

sluggish and lack conviction. Government incentives were judged inadequate by the markets.

The most crucial election took place in the US on 6 November. Not only did Donald Trump regain the presidency, but the Republican party also managed to cash in on an – albeit small – majority in both the Senate and the House of Representatives. This gives the Trump administration, when it takes office in January, a strong mandate to implement a protectionist trade agenda that will shape the global economy for the years ahead. In particular, the intention to impose a universal tax on all imports threatens to have far-reaching consequences, not only because of the direct cost of these duties, but primarily due to the very high trade uncertainty this is certain to spark.

## Impact on the markets

As the year went on, a sharp division unfolded between the bond and the equity markets. An optimistic mood prevailed in equity markets for nearly the entire year, while sentiment in the interest rate market underwent a transformation in the autumn.

Bond markets started the year in the hope and expectation that both the Fed and ECB would soon make good on their ‘promised’ reversal by easing their interest rate policies. However, this did not happen for months due to stronger-than-expected inflation data, especially in the US, causing both short-term and long-term rates to rise again. The market had to constantly adjust to the news flow on inflation and – in the US – stronger-than-expected growth and employment data. From the summer, the bond markets entered calmer

waters as the ECB became the first major central bank to cut its policy rate with the Fed signalling that it was ready to make the same move after the summer.

As the likelihood of a Trump victory increased in the autumn, the US bond market started making provision for the so-called ‘Trump trade’: market interest rates rose in the expectation that Trump policy would be growth-supportive and likely also inflationary. The European interest rate market followed suit with this upward trend to a certain extent. Bonds ended the year on a generally positive note, but with rather modest returns.

A very different mood prevailed on the equity markets, which had a very strong year, with the US stock market again proving to be the stand-out performer. More than a year after ChatGPT was first introduced, the Artificial Intelligence (AI) theme continued to excite investors. More than half of the rise of the S&P 500 Index (S&P 500 +23.31%) came from the so-called ‘Magnificent 7’ stocks. The global MSCI World Index, in which the US stock market is obviously dominant, recorded a +19.19% performance (in USD terms). The MSCI EMU Index (which reflects Eurozone equities) stalled at half that return (+10.34% in EUR). The Japanese stock market performed well (MSCI Japan Index +15.5% in EUR), as did the stock markets of various emerging economies (MSCI Emerging Markets +15.3% in EUR).

Another noteworthy development is the strong evolution in gold prices, which increased by 27%, rivalling the performance of the American stock exchange. The USD rose 6.6% against the EUR.



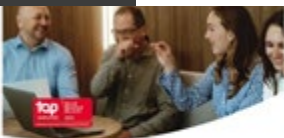
# In the spotlight

16 January



Crelan successfully launches a **second green bond issuance for institutional investors**. This is an SNP (senior non-preferred note) in the form of a green bond with the following characteristics: 8-year maturity with a call option after 7 years, a fixed annual coupon of 5.25%, and an issue price of 99.76%. We opened an amount of €750 million, and this offer generated significant interest. This is proof of Crelan's strong solvency and the trust of institutional investors in our Group. The offer was oversubscribed 2.6 times.

16 January



Travailler dans une banque, c'est barbant qu'ils disent. Ça nous fait rire, parce que ce n'est pas le cas chez nous.

Crelan is recognised as a **Top Employer in Belgium for the 9<sup>th</sup> year running**. The Top Employers Institute programme certifies companies based on their participation in and results from the "HR Best Practices Survey".

6 February



Launch of **Fronteo PAT** in the Crelan network, a new easy, efficient and high-performance application for processing Instalement loan files.

7 February



The **Better Together** event brings together more than 800 colleagues from Headquarters. On the evening's programme: an unforgettable basketball match between our **Belgian Cats** and the U.S. national team. In front of a packed Sportpaleis, our Belgian Cats almost made history by defeating legendary opponents. They lost by a narrow margin but qualified for the Paris Olympic Games. As part of the Belgian Cats' qualification campaign, events were also organised for Crelan's banking agents and cooperators.

9 February



Launch of **Care4u**, an assistance programme for employees and managers. This programme, intended for employees and their families, provides access to practical information and psychological counselling sessions on a wide range of topics.

24 to 25 February



Crelan participates in the **Agri Days in Tournai**, the second-largest agricultural event in Wallonia after the Libramont Fair.

4 March



Crelan presents its **annual results to the press**, highlighting its strong performance in 2023, despite a difficult economic climate and geopolitical uncertainties affecting economic players. Operating income increased by 74%, demonstrating the relevance of the bank's positioning: being a bank close to its customers thanks to its local branches.

5 March



In collaboration with **Ghent University**, the **CrelanCo Foundation** organises an engaging seminar dedicated to short supply chains and "the expansion of the agricultural and horticultural sector".

21 March



Crelan attends the **FWA Congress**, whose theme is "**Finance, businesses, policies... How to make sustainability an ally of agriculture?**" Philippe Voisin, CEO of Crelan, participates in the round table discussion on "Finance, sustainability and the environment".

4 April



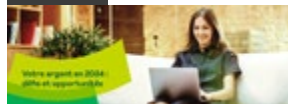
The first Welcome Packs arrive in the mailboxes of AXA Bank Belgium customers. A total of **820,000 Welcome Packs** are distributed. They contain **a letter from Philippe Voisin, an information brochure and a sales brochure** about Crelan. The goal of this large-scale operation is to facilitate the transition to Crelan for AXA Bank Belgium customers.

11 April



Human Resources and the social partners reach a **preliminary agreement on the standardisation of working conditions** between Crelan and AXA Bank Belgium colleagues.

18 April



Invest Webinar on the theme "**Your Money in 2024: Challenges and Opportunities**".

20 April



**Day in Ostend, following in the footsteps of Ensor.** This family day, organised by Together@Crelan, brings together 66 bank employees for a day of culture and relaxation.

20 April



**32 tonnes of red coins or €300,685.49** collected for the fight against cancer as part of the **Red Coins Operation**. Thank you to the Crelan branches for supporting this wonderful initiative.

23 April



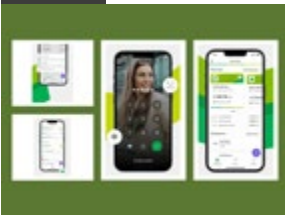
Crelan has successfully completed its first public issue of Tier 2 bonds, aimed at institutional investors. This Tier 2 regulatory capital instrument has the following characteristics: an 11-year maturity with an early redemption option after 6 years, a fixed annual coupon of 5.375% and an issue price of 99.715%. The 300 million euro issue attracted strong interest, illustrating both Crelan's financial strength and institutional investors' confidence in our Group. The offering was 10 times oversubscribed, testifying to the success of this operation.

25 April



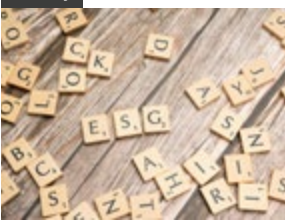
**General Assembly of CrelanCo.** During this meeting, a dividend of 4.25% was approved, an increase in the maximum number of cooperative shares available for subscription was announced, and the first Crelan climate report was unveiled. The assembly concluded with a speech by the renowned business economist **Geert Noels**, who shared his **thoughts on cooperative banking** as a sustainable and responsible solution within the Belgian banking landscape.

29 April



Crelan integrates Bancontact and Payconiq into the Crelan Mobile app.

6 May



Crelan receives a strong ESG rating from the company Morningstar Sustainalytics.

26 May



The CrelanCo Foundation team shines at the **Brussels 20k. 350 CrelanCo cooperators** run a total of **7,000 km** for a good cause.

10 June



The **merger and the IT integration between Crelan and AXA Bank Belgium is official**. At 9 a.m., Luc Versele, Chairman of the Board of Directors of Crelan SA, Benoît Bayenet, Chairman of the Board of Directors of CrelanCo SC, and Eugeen Dieltiens, Secretary-General of Crelan SA, officially signed the documents finalising the merger. After months of intense

behind-the-scenes preparations, we can now officially welcome the clients and agents from AXA Bank Belgium into the Crelan family.

13 June



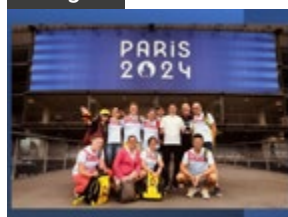
The first 'ex-AXA Bank Belgium' branch is now branded with Crelan's colours.

26 to 29 July



**88<sup>th</sup> edition of the Libramont Fair**. Crelan remains the loyal main sponsor of this major event for the agricultural sector, which brought together 200,000 visitors in 2024.

9 August



**10 employees from Headquarters have the opportunity to attend the Paris Olympic Games**, one of the last opportunities to watch the Borlée brothers, long-time Crelan ambassadors, compete.

31 August to 1 September



Crelan participates in the **Battice Fair**. Each year, this fair hosts between 20,000 and 25,000 visitors, 150 exhibitors and 2,000 animals over a 10-hectare area in the Herve region.

1 September



The CrelanCo Foundation announces its support for a new national cause: **Classcontact and Bednet**. These two organisations allow sick children to continue their education online while also keeping in touch with their friends and school.

14 September



After more than 13 years of partnership, **Crelan bids farewell to its sports ambassadors, Kevin and Jonathan Borlée**, during the Memorial Van Damme.

16 to 22 September



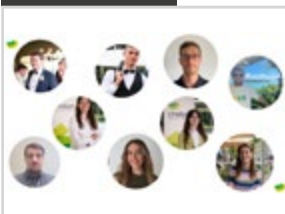
**Mobility week.** Several initiatives are launched to encourage bank employees to travel sustainably.

17 September



From mid-September to mid-November, Crelan offers its employees a **"Climate Fresk" workshop**. In just **three hours**, participants can learn everything – or at least much more than they already knew – about climate change and the small or large actions everyone can take daily to help protect our environment.

19 September



Crelan welcomes **6 new employees as part of its Young Graduate programme**. This three-year programme offers young graduates the opportunity to gain their first working experience in the banking sector. The Young Graduates have the chance to work on various projects within different departments and teams. After three rotations, the Young Graduate is assigned a permanent position within our bank.

29 September



**CrelanCo Family Day at Pairi Daiza:** 2,000 cooperators gathered at this magnificent animal park for the occasion.

1 October



Launch of the **Boost de Brand campaign**. Its goal is to enhance our brand and position Crelan as the ideal financial partner for housing projects, investment projects and businesses.

3 October



The **Crelan Investment Summit** brings together, for the first time, all agents and Invest employees from headquarters, along with our partners AXA IM, Amundi, Econopolis, Allianz and CrelanCo. A day full of interesting presentations and inspiring workshops.

8 October



**Presentation of the Crelan-Corendon cyclocross team** in Berchem. Seven contract extensions are announced, along with the recruitment of Italian champion Sara Casasola.

15 October



Moody's announces in a press release that it has **upgraded Crelan's issuer rating from "A3" to "A2," with a stable outlook**. Several other ratings were also upgraded. The "A2" rating reflects the bank's low-risk profile.

17 October



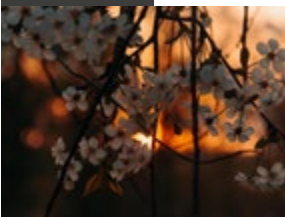
To celebrate **Youca Day**, more than 15,000 pupils from Brussels and Flemish secondary schools committed to working for a day to support a charitable cause. 16 of them spent the day at Crelan. Their work as "bankers for a day" earned them around **€1,000**, a significant sum that will be used to fund youth projects around the world.

November



Organisation of **events for accountants**, bringing together accountants and our agents. Under the theme, "**Accountant, Tax Advisor of the Future?**", the Go-to-Market Credit Business team visited no fewer than six locations in Belgium: four in Flanders (Bruges, Ghent, Antwerp, and Heusden-Zolder) and two in Wallonia (Mons and Liège).

5 November



**Autumn Invest Campaign**, including press advertisements and mailings to strengthen our positioning as an investment bank.

10 November



The **new Crelan logo** is installed on the Berchem building.

21 November



**Take off Together**, a spectacular event bringing together 2,000 participants, including banking agents and Crelan employees. We all boarded the Crelan plane, heading towards a new bank.

28 November



Introduction of Maureen and Chloë, the **faces of Crelan** on social media.

11 December



**Young@Crelan organises an inspiring event** on Artificial Intelligence (AI)!

12 December



Announcement of the **Bank Award** results. **Crelan wins third place** in the "Bank Award – Branch Network" category.

19 December

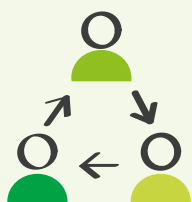


Changes within Crelan's Executive Committee, effective 1 May 2025. Emmanuel Vercoustre, our current **Chief Financial Officer**, has decided to take on new challenges, focusing on non-executive director roles and leveraging his skills as a mediator. He will leave Crelan on 30 April 2025. On 1 May 2025, **Pieter Desmedt**, our current **Chief Risk Officer**, will succeed him as CFO and **Tiny Ergo** will become our new **Chief Risk Officer**.



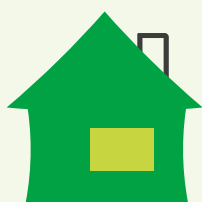
# Key Crelan Group figures 2024

## Employees, offices, cooperative shareholders and customers



**4.327**

Headcount



**727**

Branch offices



**296.751**

Cooperative shareholders



**1.706.191**

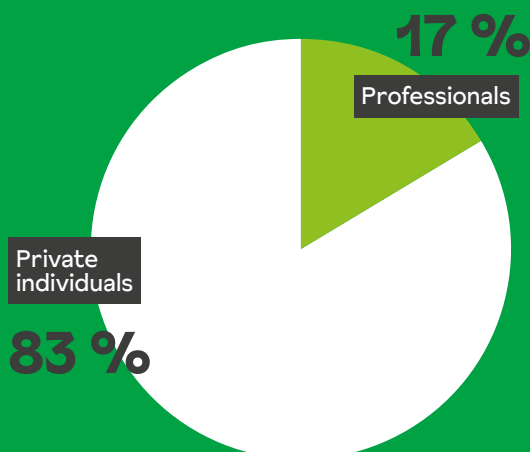
Customers

## Distribution of loan outstandings

Loan outstandings

**€47.46 billion**

## Composition of loan portfolio



\*25.88% to farmers and horticulturists

## Consolidated key figures

(IN € millionS)

	2024	2023	Evolution
<b>Customer deposits (incl. subordinated certificates)*</b>	44.265.65.	42.394.04	+ 4,4%
<b>Loans to customers (IFRS)</b>	48.723,81	48,433.53	+0,60 %
<b>Loans and receivables</b>	49.504,63	49,011.91	+1,00 %
<b>Financial portfolio</b>	1.873,37	779.19	+58,41%
<b>Equity</b>			
<b>(incl. cooperative capital)</b>	2.850,30	2,510.07	+11,94 %
<b>Total assets</b>	55.802,96	53,987.99	+3,25%
<b>Net result</b>	192,3	207.02	-7,67%

\*The 2023 figure of 'Customer deposits (incl. subordinated certificates)' has been changed as we changed the definition from 2024.

## Consolidated ratios

	2024	2023
<b>Cost Income Ratio</b>	73,60 %	66.70%
<b>Loan Loss Ratio</b>	0,02 %	0.09%
<b>ROE</b>	6,75 %	8.88%
<b>ROA</b>	0,34%	0.38%
<b>CET1 capital ratio</b>	26,98%	25.48%
<b>Tier 1</b>	29,68 %	28.39%
<b>CRD capital ratio</b>	35.30%	30.8%

### Legend

**CIR (Cost Income Ratio):** Compares operating costs with operating revenues. Efficiency indicator.  
(For each euro of revenue, the group incurs costs of 73.60 cents.

**Loan Loss Ratio:** Contrasts credit losses with the total credit portfolio. Indicator for quality of the credit portfolio.  
(The group loses 0.02 cents by way of bad debts for every euro of outstanding loans).

**ROE (Return on equity):** Contrasts net profit with equity. Indicator of return or profitability.  
(For every euro of equity the group obtains 6.75 cents net profit)

**ROA (Return on Assets):** Contrasts net profit with balance sheet total. Indicator of return or profitability.  
(For every euro of assets the group obtains 0.34 cents in net profit)

**Tier 1 common equity capital ratio:** Compares core capital with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has 26.98 cents of common equity core capital)

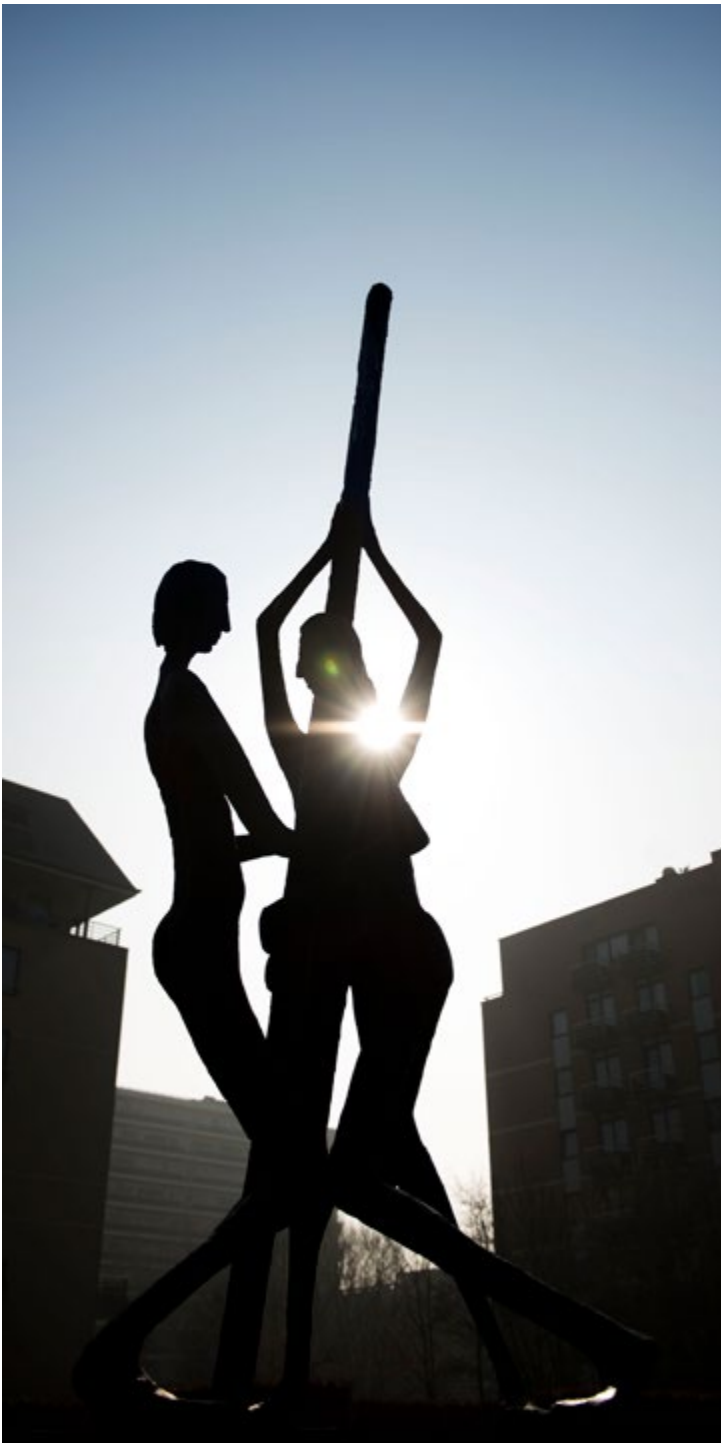
**Tier 1 total capital ratio:** Compares core capital and AT1 with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has 29.68 cents of total core capital)

**CRD = Total Capital Ratio:** Compares core capital plus AT1 and Tier 2 capital with risk-weighted assets. Indicator of solvency.  
(For every euro of risk-weighted assets on the balance sheet, the group has 35.30 cents of total core capital)



**Crelan Group  
Consolidated  
management  
report – Financial  
year 2024**

# Results and synergies of the group and its members



## Synergies

The **Crelan Group** operates in the Belgian market with two banking brands, **Crelan** and its subsidiary **Europabank**.

Two banks, each with decades of experience behind them. **Crelan Group and its customers gain leverage** by sharing their experience and working together in a targeted way on services and products.

This cooperation finds expression in the areas of lending, financial renting and leasing, payment terminal services and payment traffic.

Group entities work closely together, including on larger projects such as determining the ESG policy and strategy (Environment, Social, Governance), financial management of the bank portfolio and the governance of second-line checks. The commercial synergies between the various entities of Crelan Group of recent years are continued.

More detailed information on this can be found in the description of the strategy and operation of the two banks in this annual report.



## Crelan NV Results

### Cooperative shareholders and customers

At 31 December 2024, Crelan was proud to have the confidence of **296,751 cooperative shareholders and 1,508,766 customers**.

### Growth on all deposits, with short-term deposits as the main driver of growth

At the end of 2024, outstanding customer deposits with Crelan totalled EUR 42.4 billion. Since June 2024, the European Central Bank (ECB) has cut its deposit rates four times: from 4.00% to 3.00%. Boosted by the ECB's cut in deposit rates, long-term interest rates have continued to fall, and a recovery in growth for savings accounts has begun. Fixed-term accounts, and particularly short-term deposit accounts (up to 1 year), remained the product of choice throughout the year. This was also the case for reinvestment of the government bond issued on 5/9/2023, supported by the very competitive rates at the time.

In line with this market trend, outstanding customer deposits increased by 4.4% (i.e. EUR 1.8 billion).

The **Packs portfolio evolved to 906,172 current accounts**, representing new growth of 2% or 18,354 Packs. This result has been influenced by an increased number of closures, at migration, including 5,000 Packs held by dual customers. The growth achieved comes mainly **from private Packs** while the number of **business Packs** remained stable. Within the Packs product family, we note a strong increase in Economy Plus packs, a slight increase in Excellence packs and a decrease in Performance packs. This evolution can be attributed to the cancellation of Visa Classic credit cards by customers whose use of this credit card was limited or non-existent. In 2024, the **customer base** decreased by 0.5% to 1,508,766, representing a loss of 7,244 customers.

Despite the deceleration in growth in terms of Packs and customers, **daily banking revenues remained stable**. Crelan realised **EUR 83.1 million** as compared to EUR 83.3 million in 2023.

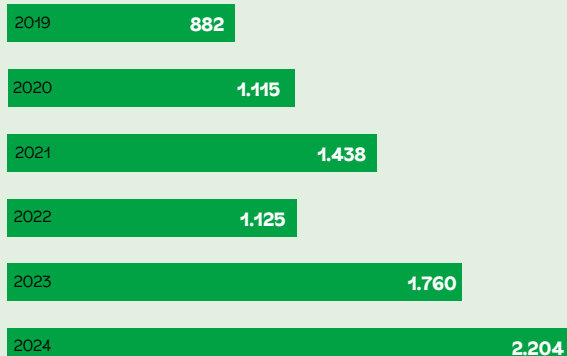
The main evolutions for customer deposits in 2024 were as follows:

- The number of **retail current accounts grew by 2.9%** to 1,103,645 accounts, while the number of **professional current accounts rose by 3.05%** to 168,790 accounts. The turnover in current accounts rose by 1.7% to EUR 8.8 billion.
- **Term deposit accounts rose by EUR 992 million** to EUR 7.1 billion.
- Savings accounts increased by **2.3%** to EUR 24.8 billion.
- Restricted **cash bond portfolios recorded a further decrease to EUR 141 million**, due to these products no longer being offered.

### → Production funds and notes: uncertainty creates caution

#### Production funds & structured notes

(incl pension) (in EUR mio)



- Despite 2024 being the year of migration, a good stock market climate was beneficial, and we saw strong interest in funds and notes.

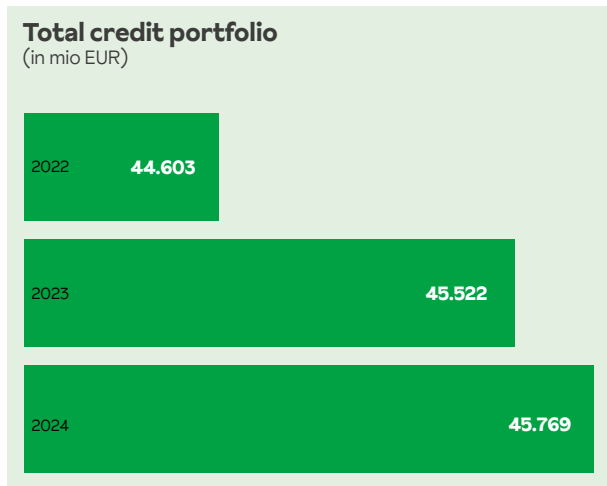
Global production funds and notes (including pension savings) totalled EUR 2.6 billion in 2024, representing a 36% increase on the previous year. The huge number of maturities, of both term accounts and of the government bond in 2024, were successfully reinvested through term deposit accounts as well as funds and notes. In fact, more than 10% of the EUR 3.5 billion maturing in the autumn was reinvested in funds and notes.

At EUR 1.78 billion, fund production in 2024 was around 70% higher than the previous year.

Falling interest rates meant that interest in structured notes was slightly lower than it was in 2023. The production of EUR 453 million was a 20% drop relative to 2023.

## → Evolution of loan portfolios

Total credit portfolio rose slightly by 0.5% to EUR 45.8 billion in 2024.



Mortgage loan portfolio rose to EUR 37.2 billion, a slight increase of 0.4%. Consumer loan portfolio remained relatively stable at EUR 1.4 billion.

The portfolio of loans to the self-employed and small or medium-sized enterprises rose by 1.3% from EUR 5.1 billion in 2023 to EUR 5.2 billion in 2024. Portfolio of agricultural loans rose by 2.1% from EUR 2 billion in 2023 to EUR 2.1 billion in 2024.

## → Evolution of credit production: new loans granted for eur 5.5 Billion

In 2024, Crelan granted **EUR 5.5 billion** in loans to its private and professional customers. This result is EUR 300 million lower than in 2023. Crelan recorded a 20% increase in production volume of agricultural and horticultural loans but a decline in residential loans (-5%), consumer loans (-12%) and loans to the self-employed and businesses (-8%).

## → Credit evolution among private customers

The amount of credit granted to private customers totalled to EUR 4,094 million in 2024, down 6% compared to 2023.

This decrease is mainly due to the discontinuation, as of the beginning of 2024, of the cooperation with credit brokers.

**Mortgage loan production was EUR 3,621 million, down 5% on 2023.** The difference of EUR 179 million is nearly equal to the production volume generated by credit brokers in 2023. Crelan agents have partially compensated for this loss but have also been confronted with the impact of migration, which required all ex AXA bank agents to familiarise themselves with a new home loan application. After a fall in migration, it was noted that volumes in autumn 2024 more than matched 2023 levels again.

The overall decline of 5% combined with a market that rose slightly in 2024 (+5%) resulted in an 11% market share in completed mortgage loans for Crelan, 1.2% less than in 2023. In line with production volumes, market shares have also been rising back up to 2023 levels since autumn of 2024.

**Production of consumer loans decreased by 12% to EUR 473 million.**

As previously mentioned, this is partially explained by the discontinuation of cooperation with credit brokers, also for consumer loans, which had comprised 9% of the total production result in 2023.

Another contributing factor was the continuing decline in renovation loans in 2024, a phenomenon that Crelan also observed in 2023, following the historically high volumes of 2022. Crelan recorded a 37% lower production result in renovation loans compared to 2023. This reflects the trend seen across the market. Changed regulations and more normalised energy prices have sharply reduced consumers' appetite for highly intensive renovations.

In car financing, production volume remained constant, but Crelan saw a shift from less second-hand vehicle financing to increased financing for new or recent, traditional vehicles, especially to electric- and hybrid-vehicle financing. This shift was also supported by specific premiums granted, in 2024, for zero-emission vehicles purchased by private consumers. Personal loans saw an 8% increase in production volume, as compared to the 2023 production result.

With a slightly rising market (+2% at the end of November), for Crelan this translates into a market share of 4.9% compared to 5.7% in 2023.

### → Credit evolution among professional customers

#### Agricultural and horticultural project financing (Agri segment)

Production figures within the Agri segment increased by 20% in 2024 compared to 2023 (EUR 387 million in 2024 versus EUR 323 million in 2023). The investment climate in 2023 was unfavourable due to the legal uncertainty created by the nitrogen judgement in Flanders. Given that this legal uncertainty was partially mitigated, there was again an increase in investments by farmers and horticulturists resulting in a production increase of EUR 64 million.

The share of agricultural credit production compared to the total credit production in professional loans rose to 27% in 2024 as compared to 22% in 2023. The majority of the production (58%) was achieved in Wallonia.

#### Self-employed and (small- and medium-sized) enterprise financing (SMES-E segment)

Production figures within the SMES-E segment fell by 8% in 2024 compared to 2023 (1040 million in 2024 vs 1135 million in 2023). The decline in production can mainly be explained by the turbulent year that resulted from migration because (ex-) AXA Bank agents had to complete a lot of training prior to the migration and agents also needed time following migration to master new Crelan systems (learning curve). Given that (former) AXA Bank agents are (currently) almost exclusively active in the SMES-E segment, migration had a very limited impact on Agri segment.

## Europabank results

### Production results

Europabank produced **EUR 558.3 million** in loans in 2024. This record production is EUR 15.8 million more than production in 2023.

The proportion of Crelan agents contributing to this result amounts to EUR 89.7 million, compared with EUR 95.0 in 2023.

The record production resulted in an increase in the total credit circulation of 8.3% (EUR 130.5 million).

**Deposits increased by EUR 129.4 million (+7.1%).**

In 2024, Europabank once again recorded growth in card transaction processing. The **number of the processed card transactions has increased by 24% year-on-year**. The annual turnover and annual income rose by 15% and 21% respectively compared with 2023.

### Financial results

Europabank closed 2024 with a net profit of **EUR 23.9 million** in IFRS; a great result. In 2023, the bank recorded a profit of EUR 30.5 million. At the time this was the second highest profit ever recorded.

An important reason for the lower profits has to do with the introduction of an amended IFRS 9 impairment model that came into effect at the end of 2024. This caused the provisions for expected credit losses to be revised significantly upwards, resulting in a negative impact on the Europabank IFRS result. The introduction of the new IFRS 9 model was recalculated on the entire portfolio resulting in a 9.5 mio exceptional IFRS impact on the result of Europabank. This exceptional impact was partially compensated by 4.5 mio reduction in the management overlay. As of 2025, the provisions will follow a normal course.

A portion of this impact, EUR 4.5 million, was previously provided globally via the management overlay and could be used for this purpose.

In addition, as of 01/01/2024, Europabank must comply with MREL obligations. In this context, a Senior Non-preferred (SNP) loan for EUR 35 million was concluded with Crelan in June 2024. This is offset by a significant interest cost that impacted the results in 2024.

Under BE GAAP, the bank achieved a result of EUR 23.3 million against a result of EUR 29.8 million in 2023.

The **cost income ratio** for 2024 is **61.2%**. Setting aside the impact of the IFRS 9 model, this ratio amounts to 58.0%. This is and remains low compared with other banks in the Belgian banking landscape.

The **return on equity** amounts to **13.9%**, which is and remains an excellent return. Not taking into account the impact of the new IFRS 9 model, the ROE amounts to 16.1%.

## Operational performance

Europabank has **47 branch offices**. At the end of 2024 the **workforce** of the bank comprised 369.1 FTEs (full-time equivalents), an increase of 4.9% compared with the end of 2023. Of this total, 182.7 FTEs were employed in the branch offices and 186.4 in the headquarters.

Through the brokerage brand **eb lease**, Europabank is strongly committed to seamless collaboration with Crelan agents. That way, they can offer their customers both **specific credit solutions** of the Europabank as well as the **payment solutions for the processing of card transactions**, expanding the product range in the process. In 2024, the bank placed additional emphasis on cooperation for, among other things, **financial leasing and renting** as well as alternative forms of financing for professional clients. For this reason, a number of Business Days were organised at which

Crelan agents, supervised by a Europabank credit specialist, participated in **interactive workshops**, as a more effective way to delve deeper into issues and questions.

Digitisation remains an important pillar for Europabank. In 2024, two new digital platforms were introduced, in addition to the internet banking and online platform. Using the **eb ID**, Europabank clients can remotely manage and update their identity data.

The eb sign platform enables clients to digitally sign documents from home. Clients of Crelan agents can also use **eb sign** when they take out a loan through eb lease, for example.

Finally, a specific working group and a youth council are working on Europabank's **ESG Policy**. In 2024, various actions were organised in order to ensure sustainable operation of the bank along with the involvement of bank employees. Thanks in part to these efforts, Europabank was also awarded **the Voka Sustainable Entrepreneurship Charter** in 2024. Moreover, in cooperation with Crelan, the bank contributes to the **CSRD reporting** at the Crelan Group level.



# Balance sheet and income statement – Crelan Group

## Consolidated accounting figures in IFRS

### Valuation rules

Regarding changes to the valuation rules in FY2024, please refer to the financial statements.

### Consolidated balance sheet

The tables below show changes in the most significant items of the consolidated assets and liabilities, and of equity between 2023 and 2024.

#### Assets

Assets (in EUR)	31/12/2023	31/12/2024	Δ	%
Cash, cash balances at central banks and other demand deposits	5.566	5.507	-60	-1,1%
Financial assets held for trading	10	51	41	421,1%
Financial assets mandatorily recognised at fair value through profit or loss	7	5	-2	-23,1%
Financial assets designated at fair value through profit or loss	0	0	0	
Financial assets measured at fair value through other comprehensive income (FVOCI)	173	192	19	11,3%
— Financial assets measured at amortised cost	49.612	51.181	1.569	3,2%
— Debt securities	600	1.676	1.076	179,4%
Loans and advances (including finance leases)	49.012	49.505	493	1,0%
Derivatives used for hedging	224	61	-162	-72,5%
Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk	-2.007	-1.546	461	-23,0%
Property, plant and equipment	85	90	5	5,8%
Goodwill and intangible assets	42	47	5	11,6%
Investments in subsidiaries, joint ventures and associates	11	13	1	12,4%
Tax assets	70	26	-45	-63,6%
Other assets	196	178	-18	-9,3%
<b>Total Assets</b>	<b>53.988</b>	<b>55.803</b>	<b>1.815</b>	<b>3,4%</b>

On the assets side of the balance sheet, financial assets valued at amortised cost remain the largest component (€ 49.6 billion). Cash and current accounts with central banks are the second largest component (€ 5.6 billion).

Total assets increased by €1, 815.0 million in 2024. On the assets side, the largest increases in 2024 are observed in the following items: the securities portfolio (+€1,076.2 million), loans and receivables (+€492.7 million) and the increase in items hedged as part of an interest-rate hedging transaction (+€460.7 million). These increases are explained, on the

one hand, by additional investments in the securities portfolio, by changes in the fair value of hedged items due to variations in market value caused by developments on the financial markets and, on the other hand, by a good loan production for assets valued at amortised cost, which exceeded repayments in 2024. In 2024, new loans amounted to €6.1 billion. Cash and current accounts with central banks, another major asset item, remained stable at €5.5 billion.

Tax receivables were down by €45 million on 2023.

## Liabilities

Liabilities (in EUR)	31/12/2023	31/12/2024	Δ	%
Financial liabilities held for trading	22	25	3	12,5%
Financial liabilities at fair value through profit or loss	295	245	-50	-17,0%
Financial liabilities measured at amortised cost	50.540	52.133	1.593	3,2%
Deposits from Credit institutions	1.165	288	-876	-75,2%
– Deposits other than from Credit Institutions	42.391	44.312	1.921	4,5%
– Debt securities including bonds	6.378	6.660	282	4,4%
– Subordinated liabilities	205	509	303	147,8%
– Other financial liabilities	402	365	-37	-9,2%
Derivatives – Hedge accounting	17	7	-10	-60,8%
Fair value changes of the hedged items in portfolio hedge of interest rate risk	15	57	42	272,1%
Provisions	299	253	-46	-15,4%
Tax liabilities	66	32	-34	-51,8%
Other liabilities	223	201	-22	-9,7%
<b>Total Liabilities</b>	<b>51.478</b>	<b>52.953</b>	<b>1.475</b>	<b>2,9%</b>

98.5% of liabilities are debts valued at amortised cost. Most of this amount (83.7% of the balance sheet total) concerns customer deposits.

Financial liabilities measured at fair value through profit or loss decreased by €50 million in 2024 due to the maturity of EMTNs (European Medium Term Notes). No new issues were made in 2024.

Financial liabilities measured at amortised cost increased by €1,593.0 million. Deposits with credit institutions decreased by €876 million in 2024 whereas other deposits increased by €1,920.9 million. There was a significant increase in savings and term accounts. The significant change in “debt securities issued”, includes the issue of “Senior Non-Preferred Bonds” by Crelan for €750 million and the reduction in “Covered Bonds” outstanding in 2024 by €403 million. In 2024,

subordinated debt increased by €303 million due to the issue of a new subordinated bond (Tier 2 capital instrument).

Provisions decreased by €52 million compared with 2023. Personnel-related provisions (long-service benefits, pension plan, IAS19, etc.) fell by €11 million. In addition, other provisions have also decreased by €39 million. A major explanation for this decrease is a reversal on the provisions that were made for costs related to the integration of AXA Bank Belgium in Crelan (e.g. costs related to the transformation of the agent network). Lastly, provisions for liabilities and guarantees decreased by €2 million.

Tax liabilities decreased by €34.3 million compared with 2023.

#### Own assets

Equity (in EUR)	31/12/2023	31/12/2024	Δ	%
Capital	941	1.138	198	21,0%
— Paid up capital	941	1.138	198	21,0%
— Unpaid capital which has been called up	0	0	0	
Share premium	0	0	0	
Equity instruments issued other than capital	245	245	0	0,0%
Accumulated other comprehensive income	-4	-2	2	-46,7%
Items that will not be reclassified to profit and loss	-7	-7	0	6,6%
— Actuarial gains or loss on defined benefit pension plans	-13	-10	4	-27,7%
— Changes in fair value of equity instruments measured at fair value through other comprehensive income	-1	-3	-1	72,0%
— 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	5	-3	-37,2%
Items that may be reclassified to profit and loss	2	5	2	97,5%
— Fair value changes of debt instruments measured at fair value through other comprehensive income	2	5	2	97,5%
Reserves (including retained earnings)	1.122	1.277	155	13,8%
Income from current year	207	192	-15	-7,1%
Minority interests	0	0	0	
<b>Total Equity</b>	<b>2.510</b>	<b>2.850</b>	<b>340</b>	<b>13,6%</b>
<b>Total Equity and total Liabilities</b>				

Equity increased due to the issuance of additional cooperative shares (net increase of EUR 198 mln) and net profit of EUR 192 mln. IFRS-wise, the coupons paid on the AT1 were deducted from equity and, thanks to the strong net profit, a dividend is allocated to cooperative shareholders of 43,8 mln EUR.

In 2024, the profit amounts to €192 million.

The CRD capital ratio reached 35.3% at the end of 2024, compared with 30.8% at the end of 2023, whereas CET1 ratio reached 27.0% at the end of 2024, compared with 25.5% at the end of 2023. The Tier 1 ratio stood at 29.7% at the end of 2024, compared with 28.4% in 2023.

## Consolidated IFRS result

The table below is a simplification of the comprehensive version contained in the financial statements. This presentation serves to explain Crelan Group's result both internally to the Board of Directors and Management Committee and externally to investors, ECB and the general public.

In million EUR	2023	2024
Net interest income	1037	880
Fee and other income	276	311
Net banking income	1,313	1,191
Operational costs	-469	-490
Bank levies	-117	-90
Commissions	-289	-297
Administrative fees and commissions	-875	-877
Costs of credit risk and other provisions	-51	3
Tax on operating result	-99	-57
Operational result	288	260
Specific elements*	-81	-68
<b>Net profit</b>	<b>207</b>	<b>192</b>

## Net banking income

The **financial income and expenses** fell overall by **EUR 157 million** compared to the exceptional high level at 2023. This decrease is mainly due to higher funding costs and ECB monetary reserve measures. Additional SNP and T2 were issued to meet MREL requirements. These are additional capital buffers that make the bank even more robust and thus provide additional

protection for savers. The additional buffers also helped resulting in a positive rating evolution.

Commercial margin results, by contrast, partially offset this by resulting in a net increase in higher interest income. Higher volumes of deposits reflect confidence in Crelan and provided rising interest income that was partly offset by lower income linked to the credit business line.

**Fee income** increased by EUR 20 million, mainly in Invest, due to the increase in portfolio fees, and in Payments, partially thanks to Europabank's card business. In addition, part of the increase compared to 2023 is explained by a one-off loss in 2023 of €19.4 million due to the sale of Crelan's bond portfolio.

## Administrative fees and commissions

**Administrative costs (including depreciation) and commissions** both remained relatively stable compared to 2023 at EUR 877 million, but there were a number of offsetting effects.

While in terms of administrative costs we experienced a EUR 9-million increase in **personnel costs**, this was mainly due to inflation-linked wage indexations. We also saw an overall increase in **general operational costs** of EUR 11 million. The main items here are: higher ECB costs (EUR +2.4 million), extra costs for facilities (EUR +5 million) (e.g. postage costs) and extra costs for payment transactions (EUR +2.5 million).

This increase was more than offset by a decrease in **bank taxes** (EUR -27 million) as the SRF (Single Resolution Fund) did not make any additional collections given the target (1% market-covered deposits) had already been achieved. Furthermore, the DGS (Deposit Guarantee Fund) invoice was also lower due to a lower balance sheet base at the bank given the temporary government bond outflow in 2023.

In contrast, the **commission amount** paid to agents increased by EUR 8 million as compared to 2023, despite lower net banking income. The 2024 result is difficult to compare with 2023 because since 1 January 2024 a new agent commission scheme has been applicable to all agents (both ex-AXA Bank Belgium and Crelan agents).

The cost-to-income ratio (CIR) rose back up to 73.6% in 2024 relative to 66.7% in 2023, which was an exceptional year in this respect.

## Costs of credit risk and other provisions

The **cost of credit risk\*** decreased by **EUR 30 million in 2024**. This decrease for **cost of credit risk** can mainly be explained by exceptionally higher figures in 2023. The higher-than-average figures in 2023 were due to negative impacts explained by previously non-recurring elements such as the adjustment in provisioning methodology for long-defaulted loans, an increase in macro-economic management overlays linked to the energy crisis, and a harmonisation of the IFRS 9 models and the definition of default between AXA Bank Belgium and Crelan. As these non-recurring elements did not occur in 2024, the observed 2024 cost of credit risk is again in line with historical figures.

\*Defined as the total amount of IFRS impairments for the reporting year

For the **other provisions the decrease** of €21 million are mainly explained by the reversal of provisions related to integration costs of AXA Bank Belgium in Crelan (e.g. agent network transformation) and the reversal of provisions related to fraud and phishing.

## Overall result

Consequently, the **operating result** declined from **EUR 288 million to EUR 260 million**. The main underlying elements are the EUR 121 million drop in financial and operating income, partly offset by a EUR 54 million drop in credit risk costs and provisions as well as the EUR 42 million drop in taxes, given the use of available tax credits.

When we then also factor in a few **specific elements\*** such as integration costs, provisions as well as hedge accounting (after tax), the **net result** ultimately totals to **EUR 192 million or EUR 15 million less than in 2023**. These specific elements that continue to have a positive impact compared to 2023 are mainly **provisions** for which a reversal was made of the provisions for transformation costs (EUR 22.8 million).

## Solvency

### Crelan

The Crelan Group recorded **solid capital ratios** on 31/12/2024 with a **CET1 ratio of 27.0%** (25.5% in 2023) and a **total CRD capital ratio of 35.3%** (30.8% in 2023), very well above regulatory required levels and very well above European averages.

Capital increased to EUR2.97 billion (EUR2.51 billion in 2023), mainly due to a strong increase in cooperative capital and net profit in 2024. The significant increase in cooperative capital in 2024 is partly due to the increase in the statutory ceiling per cooperator from EUR 5,000 to EUR 7,500.

Risk-weighted assets increased from EUR8.415 billion in 2023 to EUR9.078 billion in 2024. In addition, Crelan took advantage of the favourable market conditions by issuing EUR 300 million of Tier 2 debt in April 2024, significantly strengthening its overall capital ratio.

The leverage ratio is 4.71% (4.34% in 2023).



## Liquidity/funding

### Crelan

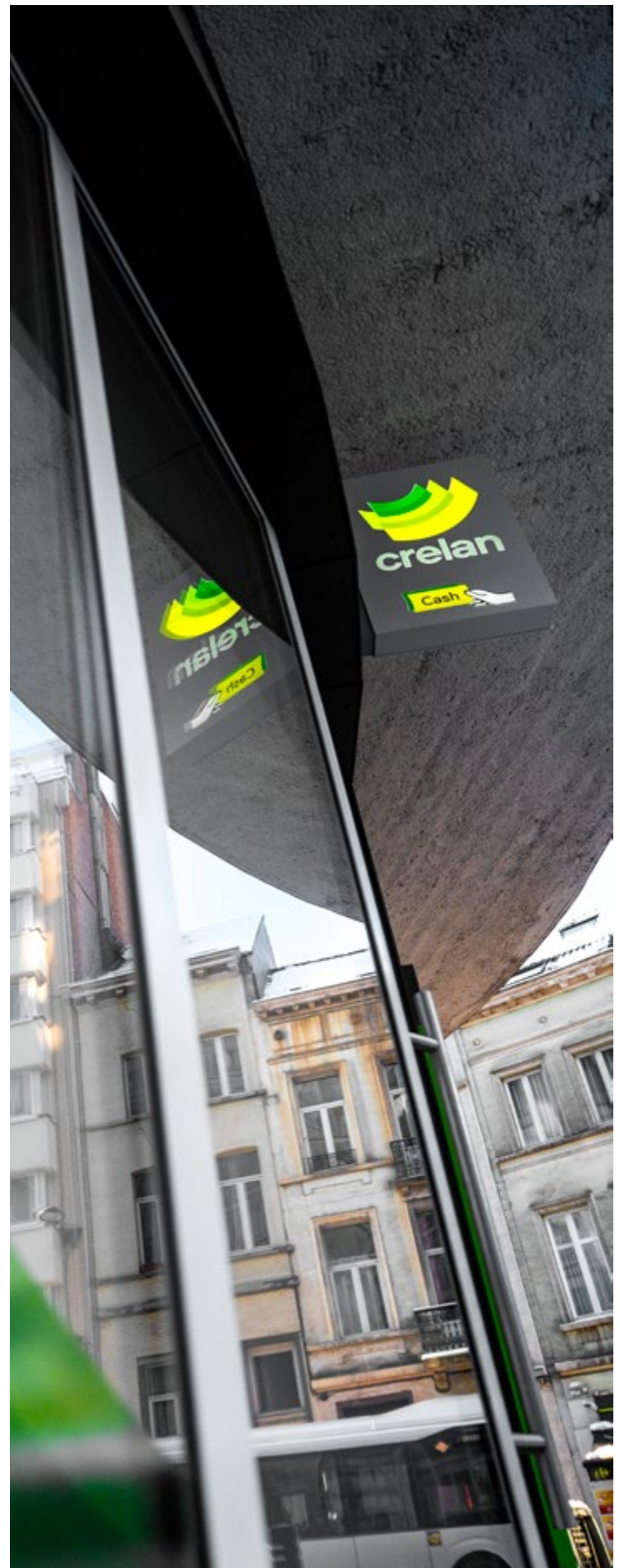
In 2024, Crelan maintained its **liquidity buffer at a high level**, with a liquidity coverage ratio of **196%** on 31/12/24 (188% on 31/12/23).

Regarding financing:

- Retail financing increased by EUR 1.8 billion in one year, mainly due to the recovery of retail financing following its initially lowering in 2023 following the August 2023 government bond transaction. This recovery was made possible by an adjusted term deposit account offering during the new government bond transaction in September 2024, as well as the maturity of the 2023 issue. Crelan was also active in the institutional market with the issuance of EUR 750 million of non-preferred senior debt in January, as well as a Tier-2 issue of EUR 300 million, as mentioned above.

### Allocation of the profits of the group's various entities

The Board of Directors of CrelanCo will propose the **payment of a 4.25% dividend** to cooperative shareholders totalling EUR 43.8 million. In the current interest rate context, this dividend constitutes a very good return on this type of investment.



# Corporate governance



# Boards of Directors and Management Committee

## Crelan SA

### Board of Directors

The following changes took place in 2024:

- The office of independent director **Agnes Van den Berge** ended on 25/04/2024
- **Diane Rosen** was appointed as independent director on 10/06/2024



## Board of Directors of the public limited company Crelan at 31/12/2024



**Luc Versele**  
Chairman



**Benoît Bayenet**  
Vice-chairman



**Jan Annaert**  
Independent director



**Bernard De Meulemeester**  
Non-executive director



**Xavier Gellynck**  
Non-executive director



**Eric Hermann**  
Independent director



**Pierre Léonard**  
Non-executive director



**Claude Melen**  
Non-executive director



**Sarah Scaillet**  
Non-executive director



**Marianne Streel**  
Non-executive director



**Paul Thysens**  
Independent director



**Hendrik Vandamme**  
Niet-uitvoerend bestuurder



**Diane Rosen**  
Independent director



**Catherine Delanghe**  
Niet-uitvoerend bestuurder



**Philippe Voisin**  
CEO



**Joris Cnockaert**  
CCO



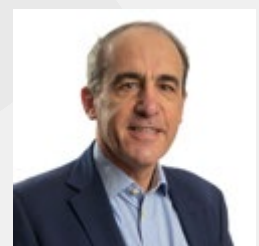
**Pieter Desmedt**  
CRO



**Jean-Paul Grégoire**  
COO/CHRO



**Frédéric Mahieu**  
CIO



**Emmanuel Vercoustre**  
CFO

## The Board of Directors of the public limited company Crelan met thirteen times in 2024

In accordance with Article 27 of the Act of 25 April 2014 on the status and supervision of credit institutions, a Remuneration Committee, a Risk & Compliance Committee, an Audit Committee and a Nomination Committee support the Board of Directors in its tasks.

The bank pays close attention to a balanced composition and a good representation of the cooperative shareholder in its Board of Directors. This is why ten representatives of the cooperative society CrelanCo also sit on the Board of Directors of the public limited company Crelan. It consists of 20 members, therefore also seats 10 representatives of CS CrelanCo, 4 independent directors and 6 members of the management committee.

The four independent directors - Jan Annaert, Eric Hermann, Diane Rosen and Paul Thysens - have, in particular, the task of ensuring objective decision-making in both the Board of Directors and the committees that they chair and of which they are members. They also monitor compliance with rules on risk management, compliance, ethics and good practices within Crelan.

Mr Luc VERSELE, chairman of the board of directors of Crelan and vice-chairman of CrelanCo has a bachelor's degree in Economics from the University of Ghent. He also has a special licentiate in statistics and econometrics and was also formerly deputy adviser to Financ. He has enjoyed a long career within Crelan dating back to the late 1980s. He has held various managerial roles, from Deputy Managing Director of what was then the Institut National de Crédit Agricole, to Chair of the Management Committee of the Crédit Agricole Group, which later became Crelan, from April 2004 to April 2017. Since then, he has been Chair of the Administrative Council of Crelan SA and Vice-Chair of the Administrative Council of CrelanCo S.C.

Mr Benoît BAYENET chairman of the board of directors of CrelanCo and vice-chairman of Crelan has a PhD in Economics and a master's degree in Econometrics from the Free University of Brussels (Université Libre de Bruxelles - ULB). He teaches Public Finances at the ULB and the UCL-ULG (The University of Liège-The Catholic University of Louvain) and is Chair of the Central Economic Council. A former director of SCRL Agricaïsse, he was appointed as a director of CrelanCo in October 2020 and as a director of Crelan on 1 January 2022. He became Chair of the Administrative Council of CrelanCo and Vice-Chair of the Administrative Council of Crelan on 28 April 2022.

In its meeting of 19 December 2023, the Board of Directors formally approved the bank's diversity and inclusion policy. This policy meets the requirements of the EU Directive of 22/10/2014 and the Law of 23/03/2019 introducing the Code of Companies and Associations (Article 7:86). It strives towards a balanced composition of the Board of Directors and the Crelan Circle. The Crelan Circle consists of members of the Management Committee and senior managers.

In the selection and appointment process, the candidates' experience and skills are the deciding factors. In order to promote diversity during this process, the final short list of candidates must always consist of at least three persons, at least one of whom must be of the under-represented gender.

Crelan is striving to reach a minimum representation by 2030 of 33% of the under-represented gender on the Board of Directors as a whole, and 40% of the non-executive directors. The target of 33% applies equally to the Crelan Circle. On 31 December 2024, the percentage of the under-represented gender stood at 25% for the Board of Directors as a whole, 35.7% for the non-executive directors and 24% for the Crelan Circle.

As well as gender representation we also strive for balance between Dutch and French-speaking members of the Board of Directors, without detracting from the importance of the experience and skills of the available potential candidates. Any proposed appointment that is in conflict with this effort must be thoroughly justified by the Nominations Committee.

## Composition des conseils d'Administration

<b>Nombre de membres exécutifs</b>	6	30 %
<b>Nombre de membres non exécutifs</b>	14	70 %

[ESRS 2 – GOV-1, §21b]

Au 31/12/2024, aucun employé ou autre travailleur ne fait partie du conseil d'administration.

[ESRS 2 – GOV-1, §21d]

<b>Nombre de femmes</b>	5	25 %
<b>Nombre d'hommes</b>	15	75 %

[ESRS 2 – GOV-1, §21e]

<b>Nombre de membre de membres indépendants</b>	4	20 %
<b>Nombre de membres non indépendants</b>	16	80 %

## Comité de Direction

Le tableau suivant résume la composition du Comité de Direction :

<b>Nombre de femmes</b>	-	-
<b>Nombre d'hommes</b>	6	100 %

## The composition of the committees at 31/12/2024

The governance of these advisory committees was aligned with the relevant rules. More specifically, each committee is chaired by an independent director and also consists of a majority of independent directors within the meaning of Article 7:87 of the Code of Companies and Associations.

Based on the levels of education and the variety of professional experience referred to hereunder, the Board of Directors is able to justify the individual and collective competence of the members of the specialised committees.

## Audit Committee

<b>Chair</b>	Agnes Van den Berge (independent)* Diane Rosen (independent)**
<b>Member</b>	Claude Melen
<b>Member</b>	Paul Thysens (independent)

\* until 25 April 2024  
\*\* from 10 June 2024

Diane Rosen has a degree in commercial engineering. she initially started her professional career as

trainee auditor followed by various commercial banking, risk and HR positions within the ING, then several executive positions with CFE (International Director of Buildings and Construction) and BAM SA (HR & Finance director) and ended her active professional career within Group S (initially as CHRO and subsequently as CFO). She was also, during the period from July 2017 to April 2023, non-executive director of Belfus Banque and a member of various specialised committees.

Paul Thysens is a qualified Industrial Engineer in Nuclear Energy and also has a Master's in General Management. He has held various positions in the IT departments of Générale de Banque and Fortis Bank, including that of CIO of Banca Nazionale del Lavoro (part of the BNP Paribas group) in Italy, before returning to Fortis Bank in Belgium, first as co-Head and later as CIO (member of the Management Committee).

Claude Melen has a Master's in Management sciences (speciality Finance) and an additional one-year master's degree in Analysis, Control and Audit. She started her professional career as a company auditor and, after continuing her auditing career within various ministerial offices, moved to the Belgian Court of Auditors, first as

financial auditor and then as lead auditor (responsible for the auditing of the accounts and budgets of the French-speaking Community).

The Audit Committee's remit is to assist the Board of Directors in its supervisory and control function, specifically in relation to:

- monitoring the financial and not-financial reporting process;
- monitoring the effectiveness of the Bank's internal control and risk management systems;
- monitoring the internal audit and related activities;
- monitoring the statutory audit of the (consolidated) financial statements and the questions and recommendations formulated by the auditor;
- assessing and monitoring the auditor's independence, with particular reference to the provision of additional services to the Bank or those persons with whom they have a close relationship.

The Audit Committee met seven times in 2024.

It discussed, among other things, the follow-up of the Annual Audit Plan for 2023, progress on pending recommendations, the preparation of the Annual Audit Plan for 2024, the organisation of the Bank's system of internal control and the activities of Internal Audit, Risk Management, Inspection of the Agent Network, as well as the supervisory activities carried out within the Audit Committee of Europabank.

Furthermore, preceding the legal merger on 10/06/2024, six joint meetings of the Audit and Risk Committee were organised in 2024, focusing exclusively on monitoring the progress, risks and budgets of the Integration and Migration Programme.

## Risk and Compliance Committee

<b>Chair</b>	Eric Hermann (independent)
<b>Member</b>	Jan Annaert (independent)
<b>Member</b>	Bernard De Meulemeester

The Risk and Compliance Committee met ten times in 2024.

Eric Hermann has a Master's degree in commercial and financial sciences and an additional Master's degree in management. He joined the banking sector, in the Paribas group, performing various management roles in financial departments. Following the takeover of Paribas by Artesia and later Dexia, he held various positions in risk management, as Head of Risk Management Group, then as Head of Risk Management Concepts & Strategy and later as board member responsible for risk, compliance, internal control and audit, before

becoming CRO with Belfius Banque. He was appointed an independent director of AXA Bank Belgium on 31/12/2021.

Jan Annaert has a master's degree and a doctorate in applied economic sciences. In the academic world, he was assistant researcher in the KU Leuven, University of Antwerp and the Flemish Fund for Scientific Research before becoming a lecturer in financing at the Erasmus University of Rotterdam. He is currently full professor of finance at the University of Antwerp and at the Antwerp Management School. He was appointed an independent director of AXA Bank Belgium on 31/12/2021.

Bernard De Meulemeester has a master's degree in applied economic sciences, specialising in accounting. He was a certified external auditor (IBR/IRE) and is recognised by the National Bank of Belgium for the audit of financial institutions, insurance companies and occupational pension schemes. He has over 25 years of experience with Deloitte in audit and consulting assignments for financial services institutions. After leaving Deloitte he became an independent director of a number of undertakings in the service sector (including banks and insurance companies). He was appointed a non-executive director of AXA Banque on 01/01/2022.

## Remuneration Committee

<b>Chair</b>	Jan Annaert (independent)
<b>Member</b>	Xavier Gellynck
<b>Member</b>	Eric Hermann (independent)

The Remuneration Committee met six times in 2024.

See above for the abridged curriculum vitae of the independent directors.

Xavier Gellynck has a master's degree in applied economics and business administration and a doctorate from the University of Ghent. He is a professor at the University of Ghent, in the Agricultural Economics department. He was also an expert witness for the European Commission on "Food quality assurance and certification schemes managed within an integrated supply chain". He was appointed a non-executive director of AXA Banque on 31/12/2021.

## Nomination Committee

<b>Chair</b>	Paul Thysens (independent)
<b>Member</b>	Benoît Bayenet
<b>Member</b>	Agnes Van den Berge (independent)* Diane Rosen (independent)**

\* until 25 April 2024

\*\* from 10 June 2024

The Nomination Committee met seven times in 2024.

See above for the abridged curriculum vitae of the independent directors.

Benoît Bayenet has a master's degree and a doctorate in economics, and a master's in econometrics. He lectures on government finance at the ULB Brussels and the UCL Louvain and ULG Liège. He is also chairman of the Central (federal) Economic Council. Pursuant to Article 62 §2 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and pursuant to the regulations of the National Bank of Belgium on the subject, the Bank is required to disclose the external positions held by its directors and executive officers outside the Crelan Group. The list at 31 December 2024 is as follows:

### → Abridged curriculum vitae of the independent directors

Mr **Philippe VOISIN** is in particular a holder of a post-graduate diploma (a diplôme d'études supérieures spécialisées - DESS) in Public Law and a diploma of advanced studies (a diplôme d'études approfondies - DEA) in Private International Law.

He was appointed as CEO of Crelan in late April 2017, after having occupied the position of Chief Risk Officer since 2012.

Before that, Philippe Voisin held various managerial roles within the Crédit Agricole de France Group since the 1990s, including various positions in the field of credit and risk management.

Mr **Jean Paul GRÉGOIRE** has a bachelor's degree in Applied Economics. To date, he has spent his entire career within Crelan, notably as Administrative Director of the agency network, as Marketing Director and Sales Director of the southern network, and as Managing Director of Crelan SA. Since July 2014, he held positions successively as Chief Credit Officer, CFO and independent director, CRO & CHRO, CCO and currently as COO & CHRO.

Mr **Joris CNOCKAERT** has a bachelor's degree in Law. At the beginning of his career with Crelan in 2009, he held the positions of Private Banking Director and General Secretary. He has been a Managing Director

of Crelan SA since 2017, initially holding the positions of CRO & CHRO, then CCO since 1 January 2022.

He previously worked for Nagelmackers 1747 – Delta Lloyd Bank, notably as head of the Private Banking department and the Legal department.

Mr **Pieter DESMEDT** has a PhD in Mathematics from the University of KU Leuven. He began his career as a process advisor in the Life Insurance department at KBC. He then took up various roles within the KBC Group Credit Risk team, which gave him extensive experience in risk management. In 2012, he was appointed Credit Risk Manager for KBC Consumer Finance Portfolio in Belgium. In February 2016, he took up the position of Retail Credit Risk Manager at AXA Bank Belgium. He joined the company's Management Committee as Chief Risk Officer (CRO) in January 2019. He has been CRO of Crelan since 31/12/2021.

Mr **Emmanuel VERCOUSTRE** has an MBA degree from the European Institute of Business Administration (Institut européen d'administration des affaires - INSEAD) and a degree from the École Supérieure de Commerce de Paris (Paris School of Business), with a major in Finance.

He has notably worked for Crédit Commercial de France in London and Paris, specialising in ALM, funding, product pricing and trading activities. He joined the AXA Group in 1999, where he held various positions of financial and managerial responsibility. He joined AXA Bank Belgium as Head of Financial Services in December 2011 and has been CFO of Crelan since 31/12/2021.

Mr **Frédéric MAHIEU** is a civil engineer specialising in chemistry and information technology. He also has a degree in Business Administration. He has extensive knowledge and experience in the field of ICT in the financial sector, having been responsible for multiple transformations and the IT component of ambitious merger operations at Fortis, BNP Paribas Fortis, the BNP Paribas Group and BIL (Luxembourg) successively. He took up his current role as CIO on 28/12/2022.

Mr **Benoît BAYENET** has a PhD in Economics and a master's degree in Econometrics from the Free University of Brussels (Université Libre de Bruxelles - ULB). He teaches Public Finances at the ULB and the UCL-ULG (The University of Liège-The Catholic University of Louvain) and is Chair of the Central Economic Council. A former director of SCRL Agricaisse, he was appointed as a director of CrelanCo in October 2020 and as a director of Crelan on 1 January 2022. He became Chair of the Administrative Council of CrelanCo and Vice-Chair of the Administrative Council of Crelan on 28 April 2022.

Mr **Luc VERSELE** has a bachelor's degree in Economics from the University of Ghent. He has enjoyed a long career within Crelan dating back to the late 1980s. He has held various managerial roles, from Deputy Managing Director of what was then the Institut National de Crédit Agricole, to Chair of the Management

Committee of the Crédit Agricole Group, which later became Crelan, from April 2004 to April 2017. Since then, he has been Chair of the Administrative Council of Crelan SA and Vice-Chair of the Administrative Council of CrelanCo S.C.

Mr **Bernard DE MEULEMEESTER** has a master's degree in "Applied Economics", specialising in "Accounting". He is a certified public accountant and also a company auditor approved by the BNB for the audit of financial institutions, insurance companies and institutions for occupational retirement provision. He has over 25 years of experience in audit and consulting assignments for financial institutions. He was appointed as a director of Crelan on 1 January 2022.

Ms **Catherine DELANGHE** has a master's degree in Romance Languages and Literature from the University of KU Leuven, as well as various qualifications mainly in the fields of ESG, sustainability and corporate governance. She is also a Guberna-certified administrator. Her professional experience is mainly in asset and wealth management, having held the positions of investment advisor with CapitalatWork Foyer Group and independent director with Belfius Fund and Candriam. She was appointed as a non-executive director of Crelan on 6 July 2023.

Mr **Xavier GELLYNCK** has a bachelor's degree in Applied Economics and a Master's degree in Business Administration, as well as a doctorate from the University of Ghent. He has extensive experience in the agri-food sector. He teaches in the Department of Agricultural Economics at the University of Ghent. He was previously General Manager of Agro-Business-Consultancy NV and an expert for the European Commission on 'Food Quality Assurance and Certification Schemes managed within the integrated supply chain'. He has been a director of the Crelan Group since 2005.

Mr **Pierre LÉONARD** has a degree (an advanced diploma) in Accounting and Computer Science and a bachelor's degree in Economics and Social Sciences. Following a career spanning more than 10 years as a principal inspector at SFP Finances, he worked for 14 years as an expert, advisor and chief of staff in several ministerial offices, before taking up the position of Head of the Investments Department at Sowalfin. He is currently Invest Manager at Socofe (the investment tool used by Walloon local authorities in the environmental transition). He was appointed as a director of Crelan on 1 May 2022.

Mr **Hendrik VANDAMME** trained in the agricultural sector and has been a farmer since 1989. His commitment to the trade union and social field has led to him holding various administrative positions within agricultural organisations, including the position of National President of the Algemeen Boerensyndicaat (General Farmers' Union).

He has been a director within the Crelan Group since 2010.

Ms **Marianne STREEL** has a degree (an advanced diploma) in Legal Studies and mainly works as a farmer. She has held administrative positions within agricultural organisations in Wallonia for many years, and was Chair of the Walloon Federation of Agriculture from January 2019 until October 2024. She has been a director of the Crelan Group since 2011.

Ms **Claude MELEN** has a bachelor's degree in Management Science (specialism: Finance) and spent an additional year studying Financial Analysis, Monitoring and Auditing. She began her professional career as a trainee auditor. She later worked in various ministerial offices as well as at the Belgian Court of Auditors, first as a financial auditor (assistant) and, between January 2020 and January 2022, as Head Auditor (in charge of monitoring the accounts and budgets of the French Community). She is currently a director of Brussels South Charleroi Airport, Luminus and Ethias SA. She was appointed as a director of Crelan on 1 May 2022.

Ms **Sarah SCALLET** has a bachelor's degree in Law and a master's degree in Public Management. She was initially a member of the Brussels bar, before holding various positions within the FPS Social Security and the National Social Security Office (NSSO), including that of Director General of the NSSO declaration control department. Between April 2014 and August 2024, she was General Manager of SFP Pensions. She is currently HR Manager at Clinique Saint-Jean in Brussels. She was appointed as a director of Crelan on 1 May 2022.

In application of article 62 §2 of the Law of April 25th 2014 on the statute and control of credit institutions and in application of the rules of the National Bank of Belgium, the bank must make public the external functions that its directors and effective leaders execute outside the Group Crelan. The overview as per 31/12/2024 is as follows:

	Functions within Crelan NV	Undertaking in which the external office is taken up	Place of establishment	Type of activity	Listed	Functions within this undertaking
<b>Luc Versele</b>	Chairman of the Board of Directors	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Benoît Bayenet</b>	Vice-chairman of the Board of Directors and member of the Nomination Committee	La Financière du Bois SA	Rue de la Plaine 11, 6900 Marche-en-Famenne Belgium	Investment company	No	Chairman of the Board of Directors
<b>Jan Annaert</b>	Independent Director, chairman of the Remuneration Committee and member of the Risk Committee	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Bernard De Meulemeester</b>	Non-executive director & Member of the Risk Committee	Bernard De Meulemeester BV	Boerendreef 17, 2970 Schilde Belgium	Management & consulting company	No	Manager
		Adviesbureau De Annes BV	Boerendreef 17, 2970 Schilde Belgium	Real estate company	No	Manager
		Xerius Onderlinge Verzekeringsvereniging (OVV)	Brouwersvliet 4, 2000 Antwerp Belgium	Mutual insurance company	No	Non-Executive Director
		Landsbond van de Onafhankelijke Ziekenfondsen (Helan)	Lenniksebaan 788A, 1070 Brussels Belgium	Mutual healthcare insurance company	No	Non-executive director and member of the Audit Committee
		MLOZ Insurance vmob	Lenniksebaan 788A, 1070 Brussels Belgium	Insurance company	No	Non-executive director and member of the Audit Committee
<b>Catherine Delanghe</b>		Candriam Fund	Allée Scheffer 5, L-2520 Luxembourg Luxembourg	Investment fund	No	Non-Executive Director
		Candriam SICAVS	Route d'Arlon 19-21, L-8009 Strassen Luxembourg	Investment fund	No	Non-Executive Director
<b>Xavier Gellynck</b>	Non-executive director & member of the Remuneration Committee	Thalix BV	Beekstraat 35, 9920 Lievegem Belgium	Management company	No	Manager
<b>Eric Hermann</b>	Independent director & chairman of the Risk Committee	Fonber SA	Les Gottes 1, 1390 Grez-Doiceau Belgium	Private security	No	Chairman of the Board of Directors
		Golf et Sporting Club de Grez-Doiceau SA	Les Gottes 1, 1390 Grez-Doiceau Belgium	Golf club	No	Chairman of the Board of Directors
<b>Pierre Leonard</b>	Non-Executive Director	Sowafinal SA	Avenue Maurice-Destenay 13, 4000 Liège Belgium	Investment company	No	Non-Executive Director
		AWEX SA	Place Saintelette 2, 1080 Brussels Belgium	Investment company	No	Non-Executive Director
		EWATE SA	Avenue Maurice-Destenay 13, 4000 Liège Belgium	Investment company	No	Non-Executive Director
		Société Publique de gestion de l'eau SA	Rue des Ecoles 17-19, 4800 Verviers Belgium	Société publique de l'eau	No	Non-Executive Director
		Le Circuit de Spa-Francorchamps SA	Route du Circuit 55, 4970 Stavelot Belgium	Operation of motor-racing circuit	No	Non-Executive Director

<b>Claude Melen</b>	Non-executive director & member of the Audit Committee	Ethias SA	Rue des Croisiers 24, 4000 Liège Belgium	Insurance company	No	Non-executive director & member of the Audit Committee and the Risk Committee
		Luminus SA	Boulevard du Roi Albert II 7, 1210 Brussels Belgium	Energy supplier	No	Non-Executive Director
		Brussels South Charleroi Airport SA	Rue des Frères Wright 8, 6042 Charleroi Belgium	Airport operator	No	Non-executive director & chairman of the Audit Committee
<b>Diane ROSEN</b>	Non-Executive Director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Sarah SCAILLET</b>	Non-Executive Director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Marianne Streel</b>	Non-Executive Director	Rhisnagri SA	Rue Godefroid 1A, 5000 Namur Belgium	Wealth company	No	Non-Executive Director
		La Ferme du Manoir SA	Rue du Spinoy 3, 5080 Rhisnes Belgium	Wealth company	No	Non-Executive Director
		Monjoie-Streel Société agricole	Rue du Spinoy 3, 5080 Rhisnes Belgium	Agricultural company	No	Manager
		Metha'Org Wallonie SC	Chaussée de Namur 47, 5030 Gembloux Belgium	Investment company	No	Non-Executive Director
		Promo-Agri SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Real estate company	No	Managing Director
		Le Secrétariat des Assurances SC	Chaussée de Namur 47, 5030 Gembloux Belgium	Insurance broker	No	Non-Executive Director
		eFWA SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	ICT services	No	Non-Executive Director
		FWA Invest SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Investment company	No	Non-Executive Director
		Maison de l'Agriculture et de la Ruralité SA	Chaussée de Namur 47, 5030 Gembloux Belgium	Consultancy and advisory services	No	Non-Executive Director
		Pleinchamp SRL	Chaussée de Namur 47, 5030 Gembloux Belgium	Publisher	No	Non-Executive Director
<b>Paul Thysens</b>	Independent director, chairman of the Nomination Committee and member of the Audit Committee	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Hendrik Vandamme</b>	Non-Executive Director	Immo-Conscience CV	Industrieweg 53, 8800 Roeselare Belgium	Wealth company	No	Non-Executive Director
		Sopabe CV	Anspachlaan 111 box 10, 1000 Brussels Belgium	Investment company	No	Non-Executive Director
		Boekhoudbureau ABS BV	Brusselsesteenweg 467, 9090 Melle	Investment company	No	Non-Executive Director

<b>Agnes Van Den Berge</b>	Independent Director	Food Tech Consult NV	De MeeÛssquare 35, 1000 Brussels Belgium	Consulting company	No	Non-Executive Director
<b>Philippe Voisin</b>	Executive director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Joris Cnockaert</b>	Executive director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Pieter Desmedt</b>	Executive director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Jean-Paul Grégoire</b>	Executive director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Frédéric Mahieu</b>	Executive director	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
<b>Emmanuel Vercoustre</b>	Executive director	AXA Banque France SA	Rue Carnot 203-205, 94138 Fontenay-sous-Bois France	Credit institution	No	Non-executive director & member of the Audit Committee



## Board of Directors of the Cooperative Society CrelanCo

The composition of the Board of Directors of the cooperative society CrelanCo changed as follows in 2024:

- The appointment as non-executive director of **Catherine Delanghe** on 25/04/2024

### Composition of the Board of Directors of the Cooperative Society CrelanCo at 31/12/2024



**Benoît Bayenet**  
Chairman



**Luc Versele**  
Vice-chairman



**Bernard De Meulemeester**  
Non-executive director



**Xavier Gellynck**  
Non-executive director



**Claude Melen**  
Non-executive director



**Marianne Streel**  
Non-executive director



**Pierre Léonard**  
Non-executive director



**Sarah Scaillet**  
Non-executive director



**Hendrik Vandamme**  
Non-executive director

The Board of Directors of the cooperative society CrelanCo met eight times in 2024.

## Management Committee

The composition of the Management Committee remained unchanged in 2024. At 31 December 2024, the composition was as follows:



**Philippe Voisin**  
CEO



**Joris Cnockaert**  
CCO



**Pieter Desmedt**  
CRO



**Jean-Paul Grégoire**  
COO/CHRO



**Frédéric Mahieu**  
CIO



**Emmanuel Vercoustre**  
CFO

The Management Committee is responsible for the operational management of the cooperative society CrelanCo and the public limited company Crelan.

## europabank

### Europabank

The composition of the Board of Directors of Europabank changed as follows in 2024:

- **Sarah Scaillet** was appointed as non-executive director on 15/04/2024.
- The office as independent director of **Agnes Van den Berge** ended on 17/06/2024.
- **Diane Rosen** was co-opted as independent director on 17/06/2024.
- The office as non-executive director of **Clair Ysebaert** ended on 17/06/2024.
- **Hendrik Vandamme** was appointed as non-executive director on 16/12/2024.
- The office as executive director of **Gérald Bogaert** ended on 31/12/2024.

The Board of Directors is composed of eleven members: three members of the Management Committee, two independent directors and six representatives of major shareholder Crelan SA.

Composition of the Board of Directors of Europabank at 31/12/2024

<b>Chairman:</b>	Joris Cnockaert
<b>Directors:</b>	Marc Claus (member of the Management Committee)
	Xavier Gellynck
	Jean-Paul Grégoire
	Sophie Hoozée (independent director)
	Paul Malfeyt (chairman of the Management Committee)
	Diane Rosen (independent director)*
	Sarah Scaillet**
	Grete Schaeckers (member of the Management Committee)
	Hendrik Vandamme
	Luc Versele

(\* from 17/06/2024) (\*\* from 15/04/2024) (\*\*\*) from 16/12/2024)

The Board of Directors met eight times in 2024.

The Audit Committee and the Remuneration Committee operate under the authority of the Board of Directors.

## Composition of the Board of Directors of Europabank at 31 December 2024

<b>Chairman:</b>	Paul Malfeyt
<b>Members:</b>	Marc Claus
	Grete Schaekers

## Auditor's Report

The statutory General Meeting of Crelan SA of 27 April 2023 resolved to reappoint the **auditing firm EY** as auditor for a period of three years, until the General Meeting of Shareholders of April 2026. EY is represented by **Christel Weymeersch** and **Christophe Boschmans**.

The auditing firm EY consequently audits the consolidated accounts of the Crelan Group.

## Amendments to the Articles of Association

The Articles of Association of Crelan SA were amended on 10 June 2024 to reflect the capital increase that had been carried out within the framework of the merger by acquisition of AXA Bank Belgium SA.

The Articles of Association of CrelanCo SC and Europabank SA remained unchanged.

## Good governance

In accordance with Article 59, §2 of the Banking Law and National Bank of Belgium (NBB) Circular 2011\_09 of 20 December 2011 on the evaluation of internal control, the Bank's executive management evaluated its system of internal control and established permanent second and third-line control.

The Bank transferred said reports to the National Bank of Belgium in January 2025 after the Boards of Directors had approved them.

In accordance with NBB Circular 2022\_23 introducing a 'Governance Manual for the Banking Sector', which describes the various provisions regarding corporate governance included in the Banking Law, the governance memorandum must be assessed annually to make sure it remains compliant and adapted to reflect any significant changes influencing the management structure and the organisation of the financial institution. The latest version of the governance

memorandum was approved by the Board of Directors on 19 December 2024.

## Remuneration policy

The **Board of Directors** has delegated a number of members to the **Remuneration Committee** to make recommendations on remuneration to the Board of Directors. As mentioned above, the Remuneration Committee is chaired by an independent director within the meaning of Article 3, 83° of the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms.

The proposals of the Remuneration Committee encompass the remuneration of the executive and non-executive directors of the Bank and its subsidiaries as well as the remuneration of the persons responsible for independent control duties and the "identified staff".

The Remuneration Committee is composed in such a way that it is able to give a sound and independent opinion about the remuneration policy, remuneration practices and the associated incentives for risk management, capital requirements and the liquidity position, and carries out this responsibility as follows:

- Giving advice to the Board of Directors on the selection of persons for duties characterised as Identified Staff;
- Giving advice to the Board of Directors on remuneration policy, especially for employees whose activities have a material impact on the Bank's risk profile ("Identified Staff") as well as ensuring that the remuneration policy is gender-neutral and supports the equitable treatment of employees of different genders;
- Preparing decisions of the Board of Directors on remuneration, taking account of the long-term interests of shareholders, investors and other interested parties, as well as the general interest;
- Directly checking the remuneration of employees responsible for independent control duties;
- Overseeing all important regulations relating to retention benefits, end-of-service and start-of-service benefits.

To promote sound remuneration practices and policies, the **Risk Committee** investigates, without prejudice to the tasks of the Remuneration Committee, whether the incentives from the remuneration system take suitable account of risk control, capital requirements and the liquidity position of the Bank as well as the probability of spreading the profits over time. The Risk Committee also provides input for the identification of the Identified Staff.

The Compliance function analyses the consequences of the remuneration policy for the institution's compliance with laws and regulations, internal policy and risk culture, and reports all non-compliance risks and issues detected to the Board of Directors.

In accordance with its role, the Compliance function gives effective input for establishing the bonus pools, performance criteria and bonus awards whenever it is concerned about the effect thereof on the conduct of employees and the risk level of the activities carried out. The Compliance function also provides input for the identification of the Identified Staff.

Based on opinions of the **Compliance function**, the Risk Committee and the Remuneration Committee, the Remuneration policy and the identification of Identified Staff are approved by the Board of Directors.

Taking account of Article 67 of the Law of 25 April 2014 on the legal status and supervision of credit institutions and its implementing decrees and of Commission Delegated Regulation (EU) No 2021/923 of 4 March 2014, the Board of Directors has defined the scope of Identified Staff within the Bank as follows:

- **Category 1:** members of the Board of Directors;
- **Category 2:** members of the Senior Management;
- **Category 3:** members of staff determined in accordance with the delegated Regulation and other regulations with a position that involves taking risks;
- **Category 4:** employees responsible for independent operational control duties;
- **Category 5:** members of staff determined in accordance with the delegated Regulation, whose total remuneration places them at the same level as senior management and persons holding a position that involves taking risks.

The remuneration policy is structured in such a way that the overall remuneration package is split in a balanced way into fixed and variable components.

The composition of the overall package is such that it does not encourage taking excessive risks. The fixed component is structurally sufficient to reward the Identified Staff members for their work, their years of service, their expertise and their professional experience and represents a guarantee against the volatile variable remuneration and more specifically the likelihood of non-payment of an element of variable remuneration.

## Fixed remuneration

The basic salary for Identified Staff is determined by taking account of the organisational responsibilities, as described in the job description, and of the positioning with respect to an external benchmark. The basic salary may also include benefits in kind.

Decisions on upgrades of the fixed remuneration of Identified Staff are based on performance reviews and positioning with respect to an external benchmark. Individual increases are granted on the basis of the following principles:

- fair treatment;
- strict delegation rules; and,
- a systematic dual control by the line management and the HR department.

Each year Crelan and AXA Bank Belgium will determine the available budget for upgrades of the fixed remuneration, with the results of both entities (compared with the targets set) being the decisive factor. If the results are negative or significantly lower than the targets, upgrades of the fixed remuneration may be limited to the regulatory, legal or contractual increases.

Non-executive members of the Board of Directors, the Nomination and Remuneration Committee and other Committees receive only fixed annual remuneration, paid monthly. They do not receive variable remuneration. The fixed remuneration covers all costs, including travel expenses, and its value depends on the role of the non-executive directors in the various specialist committees.

## Variable remuneration

The variable remuneration for Identified Staff is determined in accordance with the rules set out in the Remuneration Policy and is aligned with the risks and performances of the institution, the business unit and the individual.

The performance of the team to which the member of Identified Staff belongs and his or her individual performance are assessed by means of a mandatory annual individual appraisal by the line management of at least the following elements:

- qualitative achievement of the established targets;
- professional conduct with regard to values, compliance requirements and procedures, in accordance with the Group's values;
- contribution to risk management, including operational risk;
- the employee's leadership capacity (if applicable).

The Board of Directors, based on the opinion of the Remuneration Committee, shall carry out a supplementary appraisal of all members of the Identified Staff taking account of:

- contribution to the permanent supervisory framework;
- involvement with material risks and associated decisions;
- any incidents that might have taken place during the year and the corrective measures taken by the individual or as manager.

This appraisal may have an impact on the variable remuneration.

The variable remuneration of each member of the Identified Staff is limited to the higher amount of the following two amounts:

- An amount equal to the fixed remuneration, without such amount exceeding the amount of the fixed remuneration and with a maximum of €50,000;
- 50% of the fixed remuneration.

This limitation of the ratio between the fixed and variable remuneration applies also to allocations of variable remuneration when achievements are above target.

Standard annual variable remuneration for Identified Staff, excluding end-of-service indemnities or bonuses for exceptional performance, is limited to a maximum of 30% of fixed remuneration. On the proposal of the Remuneration Committee, variable remuneration may be reviewed by the Board of Directors.

In accordance with the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms, the variable remuneration of the Identified Staff comprises a deferred portion of a least 40% (possibly as much as 60% for the highest variable remunerations).

As long as the total variable remuneration is less than €50,000 gross and does not exceed one third of total annual remuneration, there is no deferral.

Where applicable, the deferral scheme works as follows:

- vesting of deferred variable remuneration for members of the Management Committee and of Senior Management if they are not on the Management Committee, is spread over five years, one fifth of the deferred amount vesting each year;
- for all other members of the Identified Staff vesting is spread over four years, with one quarter of the deferred portion vesting every year.

At least 50% of the variable remuneration (both the deferred and the non-deferred parts), is composed of an appropriate balance of:

- financial instruments linked to shares, or equivalent instruments (“non-cash instruments”); and if necessary,
- other equity instruments as provided by law.

These instruments are subject to a holding policy, which requires the holder of the instruments to remain their owner. This is intended to align incentives with the long-term interests of Crelan and AXA Bank.

The remaining 50% of the variable remuneration will be paid in cash or – in accordance with Article 284 of the EBA guidelines – in the form of other benefits that do not meet the criterion of financial instruments.

All variable remuneration may be subject to a reduction (**malus**), or recovery (**clawback**) of up to 100% per Bank entity concerned, during the maximum deferral period.

Following the issue of an opinion by the Remuneration Committee, the Board of Directors will decide to reduce (**malus**) or recover (**clawback**) such components of the variable remuneration that have not yet vested or been paid of all or of certain present or past Identified Staff if the Bank or the business unit concerned has a decreased or negative financial return on investment or if any of the following situations is discovered:

- the Identified Staff member does not comply with the applicable standards of expertise and professional integrity;
- the Identified Staff member is involved in a special mechanism with the aim or result of promoting tax fraud by third parties;
- any circumstance that implies that the payment of the variable remuneration constitutes an infringement of the Bank’s good remuneration practices, its risk management strategy or its limited to medium risk profile.

In cases where an **end-of-service indemnity** is granted, this indemnity may in no case constitute a reward for the employee’s failure or wrongful conduct and may take account only of his or her performance over time. Furthermore an end-of-service indemnity equal to more than 12 months of fixed remuneration or, based on a reasoned opinion issued by the Remuneration Committee, more than 18 months of fixed remuneration, may be granted only subject to approval by the General Meeting of Shareholders.

The exceptions set out in Article 12/1 of the Banking Law apply to end-of-service indemnities.

The bank paid out the following remuneration in 2024 (Crelan/Europabank):

Directors' remuneration in 2024 (non-executive and executive directors)

Total remuneration (€ million)	Fixed remuneration	Variable remuneration
<b>Directors of the Crelan Group</b>	6,4 mio EUR	0,9 mio EUR

## Total remuneration of Identified Staff in 2024 (excluding remuneration of non-executive directors)

The quantitative information hereunder concerns the remuneration allocated for 2024 to Identified Staff within the meaning of the CRD IV and the Belgian Banking Law, but is not a reflection of the remuneration granted to other employees:

POPULATION	Fixed remuneration	Variable remuneration	Sign-on payment	Severance payment			
				Paid	Awarded	Highest awarded	
Executive Board Members	5.214.806 €	907.304 €	- €	- €	- €	- €	Amount (EUR)
	10	10	0	0	0	0	# people concerned
Higher management (beyond executive directors)	1.103.916 €	195.002 €	- €	- €	- €	- €	Amount (EUR)
	6	6	0	0	0	0	# people concerned
Other Identified Staff	2.139.374 €	266.712 €	- €	- €	- €	- €	Amount (EUR)
	13	13	0	0	0	0	# people concerned
Total	8.458.097 €	1.369.018 €	- €	- €	- €	- €	Amount (EUR)
	29	29	0	0	0	0	# people concerned

Population	Forms of variable remuneration (awarded)				Outstanding deferred remuneration		Deferred remuneration		
	Cash	Shares	Share linked instrum.	Other types	Vested	Unvested	Awarded	Paid out	Reduced
Executive Board Members	576.152 €	- €	- €	331.152 €	366.535 €	1.185.852 €	362.922 €	356.946 €	- €
Higher management (beyond executive directors)	195.002 €	- €	- €	- €	- €	- €	- €	- €	- €
Other identified staff	266.712 €	- €	- €	- €	- €	- €	- €	- €	- €
Total	1.037.866 €	- €	- €	331.152 €	366.535 €	1.185.852 €	362.922 €	356.946 €	- €

## Governance assessment

Pursuant to governance obligations for financial institutions, including the 'fit & proper' requirements for directors, the Nomination Committee in 2023, in accordance with Article 31 §2 of the Law of 25 April 2014 on the status and supervision of credit institutions, assessed the structure, size, composition and performance of the Board of Directors and its Committees.

For this assessment exercise use was made of written questionnaires and individual interviews aimed at:

- defining the directors' expectations of the role and operation of the Board of Directors and its Committees;
- making an inventory of the competences and expertise of the governance officers present;
- identifying governance practices within the Board of Directors;
- following up on the implementation of the recommendations from the previous assessment.

As regards the individual appraisal of members of the Board of Directors, both the strongest skills and those needing to be developed further were identified for each director. These individual appraisals also took account of a series of other parameters such as the degree of participation in meetings and training, external offices, time commitment and independence of mind.

Based on the results of this exercise, the Nomination Committee was able to determine whether all of the knowledge, skills, diversity and experience are present and evenly distributed and to draw up a list of action points for the Board of Directors. All these action points have meanwhile been carried out or are in the process of being carried out.





# Crelan, an evolving bank

# Business year 2024

## Invest: strong commercial momentum in a difficult market

New cooperative members showed their confidence

The issuance of cooperative shares was a great success, buoyed by the confidence of the cooperative members. The volume of cooperative shares increased by €198 million in 2024, reflecting the growing support for our cooperative model. This momentum was supported by the arrival of over 13,000 new cooperative members, attesting to the renewed confidence in our model.

The total portfolio of customer deposits increased by €1.9 billion in one year, reaching €44.3 billion.

A gross production of €2.6 billion of off-balance sheet products confirms the interest of customers in funds and bonds in particular and highlights the quality of our commercial offering in this segment.

The group's total off-balance sheet product portfolio is now €16.5 billion (+ €1,0 billion compared with 31/12/23) despite the significant maturity of the retail government bond in September.

Uncertainty about inflation, market expectations of possible central bank rate cuts and fears of recession resulted in some volatility.

This led to a continued interest in term accounts and a growing interest in bond funds and interest-related structured products, compared with a somewhat reduced popularity of mixed funds. Our offering is therefore composed accordingly, so as to always meet the needs and requirements of our customers.

To promote our investment offering, we took various initiatives. In addition to traditional and digital advertising campaigns, we also launched our own podcast channel. Our "Financial Spirit" podcast, aimed at start-up investors, featured for a while in the ranking of the most listened-to podcasts.

## Loans: 3.04 billion euro of new loans granted to our Belgian customers

During 2024, the Crelan group financed Belgian households for EUR 2.12 billion and financed the self-employed, SMEs and farmers for more than EUR 916 million in investments.

Consequently, on 31 December 2024, the Crelan Group's lending portfolio stood at €49.5 billion (+€0.5 billion compared with 31 December 2023).

The market share of housing loans held up despite a particularly competitive market compared with the same period last year.

For instalment loans, a new modern and efficient credit application was launched in February.

New lending to the professional and agricultural segment in the first six months was entirely in line with the same period in 2023.

Since the migration in June, professional customers of former AXA Bank agents have also had access to Crelan's entire product range.

Crelan attaches great importance to responsible finance and to the climate. For personal loans, initiatives have been taken to help clients make their homes more energy efficient.

## Retail: Expanding the functionality of our mobile app

In the first 6 months of 2024: Payconiq was incorporated into the Crelan app and an option was added to activate its account via ITSME.

Customers now have the option to open a savings account online in the app.

# The Crelan brand: a big bank that offers personal service

The absorption of AXA Bank Belgium in June 2024 effectively made Crelan into the 5<sup>th</sup> largest bank in Belgium. A big bank, with a full product range and an efficient digital platform.

Which is why low-threshold bank branches will continue to remain a fixture on the streets of towns and cities across the country in Crelan's model. This model allows clients to just step inside their local brick-and-mortar branch to see their local agent or loss assessor with whom they have built a long-standing relationship of trust, and who will go the extra mile to provide an outstanding personal service.

Which just happens to be a key component of Crelan's brand strategy.

As a result, in its 2024 brand messages, Crelan's focus continued to rest with the brand's unique proofpoints: the personal relationship between the Crelan bank agent and the client and the added value this brings when it comes to sound financial advice, along with the extensive branch network and the added value a cooperative bank brings to society as a whole.

**130m tot een  
Crelan-kantoor.  
Als u het niet ziet,  
de opticien is op 61m.**



During the first semester, the traditional media mix (TV, radio, print, online video, social media, display, etc.) was complemented with a high profile out of home campaign. This campaign enthusiastically embraced the quirky tone of voice that is part of the new brand identity and which has been brightening up all of Crelan's promotional messages since late 2023.

Research has shown that Crelan's communication style is going down well with the general public. The advertisements are highly rated on criteria such as identifiability and likeability and have a positive impact on awareness in general. Which means a big boost for the revamped brand identity.

The fully updated concept for the frontages of Crelan's bank branches, which was launched in 2023 along with the new logo, continued its rollout. The frontages of the branches that were welcomed as part of the network further to the takeover of AXA Bank Belgium in June were swiftly given the vibrant Crelan makeover as well.

## Sport sponsoring

Crelan sees sport as an important part of a healthy, balanced lifestyle and as a factor in social cohesion that brings people closer together. Fair play and team spirit are what make sport great, and they are values which Crelan is pleased to support.

Crelan has been a **sponsor of several sports for many years**. In doing so, the bank favours sports that have **a robust interaction between athletes and fans**. The athletes we sponsor are professionally engaged in their discipline, go all out for results and foster close relationships with their fans. These are values that Crelan closely identifies with.

### Basketball

Crelan courtside with the Belgian **Cats and the Belgian Lions!**

**Since May 2019**, Crelan has been supporting the pride of our nation in basketball: the Belgian Cats and the Belgian Lions. Together with the Belgian Basketball Federation, Crelan is aiming to build on the successes of the Cats & Lions. We are also investing in the future of basketball as the sole main sponsor of the Young Belgian Cats & Lions (U20). Professional support in this is crucially important to young Belgian talents. Our initiatives demonstrate Crelan's commitment to long-term engagement with Belgian basketball.

2024 was a great year for our national basketball teams. The Belgian Cats qualified for the Olympic Games, taking a historic 4<sup>th</sup> place. In a standout year for sport, Belgian fans proved their loyalty. For the games that were held in Belgium, the Belgian Cats filled the Sportpaleis no less than four times. The matches during the Olympic Games felt just like home games. In the Olympic Games group stage, the Cats played in Lille in front of 17,000 Belgian supporters!

The passion that sports fans have for our Belgian Cats is undeniable.

The Belgian Lions didn't manage to qualify for the Olympic Games, but made significant progress in 2024 towards qualification for the 2025 European Championship.

### Cyclocross

**Since 2000**, Crelan has been an active sponsor of cycling, formerly under the name of Landbouwkrediet. The philosophy was always to give young Belgian cycling talent the opportunity to develop, while surrounding them within the team with some established names.

In 2024, we were also able to enjoy the performance in the races as the main sponsor of the cyclocross team **Crelan-Corendon**. The team is keen to include home-grown talent.

In 2024 Sanne Cant won her 15<sup>th</sup> and final consecutive Belgian title in the Women Elite category. Out of respect for the tricolour jersey, she will not defend this during the 2025 Belgian National Cyclocross Championships.

Collectively, the team grew into a permanent fixture in the battle for victory in the Men Elite category. Sara Cassasola joined the women's team, and the team also expanded in depth, rising to the subtop.

### Cycling

Crelan has been the **banking partner** of the **Alpecin-Deceuninck Belgian World Tour team** since 1 July 2022. In 2024 Crelan was privileged to witness 26 victories with standout performances such as the three wins of Jasper Philipsen during the Tour de France and his victory in Milan-San Remo. Besides that, there were also the wins by Mathieu Van der Poel during the Tour of Flanders, Paris-Roubaix and the E3 Classic. There were further successes by Niels Vandeputte, Mathieu van der Poel and Ceylin Alvarado. In 2024, Mathieu van der Poel won his sixth cycling world title and his first world title in gravel cycling.

### Athletics

**Since 2011**, Crelan has been a dedicated partner of the **Borlée family** who are among the world's best in the 400m and the 4x400m. As brand ambassadors for Crelan, **Kevin, Jonathan and Dylan** have remained extremely approachable and open towards their fans throughout their careers, including during their ten years at the top of international athletics. And that's exactly what Crelan finds so important – providing a motivated and professional service to its customers in a personalised relationship of trust.

2024 was a milestone for the Borlée family. Jonathan, Kevin and Jacques said farewell to their sporting careers. Jonathan was out of action in 2024 due to injuries and Kevin left on a high note: 4<sup>th</sup> place again at the Olympic Games in Paris.

With pride, Crelan bid farewell to the sponsored athletics family during the Van Damme Memorial and thanked the Borlée family for the years of collaboration.

## The Crelan Vikings

It goes without saying that Crelan itself sets a good example by encouraging and facilitating the practice of sports. That is why the bank supports **the Crelan Vikings, a sports initiative organised by employees** for employees. Thanks to financial and organisational support from the bank, colleagues are able to enjoy sport during their lunch break or after working hours.

## A more extensive product offering thanks to cooperation within the group and partnerships

One of the objectives of the takeover of AXA Bank Belgium was to share **knowledge and know-how and to work together within the Crelan group as optimally as possible**. In this way we can serve our customers faster, more comprehensively and more efficiently.

Significant initiatives had already been taken in that respect in 2022, with the expansion of the product offerings of both Crelan and AXA Bank Belgium. In 2024, this cooperation was further developed.

## Cooperation with Europabank

The Crelan group makes extensive use of the specific knowledge that Europabank has accumulated in processing card transactions and providing financial renting and leasing services.

In this way Crelan and AXA Bank Belgium branch offices can offer their professional customers Europabank's **payment solutions via terminals or online**. They refer these customers to affiliate Europabank branches to this end.

Crelan and AXA Bank Belgium branches can also refer customers to Europabank in the area of **leasing and home loans** if it appears that the partner's offer is better suited to the needs and profile of the customer. In this regard eb-lease further expanded its offering of renting formulas in 2022 so that since then second-hand cars, vans, lorries, agricultural vehicles and industrial equipment such as excavators and loaders can also be offered via this formula.

In 2024, the focus was on financial leasing and renting partnerships as alternative forms of financing for business customers.

## Cooperation with partners

In order to be able to offer a comprehensive financial service to our target customer groups – private families, self-employed entrepreneurs, the liberal professions, SMEs and farmers and market gardeners – Crelan works together with a number of preferred partners, all of which are leading names in their fields.

In this way both banks' ranges, consisting of current accounts and facilities, savings accounts, cash certificates, term deposits and credit facilities, are expanded, with investment products and insurance formulas.

## Non-life and life insurance partnerships

Crelan has also concluded partnerships with AXA Belgium SA for quality solutions in non-life and debt balance insurance, and with Allianz Benelux SA in savings and investment insurance. Within this framework, customers can benefit from the services of insurance brokers associated with the Crelan network. These work independently for their customers' interests, with no obligation to introduce Crelan's insurance partners. Crelan, on the other hand, as a connected insurance agent, only offers insurance policies of AXA Belgium SA in its own offices at its headquarters in Anderlecht and Berchem.

## Banking investment partnerships

Crelan has now been working for more than ten years together with **Econopolis Wealth Management**, an asset management company co-founded by its CEO Geert Noels. This cooperation includes both the sub-funds of the Crelan Fund SICAV, for which Econopolis Wealth Management manages the investment portfolio, and the sub-funds of the Econopolis Funds SICAV under Luxembourg law.

The close cooperation with **Amundi** also continued. Crelan markets a wide selection of funds from Amundi and its subsidiaries. Amundi also manages the investment portfolio of the SICAV Crelan Invest with three profile funds: Conservative, Balanced and Dynamic – which invest in a broad range of diversified assets and each of which, with its specific risk approach, is designed for a particular investor profile. They also adhere to a sustainable and ethical approach.

Asset manager **AXA IM (AXA Investment Manager)** had long been supplying funds for AXA Bank Belgium agents' product offering. Since May 2022, this offering has also been open to Crelan agents, just as the offerings of Econopolis Wealth Management and

Amundi have also been open to AXA Bank Belgium agents, further expanding the investment offering for customers of both banks.

With regard to structured products, Crelan works with a number of preferred partners, namely BNP Paribas, Credit Suisse, Société Générale, Natixis, Goldman Sachs and CACIB.

In the area of pension savings with tax advantages, Crelan distributes three pension savings funds (**Crelan Pension Fund Sustainable Stability, Balanced and Growth**) which act as feeders to the BNP Paribas Asset Management pension savings funds. In November 2019, this fund was awarded the 'Towards Sustainability' label.

## Focus on sustainable investments

### Sustainability label

Consumers are increasingly interested in sustainability, including in the products in which they invest.

Given that the concept of 'sustainability' can often be interpreted and defined in different ways, the umbrella federation of banks, **Febelfin** (a non-profit organisation providing information on the Belgian financial sector) developed a **quality standard** for sustainable financial products.

Products that meet this standard, and are ideally even more ambitious, receive a sustainability label. With this label, consumers can be confident that the product meets a number of quality requirements and that their money is going to companies that truly focus on sustainability.

As a cooperative bank, the Crelan Group also has an eye for sustainability and is keen to meet the growing demand from customers for socially responsible investments.

In 2023, more than 81% of investment in funds through Crelan was in investment funds that met the criteria of Article 8 or Article 9 of the SFDR, in other words in funds in which sustainability is explicitly part of investment objectives and policies. At AXA Bank Belgium that figure was 92%.

### SFDR (Sustainable Finance Disclosure Regulation)

As regards sustainable investments, Crelan intends to compose its range of funds in such a way that the majority of the funds comply with Articles 8 and 9 of the SFDR.

The SFDR regulations align with the Environmental, Social and Governance (ESG) regulations that resulted from the Sustainable Financing Action Plan published by the European Commission in 2018.

Their aim is to create more transparency with regard to sustainability and to provide sound protection for investors in this regard. These rules have applied since 10 March 2021 and require financial institutions, market participants and advisers to publish specific information on the sustainability aspect of their investments and policies on their websites.

Pursuant to Article 6 of the SFDR regulation, the so-called UCITS prospectus must explain at product level how the financial participant integrates sustainability risks into investment decisions and how it assesses the likely impact of sustainability risks on the performance of the financial product. This information must be made available to investors at a pre-contractual stage. Even if the financial participant does not consider there to be any sustainability risks, he must briefly explain this.

**Articles 8 and 9 deal specifically with financial products that promote environmental or social issues or which have sustainable investment as their objective.** In the case of Article 9, it must also be possible to measure the impact. For the funds covered by these articles, the pre-contractual documents and periodic reports must provide investors with additional information. It is clear then that these products offer investors the best assurance as regards sustainability. Crelan is resolved to focus above all in future on funds that promote environmental or social goals or that have sustainable investment as their objective, in other words to have a range of funds that mostly fall under Article 8 or 9 of the SFDR.

Currently, 89.20% of Crelan's fund range already meets the requirements of Article 8 and 3.14% meets the requirements of Article 9 of the SFDR regulations.

## A professional branch network at the service of customers

At 31 December 2024, the **Crelan branch network** consisted of **680 Branch offices** spread throughout Belgium. This was 45 offices fewer than a year before.

More than 70% of our branches are equipped with one or more self-banking machines, typically with extensive functionalities.

With the exception of the head office in Brussels and of the Berchem branch, all Crelan sales points are run by independent agents who know the local market well and are close to the customers.

Proximity, the personal approach and the continuity that our agents offer are the assets that make Crelan stand out in the market. In addition to digital channels and contacts with call centres, many customers still consider it important to be able to count on personal advice from local trusted advisers who are familiar with their personal situation. Despite the decline in the number of agencies, Crelan continues to attach great importance to a strong local presence.

## Competence centres for advice to entrepreneurs and farmers

Crelan aims to differentiate itself through its **advisory banking services**. The bank therefore devotes a great deal of attention to training competent advisers who are as close to the customers as possible. Crelan also aspires to be a leader in the field of advice for **professional customers** - entrepreneurs in agriculture, horticulture and the food sector on the one hand, and the self-employed, liberal professions and local SMEs on the other.

Crelan works with **specialised centres of competence** to this end. These are agents who, in addition to advising private customers, have also built up a great deal of expertise in assisting professional customers and are therefore best placed to advise them.

The competence centres are recognisable on the street by an externally applied 'label'.

They also cooperate with agencies in their area that do not have this expertise. In this case, professional customers can, for example, continue to rely on their trusted agency for their basic services, and turn to the competence centre for specialised advice. The agency can then make contact with the nearby competence centre depending on the customer's needs.

The business model of independent agents close to the customer still offers considerable room for growth, even in the professional customer segment.

So the Crelan Group continues to invest in the expertise and skills of its employees through training, with the aim of further expanding the number of centres of competence.

## Branch accessibility

Accessible bank branches are fundamental to strengthening and preserving our customer relationships. To this end, we strive to maintain proximity to the customer, provide a sense of security and to be instantly recognisable. In 2024, significant steps were taken to further optimise our services, and the merger in June 2024 led to an expansion of our branch network.

## We are staying close to our customers

Our branch network has grown since the merger of Crelan and AXA Bank Belgium in June 2024. As a result, Crelan now has the largest number of bank branches in Belgium. This enables us to serve our customers more effectively and in closer proximity.

With our extensive network of bank branches and ATMs, we are always nearby. Customers can withdraw cash at the indoor ATMs between 6 am and 11 pm, and in many cases, they can also make deposits. Our branch agents will consistently update opening hours on both the branch facades and on the website.



We are dedicated to further transforming our bank branches in line with an open-advice concept. This rebranding of branches will foster a more transparent, welcoming and spacious environment. The open reception area, glass-walled meeting rooms and rounded furniture will all contribute to the fresh look and feel. We also encourage our branch agents to use environmentally friendly materials, such as FSC-certified wood.

The branch serves as the central hub for all customer services. Customers can visit their branch for personalised advice and a range of services tailored to their financial needs.

The open-advice concept fully supports this vision and for this reason it is Crelan's model for the future. The inviting, open layout ensures customers quickly feel at ease. Customers can discuss their financial matters with complete discretion in private meeting rooms.

Most cash transactions can be handled quickly and efficiently at our ATMs, even outside branch opening hours.

All customers, whether individuals or entrepreneurs, are always welcome at the branch to receive advice or complete a transaction. The branch serves as an ideal complement to our online services, myCrelan and the Crelan Mobile app.

## With us, customers can feel confident and secure.

We continuously update our state-of-the-art systems to ensure the security of our bank branches. This enables us to welcome customers into a safe environment. Cameras, electronic security systems and a continuous focus on employee vigilance are key components of this approach. In 2024, we prioritised improved lighting in our reception areas during opening hours to promote a sense of security and comfort.



## We are easily recognisable to our customers



The new logo, our brand identity since 2024, will be visibly integrated into our branches' branding. In 2024, most of our bank branches were updated with the new logo and modern branding. The rebranding of our façade advertising, ATM branding and signage creates a vibrant, fresh and recognisable image, while maintaining our familiar colours and company name. This project is scheduled for full completion by 2025.

The Crelan name is always prominently displayed above the entrance, clearly identifying the branch. ATMs are easily identifiable, thanks to a cash logo on the new totems that light up at night.

## Consideration for individuals with reduced mobility

The specifications for branch installations include a chapter dedicated to individuals with reduced mobility, covering people with disabilities, the elderly, temporarily immobilised individuals, children and parents with pushchairs. As a result, the vast majority of our branches are fully accessible to those with reduced mobility.

## Boosting our digital offering

### Crelan Mobile App launches new features

The new Crelan Mobile app was rolled out in stages between late 2023 and February 2024.

On 31/03/2024, the old version of the Crelan Mobile App was retired.

In May 2024, to prepare for the migration of AXA Bank Belgium's online customers, a new way of registering with the app was launched: itsme®. This means that customers can now log on to the Crelan Mobile App for the first time via itsme®.

Payconiq by Bancontact is now integrated into the Crelan Mobile app. This allows online customers using the Crelan Mobile app to pay by scanning a QR code when shopping or paying back a friend. Several millions of QR codes have now been scanned, and even bills can be paid this way.

Existing customers can now open savings accounts via the Crelan Mobile app.

Since September 2024, Crelan customers have been able to scan QR WERO codes. This is an instant European QR code. In 2025, Crelan customers will also be able to generate QR codes.

### The myCrelan and myCrelan Pro rebranding

In March 2024, Crelan's rebrand was fully rolled out across the myCrelan et myCrelan Pro home banking tools.

### Launch of the new DP772 digipass (01/2024)

The new 772 digipass, featuring patented Cronto technology, offers maximum protection against sophisticated fraud systems targeting banking, such as phishing, social engineering and trojan horses. The device creates a unique electronic signature for each individual transaction. Thanks to this new type of digipass, we have a highly secure electronic signature system that is also extremely user-friendly. Its batteries can be replaced, increasing its longevity.

### Migration of AXA Bank Belgium online customers

On 08 and 09/06/2024, AXA Bank Belgium customers were migrated towards Crelan's digital channels.

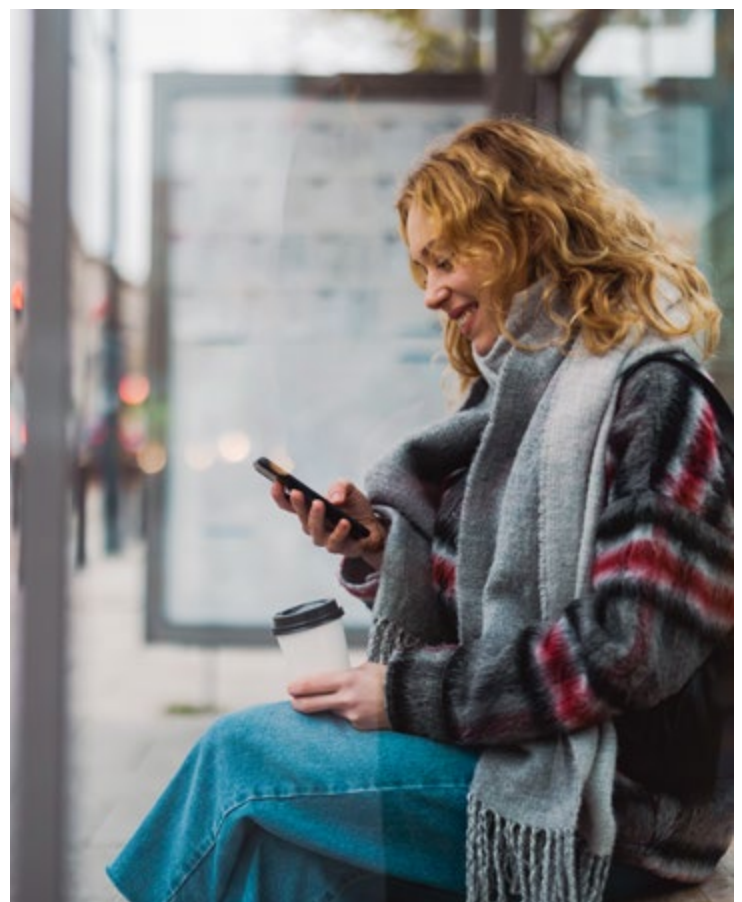
Some of these customers, selected according to various criteria (including customers living abroad) received a DP772 digipass and activation codes and were invited to register on Crelan's digital channels as of 10/06/2024.

Various other media were used to invite the remaining customers to download the Crelan Mobile App and to register via itsme® or via the AXA Bank Belgium app from 10/06/2024 onwards and take advantage of personal access to Crelan's digital channels.

### Supporting digital education

In 2024, Crelan employees took part in a number of digital education initiatives.

A far-reaching campaign aimed at senior citizens took place in Wallonia, entitled "I'm moving to online banking". Febelfin, digital public spaces (EPNs), the Digital Agency and the Public Service of Wallonia were behind this initiative. Experts at Crelan signed up for the good cause and addressed the participants.



# Staff Initiatives

At 31 December 2024, the Crelan Group had a workforce of 1719 staff members, of whom 1327 work for Crelan and 392 for Europabank.

In addition to this salaried staff in the various Group entities, Crelan's agent network has 2,608 employees working with the status of delegated agent or salaried employee of a delegated agent. This brings the total number of Crelan Group employees to 4,327.

More information on the composition and diversity of Crelan's workforce is included in the sustainability report, section B.1 - ESRS S1 Own workforce, page 156.

## Recruitment and internal mobility

In total, 127 job vacancies were filled in 2024.

Forty-six of these job vacancies were filled by internal mobility: employees within the bank opting for a new challenge to develop new skills, create variety in their careers and, ultimately, to contribute actively themselves to their own sustainable employability.

The bank also recruited 81 new employees, who began working in the various departments of the bank. Efforts made via information sessions, mentoring, training plans and socialising ensured that these new colleagues quickly felt at home in the workplace.

In addition, six young graduates were hired within the framework of our young graduates programme. They will be offered the possibility of developing their skills and familiarising themselves with our values by carrying out various tasks within our various bank departments. They are also offered the opportunity to participate in an intensive and varied training programme.

## Diversity and inclusion

In its human resources and recruitment policies, the Crelan Group strives to reflect society as a whole and promotes diversity. At Crelan, 52 % of employees are female and 48 % male. 6 % of employees at Crelan are in the 20-30 age group, 14 % are in the 30-40 age group, 21 % are in the 40-50 age group, 40 % are in the 50-60 age group and 19 % are aged 60 years old or above. As regards levels of education, 36 % of employees have a secondary education diploma, 34 % have higher vocational training qualifications and 29 % have university degrees. Thirteen different nationalities are represented in the Crelan workforce.

On 19 December 2023, the Board of Directors approved a new diversity and inclusion policy.

This policy contains a number of very specific commitments such as:

- selecting, recruiting and promoting based on merit and skills, with no discrimination based on gender, race, colour, ethnic or social origin, etc.;
- making its managers aware that everyone must be given equal opportunities for promotion and development within the company and being transparent about this;
- assessing performance and skills by means of transparent processes;
- eliminating any wage gaps between men and women;
- not allowing any conduct that sows division or confusion, or any form of intimidation or harassment;
- creating a respectful working environment in which everyone is treated with dignity and respect and in which differences are celebrated and valued;
- pursuing a zero tolerance policy as regards any form of discrimination;
- offering training and information on the importance of diversity and inclusion in our bank.

Furthermore, this policy also includes gender quotas for the following groups:

- the Crelan Circle (the management body that represents the members of the management committee and their directors and senior managers): at least 33 % women by 2027
- the Board of Directors: at least 33 % women by 2027 (40 % of non-executive directors to be women)

## Top employer: for the ninth time in a row

In 2024, Crelan again received recognition as Top Employer in Belgium.

The international Top Employer Institute granted this label to Crelan after very thoroughly screening it on its human resources strategy in the broadest sense of the term.

For example, the way in which Crelan welcomes and onboards new employees, as well career guidance, learning and development, performance, salary and company benefits, well-being and health, the digital and physical workplace, the company restaurant, the mobility policy etc. are all elements that were looked at as part of the study.

The Top Employers Institute programme certifies companies based on their participation in and results from the "HR Best Practices Survey". This survey covers six major HR fields, divided into 20 themes such as talent management strategy, working environment, talent acquisition, skills training and development, workplace well-being as well as diversity and inclusion.

The programme has certified and acknowledged over 2,300 Top Employers in 122 countries across five continents.

Every year the bar for obtaining or retaining this accolade is raised a notch higher. Here the focus is on the extent to which Crelan continues to develop as an employer and follows the latest trends and insights in the field of work in its policies.

Crelan is particularly proud to have obtained this recognition once again.

In addition, Crelan also attaches considerable importance to the opinions and experiences of its employees. This is why Crelan organises its quarterly pulse surveys. These short periodic employee surveys allow the bank to maintain an oversight of the workforce as a whole: how things are going with them, how they perceive the day-to-day working environment, and what they need in order to continue to perform to the

best of their ability. Continuous measurement of the employee experience provides excellent opportunities for our bank, for human resources and for our managers to quickly take charge of issues and to enhance our employees' satisfaction, engagement and involvement.

## Building a single HR policy

Shortly before the merger, in May 2024, Human Resources and the social partners reached a collective labour agreement on the harmonisation of working conditions and a new job classification. The aim of this agreement was to eliminate the differences between groups of employees within the bank in terms of working hours, teleworking rules, remuneration systems, cafeteria plans, prices in company restaurants, social benefits, etc.

This harmonisation of working conditions was a significant milestone for the bank and its employees. It lays the groundwork for a fair, transparent, inclusive and attractive wage policy for current and future employees.

In the second half of the year, an intensive communication campaign was conducted among employees. At the end of 2024, each employee will receive more information about his or her individual situation in the new harmonised statute that came into force on 1 January 2025. With this in mind, the possibility of converting a company car into a legal mobility budget was also introduced.

## Training

Crelan attaches considerable importance to the ongoing training of its employees. Growing not only as a bank, as a team and as individuals, but also as leaders and coaches, is a fundamental principle guiding all of the training initiatives put in place in 2024.

## Learning together

The "Learning together" project was continued in 2024. It allowed employees to find out more about the new bank applications and processes, in order to prepare for the migration in June 2024. As part of this project, together with the company's "Learning SPOCS" (Small Private Online Courses), training plans were drawn up aimed at providing optimal support to this learning process and ensuring its success.

## Leadership

Crelan fully recognises the important role of its managers in promoting growth, involvement and engagement, so investing in leadership is high on its agenda.

In 2024, the “Coaching to Outperform” training programme trained managers on how to adopt a support and coaching role in order to enhance performance, strengthen motivation and create a more positive working atmosphere.

As part of in-depth training, emphasis was also placed on collaboration, trust and the strengthening of team dynamics.

Thanks to the ‘Start to lead’ programme, new managers are able to acquire the basic skills required to manage people effectively: organising and maintaining an overview, communication, decision-making, feedback, etc.

A new “team-building” programme was also launched in 2024 as well as mandatory training for all managers on inclusive leadership.

## Future skills

Employability is a key priority for Crelan. Alongside the various training sessions on technical banking matters, training sessions on soft skills, digital skills and language courses were provided.

These training sessions included the Climat Fresk workshops on climate change and how each of us can contribute to action in support of the climate, the impact of sustainability and ESG on credit intermediation, “MS Teams Collaboration” training focusing on the effective use of MS Teams for strengthening collaboration and communication within teams, and the management of stakeholders, etc.

Crelan firmly believes that the ongoing training of its employees contributes to their development and mitigates the operational risks and loss of knowledge associated with staff turnover.

## Risk and security

Crelan continually ensures its employees awareness on matters of risk and security and ensures that they are kept up to date on the latest developments in this field.

For example, in 2024, mandatory training sessions on compliance were organised and “Phishing Tool”, a new learning platform, was launched. This platform helps to raise the awareness of its employees on a continuous basis and to keep them consistently informed on the risks associated with phishing.

## Well-being

Since 2022, bank employees have been able to work on expanding their mental resilience via the Mindlab online platform. This initiative was continued in 2024.

At the beginning of 2024, the bank also launched an employee assistance programme called Care4U. This programme allows staff and their family members (living in the same household) to access professional support from **clinical psychologists and specialist advisers** on a 24/7 basis. This programme consists of 4 components: an emotional component (for problems at work or personal problems), a practical component, a coaching component and a component specifically for managers.

## Cohesion between employees

Crelan takes and promotes various initiatives to strengthen cohesion between employees.

## Together@Crelan

Together@Crelan is an initiative through which the employees of Crelan volunteer to organise cultural and recreational activities for their colleagues and their families. For example in 2024, a day out in Ostend, a day out in Walibi and a visit to Brussels were organised as part of this initiative.

## Young@Crelan

Young@Crelan is a networking initiative aimed at Crelan employees up to the age of 36 allowing them to get to know each other better. This association of young employees also organises fun and instructional activities for all age groups of the bank’s employees: a welcome breakfast meeting for new employees, handing out ice cream in summer, and inspiring events aimed at all employees, such as an event relating to artificial intelligence and its impact on the banking world organised in December 2024.

## SMILE

Since 2022, Crelan has been organising its monthly SMILE events. These events are afterwork activities organised by a different department of the bank each time, for a good cause. Through this initiative, employees can meet up in a less formal environment.

## Team-building

Each team at Crelan has the opportunity to organise a team-building activity once a year. An opportunity to strengthen social interaction and to exchange knowledge.

## Vikings@Crelan

The aim of Vikings is to promote sport and team spirit between employees. This initiative allows the bank's employees to take part in a sports activity organised during lunch breaks or at the end of the working day. Crelan employees can also propose sports activities themselves for employees to participate in.

## Sustainable mobility policy

Crelan strives towards a green and sustainable fleet of cars and works actively to reduce CO2 emissions.

Consequently, since October 2023 Crelan has made only electric cars available.

To facilitate this transition, Crelan has undertaken a number of actions to help employees in the move to EVs, for example, by part financing the installation of a home charging system, aligning reference budgets for company cars with a wide range of EVs and introducing a Green Fleet Bonus. With this in mind, the possibility of converting a company car into a legal mobility budget was also introduced.



# IT developments and projects in development

## Finalisation of the merger, integration and migration project

Of course, 2024 was largely dominated by the integration and migration of AXA Banque to Crelan, finalised in June 2024. This large-scale project was meticulously prepared by, among other things:

- upgrading the majority of Crelan applications that will make it easier to welcome AXA Banque customers and agents, namely: the new Mobile Banking application, the new portal for accessing banking applications in bank branches, the new application for granting consumer credit in branches, etc. ;
- the development of data migration solutions, which were then tested using simulation exercises from the second half of the year. Numerous tests were carried out to validate the migration rules.
- consolidating the maturity of the development, testing and project management methodology.
- No fewer than 8 repetitions of the migration scenario.

## A safe and stable banking environment

Crelan not only pays constant attention to the qualitative extension of its IT environment, it also pays permanent attention to its security.

In 2023, the bank launched an **IT quality programme** aimed at optimising the stability and performance of the IT services provided to employees and customers. The focus here was on offering greater stability of systems and applications, further reduction of the number of critical incidents and faster resolution of those that arise. In the context of a wide-ranging, continuous and constructive approach, various actions

were undertaken as regards processes, personnel and infrastructure. A quick look at some of the initiatives:

- In terms of processes, those for incidents and changes were recorded in greater detail and reinforced. At the same time governance of and communication with our main suppliers was strengthened.
- As regards support, the service desk/user care unit was improved, among other things with a new telephone system. The aim here was to reduce waiting times and capture, handle and resolve incidents faster. Transversal cooperation was also defined more precisely so that problems can be resolved more quickly and the associated communication be carried out more efficiently. From now on, new releases will have extra tests for and by bank agents as planned, inbuilt phases.
- In terms of infrastructure, crucial vulnerable IT components were renewed, the Citrix environment was stabilised and continuous monitoring put in place.
- The adaptation and roll-out of new firewalls, elimination of the 'technical debt' (ILR/ALR: Infrastructure and application life-cycle refreshment) and the introduction of an IT Security roadmap.

In parallel with these priority activities, the IT department also cooperated on the following projects:

- the roll-out of the new MiFID legislation in the systems and the strengthening of SEPA cross-border transaction screening.
- Implementation of the new Crelan brand identity

## Designing the workstation of the future

In the context of the 'new way of working' project, our IT colleagues rolled out the new workstation, both in the head offices and in the agencies.

The introduction of the new Citrix environment was completed, bringing appreciable improvements in

response times for users and allowing the environment to be further secured.

At the same time as regards collaboration, Microsoft Teams was implemented so as to be able to work together simply with both internal and external colleagues in teams.

A new intranet for the head office and the agents network was designed and implemented.



## Portfolio management

In an environment marked by increasing uncertainties, prudent management of the investment portfolio constitutes an essential pillar for ensuring financial stability.

Management is based on a framework of strict limits aimed at striking a balance between the search for returns and risk management, while respecting prudential requirements and defined strategic objectives.

Asset diversification is a major line of defence.

As part of prudent management, investments are only made in highly liquid bonds (level 1HQLA). These assets provide an optimal combination of security, liquidity and resilience in times of financial stress. These liquid assets make it possible, if necessary, to meet temporary cash requirements, but also to protect against market risks thanks to their low volatility and their high credit quality.

An aerial photograph of a two-lane asphalt road winding through a dense green forest. A single white car is visible on the road. The road is bordered by a dark blue body of water on the right side. A large, stylized green graphic overlay is positioned in the lower-left quadrant, containing white text.

**Crelan Group,  
a secure  
banking group**

Various departments within the group are responsible for risk management. Below is an overview of the most important activities which ensure that Crelan Group is and remains a sound banking group.

## General Risk Management

Risk Management focuses on various specialisations:

- identifying, measuring, monitoring and controlling credit, financial, operational and IT security risks;
- providing advice on all major loan files;
- developing and validating internal models used for the IRB (Internal Ratings-based) approach, IFRS 9 Financial Instruments, interest rate risk management, etc.;
- drafting, coordinating and validating regulatory reports such as ICAR (Internal Control Annual Report), ICAAP (Internal Capital Adequacy Assessment Process), ILAAP (Internal Liquidity Adequacy Assessment Process), the Recovery Plan, the Pillar 3 report, etc.

The bank has set up several internal risk committees in order to organise risk management as effectively as possible. These risk committees monitor credit, financial, operational (including permanent audits) and IT risks, as well as entity-related risks.

The bank has also implemented a Risk Appetite Framework that takes into account a number of key indicators for the solvency, liquidity, profitability and other parameters of the credit portfolio. Compliance with limits is checked quarterly, at a minimum.

At the beginning of 2022 the energy crisis took over from the Covid-19 crisis. This has partly resulted in geopolitical conflicts which have impacted the macroeconomic situation. Accordingly, the bank undertook various analyses to be able to assess the possible impact on the financial situation of any credit losses, such as:

- identification of potential risk cases in the professional and agricultural segments;
- analysis of retail customers' repayment capabilities;
- assessment of the impact based on the ECB stress test.

At the end of 2024, the bank still had a sound loan portfolio and the impact of the energy crisis remained limited. Even so, we opted for a prudent policy, and at the end of 2024 the bank made adequate provisions to cover possible risks.

In 2024, the bank continued to devote much attention to the planned integration of Crelan with AXA Bank Belgium, which was successfully completed in June 2024. After the migration our focus shifted to after-care and initiating a transformation plan.

## Credit risk

Crelan manages credit risk on the basis of both its credit policy and the separation of functions in the credit activity. This involves, various committees monitoring risk appetite.

The authority to grant loans is divided between the Management Committee, the Credit Commitment Committee and individual credit managers (consistent use of the "four eyes" principle) in line with specific credit outstanding and customer rating levels.

The Credit Monitoring Committee is responsible for managing credit turnover, including loans on the 'credit watch list', while the Loan Provisioning Committee is empowered to place customers into 'qualitative default', to determine and apply impairments, to cancel loans and to write off debts.

Credit limits are updated annually as part of the evaluation of the Bank's overall credit risk and are approved by the Risk and Compliance Committee and the Board of Directors.

Credit risk is managed using rating models that assign a score to each loan customer. This customer rating is decisive in the granting and management of loans. The performance of these models is regularly monitored and the results are validated and approved by the Lending Risk Committee (LRC).

An independent opinion from Risk Management is required for any file falling under the authority of the Credit Committee and/or the Management Committee.

As is the annual practice, the credit policy was updated in 2024 and validated by the Board of Directors following the opinion issued by the Risk and Compliance Committee.

## Interest rate risk, liquidity risk and market risk

A centralised system monitors the financial risk for all banking entities of the Crelan Group. This ensures that the group structure is further strengthened through financial risk monitoring and that all entities are operationally integrated into the Group's financial policy and risk monitoring.

Within the bank, BSM (Balance Sheet Management) is responsible for monitoring the interest rate, option and liquidity risk. This department develops models for

identifying, analysing, monitoring and reporting these risks. Risk Management, in turn, validates these models.

The interest rate risk is hedged with financial instruments such as interest rate swaps, caps and swaptions.

Risk Management monitors both the internal fixed-income gap as well as the regulatory reporting of interest rate risk.

The responsibility for the management and reporting of financial risks as well as the monitoring of the limits in force lies primarily with the various business lines. Risk Management is responsible for the second-line control of these financial limits by independently validating the data reported by BSM. This is how Crelan aims to exclude errors in reports for the regulatory authorities, the Balance Sheet Committee, the Management Committee and the Board of Directors.

In 2024, the ECB carried out an inspection of the Crelan Group's interest rate risk management. Following this inspection, the ECB made a number of recommendations for which the bank has drawn up an action plan.

## Operational risks

The activities of the Operational Risk Management are focused on the management of operational risks and associated potential losses. These risks relate both to internal operations as well as those of external parties. Possible causes include inadequate or failing processes, human error and system disruptions.

Accordingly, the team collects and analyses the data from operational incidents, monitors the risk indicators and performs the risk assessment. It also ensures that there is a strong internal control framework for the bank's various processes and that these frameworks undergo frequent, independent tests to ensure their effectiveness and correct functioning.

This internal control framework is based on the guidelines established by the Operational Risk Management and is aimed at:

- describing the processes using flowcharts;
- identifying the inherent risks and existing controls;
- recognising the residual risks;
- developing appropriate remedial measures for the identified risks.

In 2023, Operational Risk Management paid extra attention to the management and supervision of the use of End-User Computing (EUC) and Vendor Risk Management (VRM) within the bank.

## IT security risks

The financial sector remains a target for cybercriminals. The bank has is obligated to continuously monitor threats and to anticipate possible abuse.

In 2023, the IT Security Management team focused on strengthening the basic cybersecurity hygiene and maintaining the bank's security maturity after the integration of Crelan and AXA Bank Belgium.

The Security operation is divided into two levels: a first line that devoted to operational monitoring and a second line that deals with defining risks, developing policy and implementing controls. These controls are strengthened by establishing a security control- and compliance framework.

Crelan continues to maintain internal awareness of (cyber)security through continuous security training at head offices and across the agent network. During European Security Month, the IT Security Management team organised a 'Security Day' featuring external speakers and demos aimed at making the culture of security directly tangible. These initiatives will be continued through 2025.

As part of a continuous improvement programme focusing on increased measures and monitoring, the bank's infrastructure was made even more secure through a variety of projects. This programme also focuses on electronic customer services and on raising customer awareness about secure banking.

The agreements with suppliers regarding the security of, among other things, protection of personal data and outsourced activities were further strengthened and closely monitored.

These elements are self-evidently subject to repeated checks by the first, second and third lines of defence.

Various checks and tests were carried out as part of the continuity policy. Adjustments and improvements were made wherever necessary. In 2025, these activities will be extended, not least in light of European DORA regulation.

Finally, Crelan has continued to invest in preparing the bank's future infrastructure and organization in preparation for the integration of AXA Bank Belgium. These projects naturally incorporate forward-looking security from the outset, under the watchful eye of the second line.

## Recovery plan

Crelan has drawn up a Recovery Plan in accordance with regulator recommendations.

Based on EBA guidelines, the bank has established several risk indicators in the areas of solvency, liquidity and profitability. Warning thresholds and a critical recovery threshold have been defined for each indicator, so that recovery options can be implemented in the event of overshoot.

The bank developed five scenarios for this: solvency crisis, liquidity crisis, a mixed scenario, a specific IT security crisis and a scenario with an impact on the leverage ratio.

Crelan defined a list of possible recovery options for such scenarios, which can be activated quickly and, if necessary, simultaneously.

In each of these cases, the envisaged recovery options enable the Group to exit the danger zone.

## ICAAP/ILAAP

The goal of these reports is to determine whether the bank has sufficient equity and liquidity, which is the case.

The bank's equity allows it to withstand and any risk arising from its activities and its liquidity position is well above the statutory minimum, enabling it to withstand stress scenarios.

Crelan Group approaches the adequacy of the capital and liquidity position from both the regulatory as well as an economic (internal) points of view. Furthermore, the Bank clearly defines its capital and liquidity strategy and the minimum requirements that it must meet in both normal and stressed market conditions.

Crelan Group can conclude that it has both a strong liquidity and capital position.

## Data management

The bank has initiated a large-scale project for establishing and implementing group-wide standards for aggregating risk data and for reporting all material risks at group level.

In addition, the bank has also defined its long-term strategy in 2024 in order to improve the structure of the data architecture model by means of a single data lake, including an integrated data dictionary, a metadata repository, a data taxonomy and the intended infrastructure for data architecture.

## Data protection

The role of the Crelan Data Protection Office is to develop data protection policies, monitor their application and advise the organisation. Also in 2024, Crelan took further steps to protect personal data in order to continue to earn the trust of our customers and other stakeholders. The Data Protection Office also keeps track of data protection risks, such as the risk of fines and reputational damage, that follow from non-compliance with laws, regulations and standards.

The various privacy statements including cookie messages were thoroughly redesigned in order to provide optimal transparency to customers, Crelan agents, employees or other data subjects whose personal data Crelan processes.

Crelan further relies on the approach to integrate privacy into the bank's culture and processes. On the one hand, Crelan continued to focus on maintaining and improving employee competencies and vigilance. This was achieved through a broad approach involving e-learning, targeted training modules, awareness messages and intranet publications. On the other hand, further steps were taken to achieve conclusive governance, ensuring that the Crelan Data Protection Office is involved wherever processes, projects, adjustments or actions are set up with an impact on personal data.

The privacy framework was also further strengthened with more thorough checks to ensure that all GDPR requirements are adequately checked off. This is also important to demonstrate our GDPR compliance.

## Compliance

### Prevention of money-laundering

Following the migration carried out in June 2024, the data of former AXA Bank Belgium customers have now been integrated into Crelan's control framework relating to the fight against money laundering and the financing of terrorism, as well as the screening of potential violations of sanctions and embargoes. Compliance is continuing its long-term project aimed at making this control framework future-proof through extra technological developments.

### Training and awareness-raising

Just as in previous years, the Compliance department has implemented several training and awareness-raising initiatives. In addition to training courses focusing in particular on market abuse and insider trading,

Compliance has organised training courses to refresh knowledge on certain themes such as money laundering, the financing of terrorism, sanctions and embargoes and conflicts of interest. Employees in the head offices and the branch network were required to complete this training within the time limits set.

In addition, the monthly Compliance Newsletter, intended for employees and the branch network, covers various topics related to Compliance and developments in this field.

Finally, the Compliance department benefits from the support of a network of Compliance correspondents distributed across all other departments of the bank.

## Investor protection

Measures for investor protection and the associated control framework were further strengthened in line with regulatory expectations.

Following the migration, the strategic asset allocation - which aims to verify that the composition of clients' investment portfolios matches their investor profiles - was rolled out in Autumn 2024 to all investor clients within the bank.

## Internal audit

The Audit Charter describes the overall mission and values of Internal Audit. The roles and responsibilities contained in the Audit Charter and the Audit Committee Charter are in accordance with the law on the statute and supervision of credit institutions and listed companies and are approved by the Board of Directors.

Internal Audit independently provides reasonable assurance - to both the Board of Directors, through the Audit Committee, and the Management Committee - on the quality and effectiveness of internal controls, on risk management, and on the bank's corporate governance systems and processes. In doing so, it gives advice on improvement and thus creates added value. The head of Internal Audit reports to the chairman of the Audit Committee.

The scope of Internal Audit covers all of the Group's activities.

The tasks carried out by Internal Audit in 2024 covered various areas: including IRB credit models, compliance, credit, IT, etc. The integration of AXA Bank Belgium also formed an important point for attention, with the corresponding audit assignments.

Internal Audit also carries out the follow-

up of corrective actions. The status of audit recommendations is periodically monitored and reported both to the Management Committee and to the Board of Directors through the Audit Committee.

## Network inspection

The Inspection Department, which is divided between the agencies and the head offices, monitors the proper functioning of the independent agencies by collecting information at various levels. This information allows it to check whether the agency's management is in accordance with the Bank's requirements.

To this end, a team of inspectors from the agencies carries out unannounced checks in the agencies, during which the following elements, among others, are examined: the correctness of the available funds, the completeness of the office administration, the processing of accounting documents, the observance of compliance and other regulations, the processing of loan files, checks on compliance with legal provisions, and supervision of compliance with the security instructions laid down by the Bank.

Furthermore, the inspectors also visit the agencies to carry out one-off cash checks, checks on safes, and specific ad hoc checks or so-called theme inspections.



In the context of the strategic 'office of the future' project, the inspectors work closely together with the Network Transformation Team (Handover) to prepare the stoppage and/or takeover of a PoS and carry it out in situ.

In 2022, Inspection started by setting up a harmonised inspection model for AXA Bank Belgium and Crelan. This model is based on three control pillars: the administratively correct functioning of the agency, the financial solidity and compliance with essential agreements between the bank and its mandated agents. This harmonised inspection model was completed and validated in 2023.

In consultation with the Network Management team (Commissions), Inspection worked out a single framework whereby the administrative findings and failure to comply with codes of conduct in general may have an impact on the agent's management commission. Findings by the Inspection service and special investigations with atypical findings as a result will create an internal score, which will have a financial impact for the agent in accordance with validated scales. These results are de-coupled from the Crelan Charter and the agent's financial health.

Furthermore this model provides for periodic basic checks (BCT) on the head office, checks on cash management, confirmation of balances, checks following hold-ups, follow-up checks and SOIs (preventive).

Checks on agents' financial health also belong to this model. These last-named include very specific matters such as prior screening of and opinions on candidate agents and candidate agency employees. The handling of complaints involving an agent or agency employee is also closely examined in consultation with the Investigations team.

Inspection is and remains responsible for the coordination, elaboration and updating of the Crelan Charter, which contains the main agreements between the Bank and the independent agencies. This Charter currently forms part of a total review, whereby the focus is above all on raising our agents' awareness. Agreements with all areas of the Bank are listed to ensure proper cooperation between the agent and each area of the Bank so that, on the one hand, the legal and regulatory provisions are respected and, on the other hand, customers are served correctly and efficiently. The intention is to obtain a global quality picture of our agents and to have each area take responsibility for elaborating first line controls.

The so-called quality model of the Inspection Department manages the frequency of audits and the nature of investigations and inspections. The results of the investigations provide a risk score according to four categories of risk, from low to high. This risk score is allocated to each agency on the basis of elements which correspond to the above-mentioned pillars of the harmonised control system: only administrative and accounting accuracy have an impact on commission.

The other pillars, such as financial health and the observations on the Crelan Charter by all areas, give an overall picture of the quality of our agent.

The Committee for Monitoring of the PoS Quality Model (COP) initially follows up on the findings of the various checks and then determines the exact remedial actions required in response to any potential alerts. The COP also deals with complaints when the agent's involvement is questioned and discusses any report of an identified anomaly by another directorate to decide on the appropriate action to be taken with respect to the agent.

If the decision-making authority is exceeded, or in the event of findings that require cross-domain treatment, the COP refers the dossier to the Mediation and Advisory Committee (MAC), which has greater decision-making authority. The MAC is composed of two members of management and representatives of Compliance, Commercial Division, Legal, Loans and Inspection. The results of the discussions in the MAC are reported to the Management Committee.



# Crelan, a cooperative bank

# Being a cooperative bank is in Crelan's genes

Crelan is a Belgian cooperative bank, which focuses on core banker tasks. This means that it uses the funds entrusted to it by savers and investors to provide loans to private households and entrepreneurs in Belgium. In other words, Crelan derives no income from speculative transactions or foreign investments, but fully supports the local initiatives of its customers.

Crelan has a long cooperative history, dating back to the sixties. The cooperative philosophy is in our genes and we apply cooperative principles to the way in which we practice banking, in our relationships with our cooperative members, our customers and employees, as well as in our social engagement.

In addition to having a cooperative background and operation, Crelan naturally has a cooperative structure, through its shareholder CrelanCo, which is a cooperative company. Crelan is not therefore listed on the stock exchange but owned by 296,751 customers who have become cooperative shareholders of CrelanCo. As with any business, it aims to develop and create added value, while continuing to put the interests of its cooperative shareholders and other stakeholders first. The decision-making headquarters of our banking group is located in Belgium. The Crelan Group's decisions thus take account of local wishes and needs, are focused on the long-term and are rather conservative, with a view to fulfilling its duty to safeguard the interests of the bank, its employees, its customers and its cooperative shareholders.

The bank uses the profit that it makes to pay a dividend to its cooperative shareholders, to provide its cooperative members with benefits and to reinvest in its future and growth. In keeping with its cooperative ethic, the bank also reserves part of its profits to support social projects and to give something back to society.

The cooperative identity is one of the most important strategic pillars for the bank. Consequently, the bank has created a dedicated division which focuses entirely on this cooperative strategy and on implementing its cooperative engagement towards its cooperative members, society and sustainability. This division operates under the leadership of a Chief Cooperative Bank Officer, who reports directly to the bank's CEO.

## The heart of Crelan: our 296,751 cooperative members

There are 296,751 of them – the cooperative shareholders who have subscribed to cooperative shares in CrelanCo. As investors in the future of the Crelan Group, they form the core of our strategy and as such they are centre-stage in our daily operations.

For many years, the bank has been offering an exclusive package of benefits and services to its cooperative shareholders. For example, they are offered discounts on their banking products at Crelan and enjoy a wealth of benefits from external partners thanks to our CrelanCo Deals. Thanks to CrelanCo Connect, they can participate in a number of sporting, cultural and family events. In May, for example, we participated in the Brussels 20 km run together with over 300 sports enthusiast members. This year, cyclo-cross and basketball enthusiasts were also able to cheer on their favourite sports heroes via CrelanCo and benefit from the CrelanCo on-site personal hospitality experience. In September, we organised a family day for our cooperative members. This event brought together 2000 people in the magnificent setting of the Pairi Daiza park. Lastly, we have put our amatEUR photographers "in the picture" both literally and figuratively speaking, thanks to our annual photo competition. In fact, the photos that feature each year in the Crelan calendar were all taken by our own cooperative members.

This is our way of thanking our cooperative members for their financial commitment as shareholders, in addition to the annual dividend. And we wish to go further than that as regards the involvement of the cooperative shareholders. Through our monthly newsletters and through the section dedicated to cooperative shareholders on our website, we strive to actively involve them and inform them firsthand about what "their" bank does.

In order to make this cooperative engagement tangible, we also strive to establish a cooperative culture in the head office, specifically by translating our cooperative values into daily rules of conduct. It is our ambition to instil these values in all employees of the head office and the network.

Thanks to this cooperative engagement, we strive to improve the satisfaction of our cooperative shareholders, because this is our priority.

## A sustainable social commitment via our CrelanCo Foundation

As a cooperative bank, Crelan also aims to actively contribute to a better, stronger and more sustainable society. With this objective in mind, the bank created the “CrelanCo Foundation”, an initiative that provides **financial support** to **associations, good causes** and socially relevant and sustainable projects. The CrelanCo Foundation consequently supports projects that contribute to one of the three following objectives:

### → To promote an inclusive society

An inclusive society secures a place for each of its members. Because diversity and respect for others enhances the richness of our society. The CrelanCo Foundation consequently supports its cooperative members through projects aimed at combating poverty, thanks to the organisation of activities integrating disabled persons and able-bodied persons or through aid for disadvantaged persons or senior citizens, etc.

### → To promote a sustainable and environmentally friendly society

The climate, nature protection, recycling, greenhouse gases, mobility, etc. All of these subjects make the headlines. Protecting nature and the environment is a means of preserving life on earth for future generations. The CrelanCo Foundation also supports projects that contribute on a local level to this global challenge.

### → To promote education for equal opportunities

Education is essential for reducing poverty, promoting equal opportunities, raising the standard of health, promoting social development and advancing peace and stability. This is why the CrelanCo Foundation supports projects that promote access to information, learning for all, knowledge transfer and the sharing of scientific advances that move our society forward.

## A local commitment for and by the cooperative members



Many of our cooperative shareholders are personally involved in associations, good causes and local projects. In order to encourage them in their societal engagement efforts, the bank supports their projects by way of financial assistance.

For example, in 2024, the CrelanCo Foundation supported 29 projects, amounting to €157,300. These projects included a rehabilitation camp for serious burn victims, support for a guide dog for the blind association and a Repair Café.

Since September 2024, the cooperative members have also provided input and were involved in the selection process of projects chosen by the CrelanCo Foundation.

Three selection committees, 2 in Flanders and 1 in Wallonia-Brussels, consisting of cooperative members living in the region in question, meet up twice yearly to make a decision on the chosen projects and the allocated financial support. These cooperative members include Crelan banking staff, the bank's head office employees and cooperative customers.

## A national commitment for future generations

CrelanCo Foundation also operates on a national level. Since 1 September 2024, the CrelanCo Foundation has been supporting ClassContact and Bednet. Both associations offer the possibility of online distance learning for students that are unable to go to school, whether this is for long periods or on a repeated basis. The choice of ClassContact and Bednet is consistent with the objective of CrelanCo Foundation to promote knowledge and development and to support social inclusion.

## University chairs to support the sustainable transition in agriculture

The agricultural and horticultural sector is currently faced with a number of challenges, and the future of this sector depends on how it manages to deal with these challenges. Academic research on innovation and sustainability is essential in this respect, as well as knowledge sharing. For this reason, CrelanCo Foundation also finances chairs in two leading agricultural engineering faculties in Belgium. This initiative moreover falls within the cooperative principle of education and our ESG objective in support of the sustainable transition in agriculture.

- **UGent:** the Crelan Chair for innovation and sustainable agriculture at the University of Ghent (UGent) has existed since 2015. With its strong social commitment, it aims to maintain a continuous flow of knowledge to the people concerned in the various fields.
- **Gembloux Agro-Bio Tech – the University of Liège (ULiège):** the Crelan Chair has been active since 2017 and focuses on the sustainable transition in agriculture. It aims for a collective dynamic among scientists and stakeholders from the agricultural sector through reflection and co-creation of knowledge.

Together, the CrelanCo Foundation and the chairs thus undertake to promote practical solutions for a sustainable transition in agriculture. Also, increasing the involvement of farmers and young people in this context is a goal that we share.

Commitment to the agricultural and horticultural sector

Crelan is the historical and privileged partner of the agricultural and horticultural sector. The bank was founded in 1937 as the National Institute for Agricultural Credit with the aim of supporting this sector and help it to flourish. As early as the 1960s the bank opted for the cooperative approach. Since 1990s the bank has consciously chosen to diversify towards retail and business customers, while maintaining and reinforcing the privileged relationship with its historical target group.

Today, our articles of association still stipulate that two representatives of the agricultural organisations must sit on the Board Of Directors of CrelanCo.

The focus on the agricultural and horticultural sector is reflected in three areas within Crelan.

### a) Banking services and advice for the agricultural sector

Firstly, we offer specific products and services for this customer group. Our knowledge and expertise of the sector uniquely positions us to respond to the needs that we know all too well, and to offer specific flexibility (e.g. drought loans), where needed. Today, the bank has various agricultural experts, both in branch offices as well as at the head office. Agents who have acquired the requisite knowledge can earn the title of 'Business Banker Agri' by following training courses organised for the purpose. This also helps agricultural customers be aware of which office to contact for a specialised advice.

### b) A partner for trade fairs and sector associations

Secondly, as a bank with a passion for agriculture, we are also the expressly named partner of a number of important agricultural events across the country. For example, in 2024 Crelan was the main partner of the most important open-air agricultural fair in the country, 'Foire de Libramont', for the 48<sup>th</sup> time. This fair is a festive event for the sector but also the place to be for the families, politicians and policy-makers, as well as the general public. For the occasion, Crelan also organises thematic guided tours of the fair in order to share knowledge of the specific elements of the agriculture such as robotics, viticulture, etc., as well as hosting a cooperative breakfast at the cooperative stand. Of course, the Libramont fair with its 200,000 visitors is a wonderful opportunity to enhance the visibility of the cooperative philosophy; something we are also keen on doing as a cooperative bank.



In addition, Crelan is also a partner of various other agricultural fairs such as the Agridays in Ravels, the Agridays in Tournai, Agro-Expo in Roeselare, 'Foire Agricole Battice, Agriflanders, the Werktuigdagen (machinery fair) in Oudenaarde, etc. This is how we are stimulating knowledge transfer and supporting industry events.

Moreover, Crelan supports a number of important agricultural associations through which it supports the interests of this sector. For years, the bank has also been the partner of ABS ('Algemeen Boerensyndicaat') and the FWA ('Fédération Wallonne de L'agriculture'). In 2024, the bank also announced a renewed partnership with FJA ('Fédération des Jeunes Agriculteurs'). This initiative reinforces the capacity of Crelan and the FJA to support the establishment of young farmers and, more generally, to position itself as the advisory structure for all farmers. The FJA is particularly well-known as an agricultural union and primarily defends and represents the interests of young farmers at various policy levels. The FJA also shares specialist agricultural expertise with Crelan.

### c) Commitment to sustainable innovation in agriculture

The third, and certainly not the least important area in which Crelan is active and wishes to play an increasingly important role in the future, is the area of the sustainable transition in agricultural. A transversal working group has been set up within the bank for this purpose: 'Agriculture, Sustainability & Innovation'. This working group forms part of Crelan's cooperative vision, whereby the bank takes up its social role and, in particular, aims to contribute to a liveable, green and sustainable world for the present and subsequent generations.

Crelan believes that the agriculture and horticulture sector is crucial in this respect, and that it can act as a catalyst for sustainable innovations.

The Agriculture, Sustainability & Innovation working group considers initiatives and projects for helping our agricultural customers with their sustainable transitions, as well as how the bank itself can also play an active role in this.

This includes our Chairs (mentioned above) as well as our support for ILVO, the Research Institute for Agriculture, Fisheries and Food. Thanks to the partnership with ILVO, Crelan focuses on knowledge sharing regarding agriculture and climate through newsletters, (climate) study days and customer events.

Crelan also actively engages in discussions with agricultural customers regarding sustainability, in order to find out about what is happening in the sector and how Crelan can provide support. During the study days Crelan organises for its agricultural customers, it also shares knowledge on sustainability initiatives in the agricultural sector.

## Microfinance through incofin

Since 2015, Crelan has been working with Incofin through a stake in the fund's capital. The Incofin fund grants financial resources to microfinance institutions in Third World countries, which are selected, among other things, on the basis of their impact on the social development of the disadvantaged local population. The microfinance institutions use these resources by granting 'micro-credits' to small-scale local projects. In this way, Incofin makes an important contribution to the economic development of Third World countries and ensures that its funds are well spent.

## Youca Action Day: one day as a banker for a charitable cause

On Thursday 17 October, around 15,000 students from secondary schools in Brussels and Flanders spent a day working for a charitable organisation. 17 of them were with Crelan.

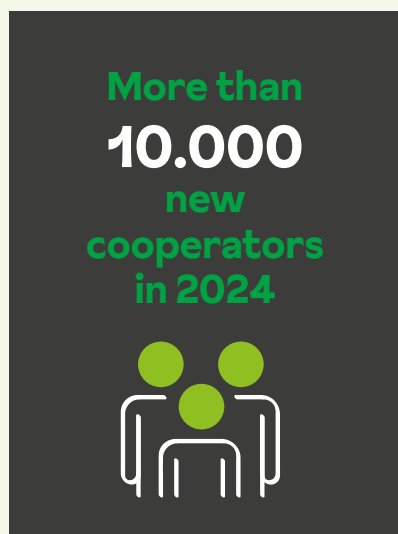
Using our well-known Money-Poly game and an interactive programme, they were challenged to learn more about Crelan as a bank and its cooperative DNA. Together they managed to solve 10 thinking and doing challenges for charity, and their salary, €960 in total, went entirely to projects aimed at supporting committed young people worldwide in Senegal and Belgium.

## The Annual General Meeting of cooperative shareholders

Each year, the cooperative shareholders are convened to CrelanCo's Annual General Meeting. In 2024, it was held on 25 April. In addition to the official topics of the statutory part of the meeting, a number of important subjects for our cooperative shareholders

were discussed, such as the announcement of the dividend of 4.25% for 2024 and the presentation of projects supported by the CrelanCo Foundation. The cooperative members were also given the opportunity to ask questions relating to the bank's operation and current events. By way of conclusion of the meeting, renowned business economist and author Geert Noels offered a few educational insights into the power of loyalty and how it relates to cooperative banking.

# CrelanCo in a few figures



To find out more about cooperative banking, see section B.3 - Entity specific topic: Cooperative Banking in the sustainability report, pages 188 to 198.

## Most important risks and uncertainties

The **implementation risk of the Integration & Migration (I&M) programme**, which aimed to integrate AXA Bank Belgium into Crelan and migrate AXA Bank Belgium's data to the Crelan environment, has been eliminated following the successful migration in June 2024. The bank is now focused on providing aftercare for the migration and ensuring the successful implementation of the transformation. Beyond a few key commercial projects (such as Fronteo residential loans and digital tools), it is crucial to dedicate sufficient resources to developing a future-oriented IT and data infrastructure, enhancing (cyber) security, as well as further optimising and industrialising AML and KYC processes.

Apart from the risks associated with the I&M programme, another significant risk for the bank lies in **its business model**. While the simplicity of the current business model offers certain advantages, it also leads to a lack of diversification. This poses a risk that unfavourable market conditions or heightened competition in key areas – such as residential loans or private investment products – could directly and significantly impact the bank's net income. The macroeconomic environment influences the bank's profitability, as it primarily targets the Belgian retail market and transforms Belgian savings into lending that supports the Belgian economy: primarily residential loans and, to a lesser extent, professional and consumer loans. In 2021, the COVID-19 pandemic created uncertainty in macroeconomic conditions, whereas in 2022, the geopolitical conflict between Russia and Ukraine ultimately contributed to rising inflation by driving energy prices higher. Geopolitical tensions remain a pressing concern in 2024, with the ongoing conflict between Russia and Ukraine and the evolving situation in the Middle East.

The impact of geopolitical conflicts on **the quality of the loan portfolio** in the medium term remains uncertain.

The importance of effectively managing the bank's liquidity position was further highlighted this year by the maturity date of the Federal Government's popular Government Bond (the State Note issued in 2023 with a one-year term). This has resulted in a competitive struggle among banks to retain existing savings and attract new ones. The Crelan Group has adequate liquid buffers and the resources to replenish these buffers, yet it remains vigilant and continuously monitors its liquidity position.

The transformation of the **Belgian banking landscape** represents a substantive business risk. Customer behaviour and expectations of their banking partners are changing. Although this is not so much a risk as a reality, the scope and speed of change remain unclear. The growing use of technology and the digitalisation of

the banking sector also necessitate special attention to information security, cyber risks and electronic security. Moreover, banks are increasingly confronted with Environmental, Social, and Governance (ESG) risks, partly due to the negative impact of climate change and the associated transition risks.

The **regulatory and fiscal framework** has a significant impact on the operations of both banks. Changes in regulations or tax regimes can have a major impact, mainly in view of our straightforward business model and focus on a limited range of activities. For example, the regulatory lower limit of 11 basis points on savings accounts or the NBB's prudential measures to raise capital requirements for residential loans have had structural effects on retail banks converting savings into residential loans. Other examples of evolving regulations or standards include the MREL requirements (Minimum Requirement for Own Funds and Eligible Liabilities), the finalisation of Basel IV, IFRS 9, EMIR (European Market Infrastructure Regulation), MiFID II, AMLD IV and V (Anti-Money Laundering Directives IV and V), GDPR, DORA (Digital Operational Resilience Act), along with potential new regulations related to central bank digital currencies.

In particular, Crelan Group is committed to a zero-tolerance approach to misconduct and compliance risks. To this end, we implement a bank-wide, multidisciplinary programme that combines training, certifications, controls as well as rewards or sanctions.

In general, risks are monitored and managed within the risk appetite framework established by the Board of Directors and in accordance with the prescribed risk governance (as outlined in the 'Crelan Group: a secure banking group' section).

An aerial photograph of a multi-lane highway bridge crossing a dense green forest. The bridge has several cars on it, including a red one and a blue one. A green graphic overlay with a white border is positioned over the left side of the image, containing the text 'Significant events after 2024'.

# Significant events after 2024

Since 1 January 2025, Crelan has harmonised and aligned the existing HR policies at both Crelan and the former AXA Bank Belgium, thus creating a transparent and market-aligned HR policy.

- 2025 is also the year in which Crelan launches its transformation roadmap, with the goal of continuing to improve and strengthen the bank in all aspects so that it can better meet the needs and expectations of its clients and banking agents.
- On 14 January, Crelan finalised the sale of its headquarters located in Anderlecht. This means that, from such date, Crelan is no longer the owner but a tenant of the building. This has no direct impact on Crelan employees. The new owner of the building is GML Estate SA, a real estate development specialist in residential and industrial projects since 1990 in Belgium, France and Switzerland.
- Bernard De Meulemeester, non-executive director, informed by letter dated 10/03/2025 to resign his board mandates with immediate effect.
- Changes are planned within Crelan's Executive Committee, effective 1 May 2025. Emmanuel Vercoustre, our current Chief Financial Officer, wishes to take on new challenges, focusing on non-executive director roles and leveraging his skills as a mediator. He has therefore decided to leave Crelan on 30 April 2025. On 1 May 2025, Pieter Desmedt, our current Chief Risk Officer, will succeed him as CFO. Tiny Ergo will become our new Chief Risk Officer.

No other significant events have occurred since the balance sheet date that would require an adjustment to the company's consolidated financial statements as of 31 December 2024, or to the related notes.





**A word  
of thanks**

On 10 June 2024, the merger between Crelan and AXA Banque became a reality. The two banks have now become one and will continue to write their history under the Crelan name.

The CRELAN Group has thus doubled in size and become the fifth largest financial group in terms of total assets among Belgian retail banks.

This merger is another important milestone in CRELAN's long and rich history.

It will enable the CRELAN Group to invest more quickly and effectively in the services it offers, because these services now reach twice as many customers.

Now, after the merger and without any transition, it is time for the transformation of the bank, an ambitious programme with a horizon of 2027. Three years to develop even better services for our customers.

Our branches have all very quickly adopted the colours of the new Crelan branding. This stage was completed

in December 2024. We are now in the process of transforming our branch network so that we have branches that bring together specialists in all the banking businesses under one roof, but that are still well distributed throughout the country.

We are very proud of the successful completion of the merger. We would like to pay tribute to the trust placed in us by the supervisory authorities, the National Bank of Belgium and the European Central Bank, who have always supported us in this ambitious project.

If CRELAN has been able to take this step, it is not only thanks to a well thought-out policy, but also to the efforts and dedication of its staff and their teams, and to the trust placed in it by its customers and cooperative shareholders.

On behalf of all the members of the Board of Directors of CrelanCo CV and Crelan NV, we would like to thank you for this.

**Luc Versele**

*Chair of the Board of Directors  
Crelan NV*

**Benoît Bayenet**

*Chair of the Board of Directors  
CrelanCo CV*

**‘No teamwork,  
no dream’.**

Patrick Lencioni

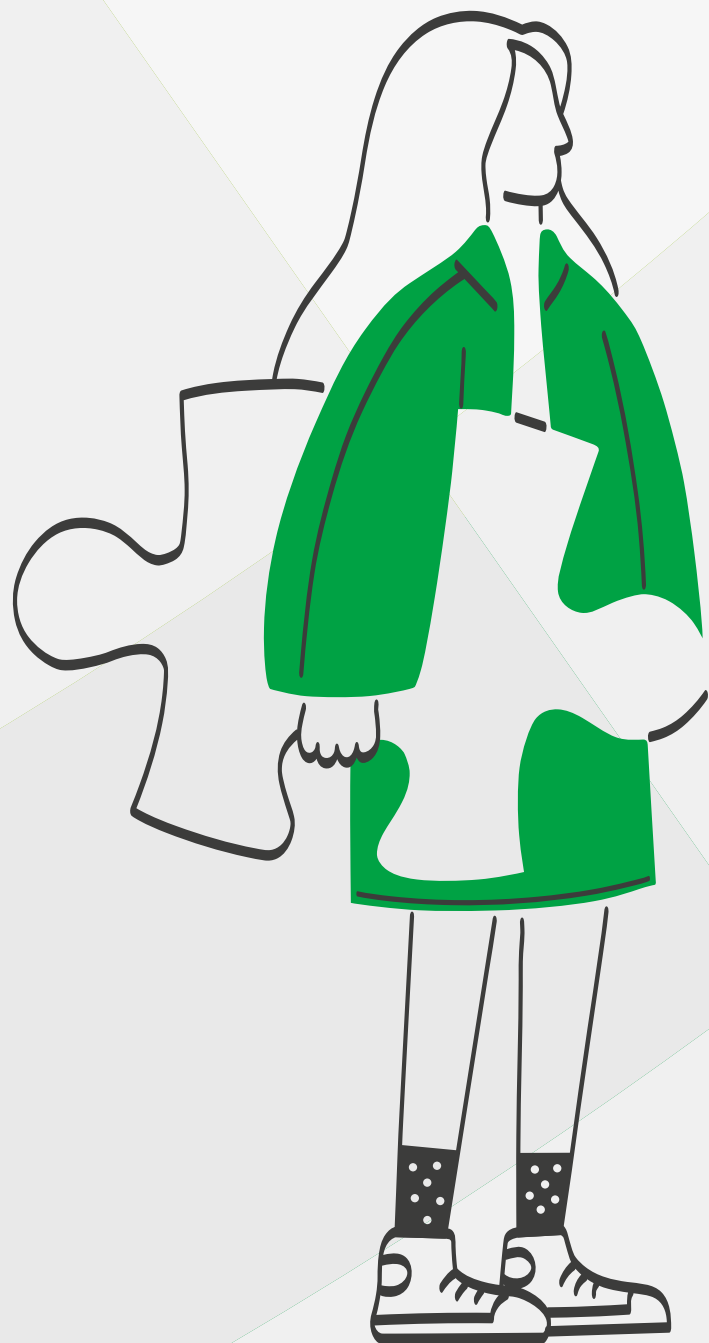
The annual report of the Crelan Group is published in Dutch, French and English.

It can be viewed at [www.crelan.be](http://www.crelan.be).

The report was produced by the General Office and Marketing & Communication departments of the Crelan Group.

For more information, please contact: Eugeen Dieltiens, Secretary-General [general.office@crelan.be](mailto:general.office@crelan.be).

# Sustainability statements



# Introduction

This section of the Annual Report (the “sustainability statements”) aims at presenting Crelan’s strategy, actions and commitments associated with sustainability topics. It has been prepared in compliance with the Corporate Sustainability Reporting Directive (CSRD) and the requirements of the European Sustainability Reporting Standards (ESRS) and aims at presenting Crelan’s approach and perspective on its role in the society and the environment. This section complements the previous sections of the Annual Report focusing on financial information.

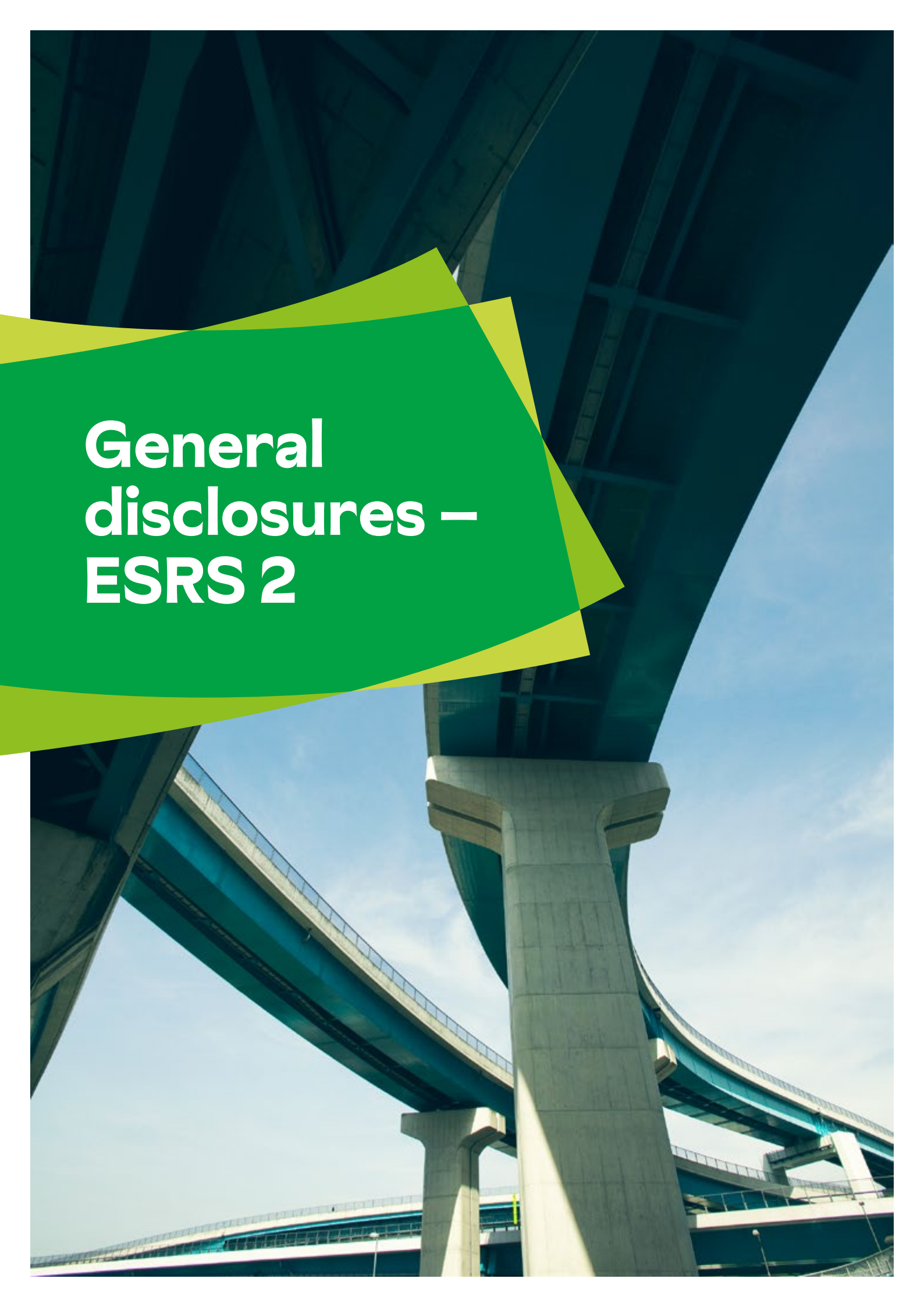
As a cooperative bank deeply rooted in the Belgian economy, ethical business conduct and respect for people and the environment is an essential part of Crelan’s activities. These sustainability statements are designed to allow readers to transparently identify Crelan’s impacts on various sustainability topics and understand Crelan’s actions and commitments taken associated to these impacts. Throughout this report, readers will gain insight into Crelan’s progress, achievements, and areas for further improvement, as Crelan continues its journey to create long-term value for stakeholders and contribute to a more sustainable and inclusive financial ecosystem.

This chapter replaces the Sustainability Report and the Climate Report that Crelan previously published, reflecting the commitment to align with evolving reporting standards and enhance the quality and relevance of its ESG disclosures. This report is based on the legislation applicable per 31/12/2024 hence does not incorporate the impact of the “Omnibus package” proposed by the EU Commission in February 2025. Crelan will adapt subsequent reporting to comply with evolutions of the legislation.

The content of this report has been elaborated based on the double materiality assessment (DMA) exercise conducted in 2024, serving as a basis to identify and prioritize the ESG topics which are material to Crelan’s business and stakeholders. The section is structured according to the following (sub-)sections:

- General disclosures, including overall sustainability strategy and process to conduct the DMA (and its outcome);
- Environmental topics, including both the topical standard on climate as well as the entity-specific chapter related to SME transition;
- Social topics, covering employees, customers as well as the entity-specific chapter on cooperators; and
- Governance topics, covering business conduct matters and relationships with suppliers.

Note that a glossary of all abbreviations used in this section is provided in *Appendix 4 – Glossary of terms*.



# General disclosures – ESRS 2

## 1.

# Basis for preparation

## Scope of consolidation

Crelan Group is a 100% Belgian bank with 100% cooperative roots. The organizational structure of the Crelan Group and its consolidation scope are detailed in section “Who are we?” of the financial statements.

The scope of consolidated sustainability statements is the same as for the financial statements. More specifically, the scope of this section includes Crelan NV, Europabank and subsidiaries. The figures reported are consolidated, unless stated differently. Likewise, the narratives presented are applicable to the whole Crelan Group unless specified differently. In the rest of this document, the Crelan Group is referred to as “Crelan”, and explicit mentions to Europabank are made when necessary.

The scope of this report covers not only Crelan’s own operations, but also the areas of Crelan’s value chain where material impacts, risks or opportunities could occur for various sustainability topics. Both upstream value chain (enabling Crelan to operate) and downstream value chain (activities related to marketing, distributing, and selling the financial products of Crelan to customers) are considered. A dedicated description of the value chain of Crelan is provided in section 3 Strategy below.

## Time horizons

When conducting the DMA and reporting on time horizons, the time intervals as defined by ESRS 1 section 6.4 were used (as they were considered as relevant), meaning:

- (a) for the short-term time horizon: the period adopted by Crelan is the reporting period in its financial statements (one year);
- (b) for the medium-term time horizon: from the end of the short-term reporting period defined in (a) up to five years; and
- (c) for the long-term time horizon: more than five years.

The resilience analysis described in chapter Environmental Pillar adheres to consistent time horizons.



## Value chain estimation and sources of uncertainty

The value chain of a banking institution like Crelan, financing a wide range of customers / activities, is complex and involves multiple stakeholders. Crelan decided to adopt a progressive approach when involving value chain actors, focusing in a first instance on the products and services for which Crelan assessed that material impacts, risks, opportunities (“IRO’s”) are most likely to arise

For these products and services, several material impacts, risks and opportunities were identified in the value chain, primarily downstream value chain via the financings granted to the economy.

To evaluate these IRO's, and report on associated metrics, estimates on value chain information were used. This primarily concerns the standard E1 – Climate, for which only partial information on the value chain is available, resulting in the main sources of uncertainty identified in this report. This concerns:

- The GHG emissions from financed activities (referring to the data points covered in the chapter Gross Scopes 1, 2, 3, and Total GHG emissions). Due to data limitations, Crelan relies on proxies in the following areas: intensity factors (use of PCAF intensity factors for corporate exposures / business loans, sovereigns and mortgage loans), use of estimated Energy Performance Certificate (EPC) scores for mortgage loans (for a majority of the exposures) and estimated surface of the properties. The use of these estimates might result in deviations between the actual and estimated reported GHG emissions, yet these proxies are considered as representative of the actual financed emissions of Crelan. The methodology used per category of scope 3 emission is clearly described in chapter A.1 - ESRS E1 Climate Change;
- The estimation of financial risks caused by transition and physical risk drivers, which rely on estimated EPC scores, as well as internal models estimating how counterparties could be affected by various scenario's (incl. physical risk maps). Since estimated EPC scores are used for a majority of the portfolio, the outcome of the results might be affected by the proxy. However, at portfolio level Crelan is of the opinion that the risk of misevaluation is limited.

In addition, Crelan used several proxies in the estimation of the material topics, due to data limitations. This mainly concerns the “other” environmental topics (pollution, water, biodiversity, waste) and the entity specific topic “SME transition” for which only limited quantitative data is available and had to be completed by qualitative / expert assessments.

Even if the information reported using these proxies provides a fair and reliable representation of the material IRO's of Crelan, several initiatives were launched to improve the accuracy of those. Notably:

- Crelan is progressively increasing the proportion of mortgage credits for which an Energy Performance Certificates is available (collected for all new credits);
- In parallel, Crelan is progressively enhancing its capacity to measure scope 3 emissions on its portfolio (refinement of proxies and methodologies);
- Finally, Crelan is investing in the development of new methodologies to better capture data on impacts and risks of its customers on various ESG dimensions (with a first focus on SME clients, as described in the chapter “SME transition”).

## Incorporation by reference

The following requirements were incorporated by reference in the sustainability statement:

- Disclosure Requirement GOV-1 – The role of the administrative, management and supervisory bodies (par. 21): the composition, description and experience of the administrative, management and supervisory bodies are described in the section “Corporate Governance” of the financial statements.

## 2.

# Governance

## Committees of Crelan: description and composition

The description of the Supervisory and Management bodies of Crelan (respectively the Board and Executive Committee / “ExCo”, and their subcommittees), as well as their composition and expertise / summarized CV’s, are provided in the section “Corporate Governance” of the financial statements. This description provides evidence that Board and ExCo members have proven experience in the sectors and products in which Crelan is active in Belgium.

To ensure that this experience of Board and ExCo remains relevant and adapts to evolving business environment, an annual “competence matrix” is created to evaluate whether gaps exist in terms of knowledge and skills, serving as a basis for the identification of necessary trainings (and / or other mechanisms of reinforcement of the bodies’ experience). Sustainability has been one of the topic (next to other topics, such as digital, governance of a cooperative bank, risk culture, conduct risk, bankers oath, economic outlook, credit policy) that triggered attention in the last years. Board and ExCo followed a dedicated training program, ensuring that the competence level in these domains was meeting Crelan’s expectations. The General Secretariat coordinates this program, which is reviewed on an annual basis.

The Nomination Committee (subcommittee of the Board of Directors) ensures sufficient knowledge on ESG topics is present at the highest level of the organization, i.e. the Board of Directors and ExCo levels.

## Roles and responsibilities of the management and supervisory bodies

Crelan’s ESG governance framework ensures that responsibilities and decision-making powers for environmental, social and governance issues are clearly defined at all levels of the organization. In addition to the Board and ExCo defined above, the ESG Steerco (as a sub-committee of the ExCo) plays an important role in terms of decision making related to sustainability topics.

The committees have different levels of responsibility regarding the management of sustainability impacts, risk and opportunities:

- The **Board of Directors** stands as the ultimate body responsible and accountable for Crelan’s sustainability performance. The Board of Directors is directly involved in the development and review of Crelan’s (ESG) strategy and its implementation. Finally, it has the final word on actions to be taken regarding ESG opportunities, risks, and impacts.
- The **ExCo** is responsible for the general operational management of Crelan, including ESG aspects. The Chief Executive Officer (CEO) is directly responsible for the Cooperative Bank Office, which integrates the ESG Office. The CEO is invited to the ESG SteerCo and delegates its chair to the Chief Cooperative Bank Officer (who has a direct reporting line to the CEO).
- The **ESG Steerco** is chaired by the Chief Cooperative Bank Officer (CCBO) and includes 13 members, such as the Head of ESG, Head of Customer Journey, Head of Risk Reporting, and Head of Green Bond Program, among others. These members represent key departments involved in shaping and implementing Crelan’s ESG strategy. It is primarily responsible for the design and implementation of the ESG strategy and the alignment between different ESG projects. It meets bi-monthly and reports progress to the ExCo.

Several additional committees exist and aim at tackling ESG topics from their respective views. (e.g. the Audit Committee monitors the sustainability reporting process, the Remuneration Committee integrates performance against ESG metrics / targets in the remuneration policy, the Nomination Committee creates and ensures adherence to the diversity and inclusion policy and the Risk & Compliance Committee is responsible for risk and regulatory matters).

The approval of the sustainability targets outlined in this report adheres to this governance structure, with final approval granted by the Board of Directors. The targets presented in the subsequent chapters of this document were approved by the Board of Directors of December 2024 (for the targets applicable in 2025).

The roles and responsibilities of these bodies are formalized in the Crelan and Europabank Governance Memorandum's. The specific mandates and responsibilities related to sustainability are formalized in a dedicated policy, the "ESG policy", which is further detailed later in this document.

## Committees' role in sustainability skills and expertise

The composition of the committees is periodically reviewed, at least on an annual basis, to ensure they can fulfill their oversight role and possess the necessary skills to do so (c.f. "competence matrix" described above, monitored by the Nomination Committee). Sustainability expertise is assessed as part of the annual review of competencies. On top of that, a Board Member with specific expertise in sustainability ensures that the right level of expertise is at the highest level of the governance in place.

The ESG governance of Crelan is embedded within the internal governance of Crelan, hence follows the reporting lines (such as for risk monitoring and internal controls). This framework itself consists in the three lines of defense model, which defines the reporting lines, controls and procedures structuring the management of risks within Crelan. The Board of Directors holds ultimate responsibility and accountability for Crelan's sustainability performance. Its roles include notably:

- The review of the strategic direction of Crelan in terms of sustainability matters, including a review of the ESG factors part of the business environment in which Crelan operates and the definition of the ESG risk appetite (defining the profile of ESG risks Crelan is willing to take);
- A validation and review of the Key Risk Indicators (KRIs) and Business Indicators (KPIs), including those linked to ESG topics (and produced quarterly by Risk and Finance);
- A validation of the ESG exclusions list describing exclusions of Crelan's business due to ESG reasons;

- Approving Crelan's regulatory disclosures, including the ESG-related disclosures: CSRD-compliant annual report, ESG templates in the Pillar III Risk report.
- On an annual basis, evaluating the Compliance function, including the role it plays regarding ESG factors.

## Integration of sustainability-related performance in incentive schemes

Crelan has put in place a remuneration scheme aiming at integrating sustainability considerations in the variable remuneration of the Senior Management of Crelan NV<sup>1</sup> (Executive Committee and Crelan Circle members). This remuneration scheme is proposed by the Remuneration Committee (responsible for these matters) and approved by the Board of Directors.

The incentive scheme encompasses multiple dimensions that collectively impact the level of the incentive provided. The criteria evaluated in the scheme, along with their corresponding weights, are endorsed annually by the Remuneration Committee.

In 2024, one of the dimensions was related to ESG, aiming at integrating the progress made on the ESG plan defined by Crelan. This progress was evaluated through a number of dimensions, such as:

- Enrichment of ESG data (e.g. EPC scores)
- Development of ESG products (e.g. investment offering, green bonds)
- Successful execution of ESG initiatives (e.g. development of a carbon reduction roadmap, creation of the ESG scorecard)
- Launch of specific diversity and inclusion initiatives.

In 2024, the ESG considerations within the scheme was established at 5%. The variable remuneration differed among members of the Crelan Circle and ExCo, and will reach approximately 20% and 30% in 2024 (resp. – figures still to be approved, during the Board of Directors of April 2025). The program covers the whole variable remuneration for the Crelan Circle, and 2/3 of this remuneration for the ExCo.

This integration constitutes a first step in the consideration of ESG incentives in the remuneration paving the way to a process that will keep evolving in the future. For 2025, Crelan decided to increase the weight of ESG considerations in ExCo variable remuneration to 10%.

<sup>1</sup> Not applicable yet at Europabank

## Statement on Due diligence

As a significant financial institution, Crelan is subject to various requirements in terms of due diligence and established processes to evaluate, on the one hand the impact of Crelan’s activities on the overall society (“inside out”) and, on the other hand, the impact of the business environment on Crelan’s activities (“outside in”) ensuring that a robust risk management system

is in place to guarantee the resilience of Crelan’s business model.

Information about due diligence is spread across several sections of this document. The following table provides a summary between the core elements of the due diligence process and the sections in this report where additional information can be found:

Core elements of due diligence	Sections in the sustainability statement
Embedding due diligence in governance, strategy and business model	Described from a general perspective in ESRS2, chapter “Integration of sustainability matters in Crelan’s strategy”, describing in particular how Crelan defined an ESG strategy that addresses the material topics identified
Engaging with affected stakeholders in all key steps of the due diligence	Described from a general perspective in ESRS2, chapter “Interest and views of stakeholders”, and further detailed in topical chapters for instance under sub-chapters “Process for engagement with SME’s / consumers/ own workforce about impacts” (chapters SME transition, Consumer & end-users, Own workforce) and “Interests and views of stakeholders” (chapter Own workforce).
Identifying and assessing adverse impacts	Described from a general perspective in ESRS2 and further detailed within each topical chapter under sub-chapters “Impact, risk and opportunity management”.
Taking actions to address those adverse impacts	
Tracking the effectiveness of these efforts and communicating	Described within each topical chapter under sub-chapters “Impact, risk and opportunity management”. When a mechanism to track the effectiveness (or “feedback loop”) exists, such mechanisms are described together with the actions. When a metric and target is defined associated to a certain topic, these metrics and targets are described in the sub-chapters “Metrics and targets” within each topical standard.

Crelan is following the regulatory developments in terms of sustainability due diligence and will adapt its due diligence mechanisms to comply with upcoming regulations (notably the Corporate Sustainability Due Diligence Directive).

## Risk management and internal controls over sustainability reporting

For this first reporting, Crelan identified the key risks related to sustainability reporting being (i) completeness of the reporting (and compliance with disclosure requirements) and (ii) accuracy of the reported information. A set of controls were implemented to mitigate these risks and aiming at ensuring the accuracy, reliability, timeliness, and completeness of the information reported in this report. These controls are based on controls existing for external reporting (e.g. regulatory reporting, internal control report).

More precisely, the controls developed include reviews of reported information and completeness checks against CSRD requirements. In addition, a dedicated governance was developed to produce this report, aiming at defining accountabilities of each section within Crelan's departments. Directors within Crelan were designated as responsible for each chapter, and signed-off on the fact that the information presented was representative of Crelan's organization and accurate. This organization ensures that the information reported is validated by the department in charge, and an adequate validation mechanism is in place on this information, including oversight by the Board and Executive Committee. Finally, Crelan's Data Office was involved in the process, ensuring that the reported quantitative data elements meet the Crelan's data governance minimum requirements. These controls will be progressively integrated in the overall Crelan data management program.



# 3.

## Strategy

### Strategy, business model and value chain

#### Overall strategy of Crelan

Crelan’s purpose is driven by the statement “going together for better, from customer to member”. As such, the vision of Crelan as cooperative bank is to be a trusted partner which simplifies and protects customers’ financial life, while having an impact on the Belgian society. The strategy to achieve this ambition is built on 3 pillars:

- Trusted partner: earning trust of customers through service excellence
- Cooperative Engagement: building a cooperative culture leading to a better customer loyalty
- Meaningful for society: contributing to a social, inclusive and livable Belgian society

The ESG strategy of Crelan is directly connected to the overarching strategy of Crelan, and embedded into these strategic pillars ensuring that ESG ambition and values developed in the ESG strategy are well integrated (and monitored), as described below.

#### Main products and markets

The business model of Crelan is structured around one core business line: Belgian retail banking.

Crelan (as a Group) consists primarily out of 2 Belgian retail banks (Crelan NV and Europabank), focusing on retail **funding** (via retail deposits), **lending** (via standard retail loans such as mortgages, professional and consumer loans), and facilitating **savings and invest possibilities** (acting as distributor of investment funds). In order to provide its banking services, Crelan relies on a network of bank agencies (mainly in the form of independent agents for Crelan NV). The following table provides an overview of Crelan’s market positioning on these 3 products.

<p><b>Retail funding</b></p> <p>1.7 million customers</p> <p>€44.2bln customer deposits</p>	<p>Crelan actively engages with individual and professional customers to attract and manage their deposits. This focus on retail deposits underscores Crelan’s commitment to serving the financial needs of individuals and households and professionals within the community.</p>
<p><b>Lending</b></p> <p>€47.4bln outstanding loans</p>	<p>Crelan is dedicated to providing tailored lending solutions to individual customers, professional clients and small businesses, supporting their financial aspirations and needs. Through a customer-centric approach, Crelan aims to offer responsible and personalized lending services that empower customers to achieve their goals and invest in their future</p>
<p><b>Saving and Investing</b></p> <p>€16.5bln off-balance sheet investments</p>	<p>Crelan is committed to assisting customers in achieving their saving and investing goals. Crelan’s personalized approach aims to help clients grow their savings and make informed investment decisions, empowering them to build financial security and pursue their long-term aspirations.</p>

The main market of Crelan (as a Group) therefore consists in the retail market in Belgium, covering both Belgian households, self-employed professionals and small companies. Europabank has a specific business model focusing on clients with a higher risk profile.

The following table provides a breakdown of the products held on the balance sheet of Crelan<sup>2</sup> :

Exposure (in bln €)	2024
Mortgage loans	37,9
Consumer loans	1,6
Agriculture loans	2,0
Professional loans (SME's and self employed)	5,9

## Total number of employees

Crelan can rely on more than 4327 professionals to deliver its services, primarily located in Belgium, of which 2608 professionals from the independent network of agents working with Crelan NV.

## Total revenues of Crelan

Given its business model, the largest share of Crelan revenues is driven by net interest income on credits offered. The following table provides a breakdown of the revenues per type of activity (aligned with the financial statements):

Crelan Group (IFRS Conso) mln€	YTD 2024
Commercial margin	964.3
ALM + Treasury	-84.1
<b>Net interest income</b>	<b>880.2</b>

Invest	152.9
Daily Banking	107.0
Credits	12.4
Insurance	24.2
Recoveries & Miscellaneous	13.6
<b>Fee income</b>	<b>310.1</b>

## Activity in fossil and controversial activities

As a financial group, solely focusing on financial activities, Crelan does not have (in its own operations) material activities in fossil or controversial sectors.

Within its value chain, Crelan has established strict exclusion criteria to ensure that activities harming environmental, social, or governance factors in society are excluded from its banking services, procurement of goods and services, and sponsorship endeavors. An ESG Exclusion Policy is in place (latest version approved by the Board in February 2025) specifying the activities Crelan excludes within each category of services and activities (focusing on the 4 levers defined in the ESG Policy described below). Rather than adopting an “exclusion only” approach, Crelan believes that engaging with counterparties can generate higher sustainability returns. Consequently, the ESG Exclusion Policy follows an “engagement-oriented” approach for core activities where there is potential for a high sustainability return on effort and an “exclusion-oriented” approach for non-core activities where engagement would have a low sustainability return on effort (e.g. exclusions are included and integrated in the Credit Policy for specific harmful activities). The engagement approach takes into account a distinction between existing and new contractual relationships.

<sup>2</sup> Note that these figures differ slightly from those reported in the financial statements due e.g. to IFRS3 adjustments not reported in this table

The following table provides a summary of the approach followed for each lever defined in the ESG Policy:

<b>Lever: Crelan as a(n) ...</b>	<b>Relevant activity</b>	<b>Impact on counterparty</b>	<b>Number of counterparties</b>	<b>Focus on exclusion or engagement?</b>
<b>Company</b>	Purchaser of goods and services	Mostly immaterial: Crelan is rarely a substantial revenue source for its suppliers.	High, but concentration on roughly one hundred	Exclusion-first, but some engagement for most material existing relationships
	Sponsorship (marketing), CrelanCo Foundation	Material, as there may be a significant dependency on Crelan	Low	Engagement-first
<b>Lender</b>	Lender to small businesses	Material, as Crelan is likely to a significant or even sole lender to its customers	Very high	Engagement-first for existing contracts and relationships, exclusion for new ones
<b>Investment adviser</b>	Investment advice for private individuals and small businesses	Mostly immaterial as Crelan's customers are unlikely to be substantial shareholders in the companies their investments land in	Very high	Exclusion-first, with engagement by asset managers encouraged
<b>Institutional counterparty</b>	Own investment book	Mostly immaterial as Crelan is unlikely to be a significant investor for the companies and countries it invests in.	Low	Exclusion-only

The ESG Exclusion Policy is available on Crelan's website.

## Integration of sustainability matters in Crelan's strategy

Crelan acknowledges its role of cooperative bank to play its part into the transition towards a more sustainable economy. This role is embedded in the 3 pillars of the strategy of Crelan described previously, which connects with the ESG strategy developed by Crelan and formalized in 2024 in the ESG Policy validated by the Board of Directors. This policy is aligned with the Integrity Policy of Crelan, setting the ground roles of integrity within Crelan (and its Code of Conduct).

More specifically, Crelan defined 4 levers through which Crelan, as a bank and organization, can play a meaningful role for the society, its employees, cooperators and clients:

### Crelan as a company

Crelan is a company, performing economic activities in Belgium and employing a workforce. This perspective covers how it treats its employees, how its activities (office building, mobility, etc.) create an impact on people / environment. The objective of Crelan is to create a positive impact on its employees, customers, cooperators as well as nature and society.

Crelan acknowledges its role of cooperative bank through cooperative principles, detailed in the ESG policy. These principles are detailed in the section Cooperative Banking of this report.

### Crelan as a lender

Crelan provides financing to private individuals, independent professionals and SMEs in Belgium. It decides how to inform customers on the assets or activities that require financing and Crelan decides whether and at what conditions it provides that financing. Crelan also bears the consequences of non-performing loans linked to ESG. The goal of Crelan is to embed ESG dimensions in its lending practices, with a specific focus on contributing to climate mitigation for households and supporting small businesses to transform their business model.

### Crelan as an investment advisor

Crelan supports customers in their investment choices, and how to integrate ESG factors in them. Crelan informs clients on how ESG factors impact their investments' value, and how their investments create ESG impact. Crelan also understands customers' ESG

preferences and advises them on appropriate products accordingly. The goal of Crelan is to facilitate the selection of products that meet the ESG preferences of its clients, hence propose an inclusive offering to these clients.

### Crelan as an institutional counterparty

Crelan interacts with other institutional counterparties through its bond issuances in the market. The goal of Crelan is to make optimal use of sustainable finance solutions to collect capital from institutional investors (via the Green Bond Program).

For each lever of the ESG strategy, Crelan conducted an assessment to evaluate what type of action / services / products would be needed to activate these levers. This analysis resulted in the development of new products, offerings or services contributing to Crelan playing an active role in the transition (such as renovation loans, advantageous financing conditions for green loans, offering of green investment products to clients, development of an ESG scorecard, implementation of a dedicated tool – Setle – for the identification of improvement areas for retail clients, etc.). These initiatives / actions are described in the topical sections of this report.

Finally, Crelan defined financial and non-financial metrics to monitor the execution of the overall strategy, as well as specific ESG metrics to monitor the ESG strategy. The ESG metrics applicable in 2024 and 2025 are described in each topical chapter of this report.

From a transversal perspective, Crelan monitors its ESG Risk Rating obtained from Sustainalytics. At the end of 2024, the rating of Crelan was "Low Risk".

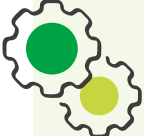




## The value chain of Crelan

The value chain of a cooperative bank like Crelan, financing a wide range of customers / activities through a network of agents, is complex and involves multiple stakeholders. Crelan decided to take a progressive approach when involving value chain actors, first focusing on the products and services for which material IRO's are the most likely to arise. This consists in:

- (Belgian residential) mortgages,
- Retail deposits,
- Loans to Small & Medium Enterprises (SME's) and
- Investment products.

For these key services, Crelan analyzed the material actors involved in this value chain, i.e. the range of activities, resources and relationships related to Crelan's business model and the external environment in which it operates. The consolidated value chain, shown in the next diagram, was finalized based on professional judgement and structured around 3 layers (upstream, own operations, and downstream value chain) and 3 type of considerations (activities, relationships and resources).

	Upstream (inputs)	Own operations	Downstream (outputs)
 <p><b>Activities</b></p> <ul style="list-style-type: none"> <li>– Funding</li> <li>– Supervision</li> <li>– Development and servicing of Life, P&amp;C and credit-linked insurance</li> <li>– Development and servicing of Investment products</li> <li>– Provision of critical/essential services (human resources, Payment, cash &amp; settlement systems, services for online &amp; cash payments, IT consultancy, consultancy, securities settlement)</li> </ul>	<ul style="list-style-type: none"> <li>– Product development, marketing and sales</li> <li>– Funding (deposits, debt issuance)</li> <li>– Loan origination</li> <li>– Servicing (incl. credit default mgmt.)</li> <li>– Transversal: HR, IT, finance, risk, legal, debt issuance, etc.</li> </ul> <p style="text-align: center;">↓</p> <ul style="list-style-type: none"> <li>– Mortgages ;</li> <li>– Other retail lending;</li> <li>– Retail Deposits;</li> <li>– Lending to SMEs;</li> <li>– Payment services to non-MFIs;</li> <li>– Cash services</li> <li>– Distribution of investment funds</li> <li>– Distribution of insurance products (Life, P&amp;C and credit linked)</li> </ul>	<ul style="list-style-type: none"> <li>– Activities related to use of real estate</li> <li>– Activities related to use of other loans proceeds (machines, vehicles and other SME projects)</li> <li>– Payment facilities for SME's (Europabank specific service)</li> <li>– Savings</li> <li>– Investments (from clients of wealth and investment solutions)</li> </ul>	
 <p><b>Relationships</b></p> <ul style="list-style-type: none"> <li>– Investors (Crelan's bondholders)</li> <li>– Regulatory and supervisory bodies (ex: ECB, FSMA) and government agencies</li> <li>– Agent network (and employees employed in the agents network)</li> <li>– Other partners (insurers, asset managers, ILVO, Universities, etc.)</li> <li>– External auditor</li> <li>– Rating agencies (ex: Moody's, S&amp;P)</li> <li>– Critical/Essential service providers</li> <li>– Other goods and service providers (ex: data, business travel, office supply, credit recovery agencies, etc.)</li> <li>– Media, NGOs</li> <li>– Other financial market participants (derivative counterparties)</li> </ul>	<ul style="list-style-type: none"> <li>– Cooperators (shareholders)</li> <li>– Board of Directors and Executive committee</li> <li>– Employees (i.e. staff members on Crelan payroll)</li> </ul>	<ul style="list-style-type: none"> <li>– Clients</li> <li>– Borrowers (retail, pro, agri.)</li> <li>– Depositors</li> <li>– Clients of wealth and investment solutions</li> <li>– Policyholders</li> <li>– Investees</li> </ul>	
 <p><b>Resources</b></p> <ul style="list-style-type: none"> <li>– Funding (ex: bonds, TLTRO, repos, retail notes, certificates, etc.) and other financial instruments (ex: derivatives)</li> <li>– Data</li> <li>– IT systems</li> </ul>	<ul style="list-style-type: none"> <li>– Facilities (building/offices, IT infrastructure, etc.)</li> <li>– Mobility fleet</li> <li>– Data</li> </ul>	<ul style="list-style-type: none"> <li>– Real estate</li> <li>– (Agricultural) Machines/ vehicles</li> <li>– insured resources</li> <li>– Data</li> <li>– Energy</li> <li>– (...)</li> </ul>	

## Interest and views of stakeholders

Stakeholders’ engagement is a key element of both Crelan’s strategy and the double materiality assessment. Within its different business lines, Crelan interacts with multiple stakeholders and establishes dedicated engagement/consultation channels. These channels consist in the periodical (proactive) consultation and surveys, and (reactive) complaints/

request mechanisms (via which stakeholders can escalate their concerns). The following table provides examples of consultation mechanisms for several key stakeholders (non-exhaustive). More details on these channels are provided in dedicated sections of this document when describing the impacts of Crelan on each of the stakeholders’ groups identified.

Stakeholders	What approaches exist to collect views from these stakeholders
<b>Employees</b>	Quarterly satisfaction surveys where the entire workforce is invited to participate
<b>Clients</b>	Clients’ feedback is collected via pro-active channels (survey, client engagement measures), and via reactive channels (complaint channels reviewed by dedicated services)
<b>Supervisors / policy makers</b>	As part of the risk management framework, the Board of Directors, ExCo, and Audit and Risk Committee maintain communication with various regulatory and supervisory bodies to fulfill Crelan’s regulatory obligations
<b>Cooperators</b>	The cooperators are invited to a general assembly on an annual basis, where they can communicate feedback and questions to the CrelanCo Board of Directors. The CrelanCo Foundation committees also allow cooperators to decide on which local projects receive Crelan support.
<b>Employees of the independent agent network</b>	Through bi-monthly meetings (or monthly, as needed) with the joint consultative body, agents actively participate in discussions on topics directly or indirectly related to commission scales or other costs borne by the agent. In addition, Crelan facilitates agent engagement through advisory councils, providing a platform for in-depth discussions on business topics. Regular meetings with agents are hosted, including afterwork events, kickoffs, and sales meetings, which offer opportunities for agents to interact with internal employees and executives.

The DMA exercise leveraged on these existing channels, and the insights obtained from these mechanisms per type of stakeholder (e.g. clients, agents, cooperators, regulators, key suppliers). For each type of stakeholder, a dedicated engagement approach was defined to capture their views (and is described further in section Impact, risk and opportunity management).

Stakeholder engagement serves multiple purposes within Crelan’s business model, including:

- Sustainable business model: stakeholder engagement ensures a sustainable business model by integrating the interests and perspectives of the stakeholders in the value chain. This inclusive approach helps Crelan make well-informed decisions that consider the diverse needs and concerns of stakeholders, leading to fair representation of their interests and fostering trust and collaboration.
- Relationship improvement: effective stakeholder engagement fosters improved relationships with members of the value chain. By creating a culture of open communication and feedback, Crelan can actively solicit input and feedback from stakeholders, demonstrating a commitment to listening and responding to their concerns. This helps to enhance collaboration, build trust, and create a sense of shared purpose and partnership within the value chain.

The outcome of the engagement with stakeholders provides important input for Crelan to refine its sustainability strategy and identify the priority actions that matter for the stakeholders. Several feedback mechanisms are in place, for both the formal and informal communication channels with stakeholders:

#### 1. Formal communication channels:

- Satisfaction survey results and client complaints are deliberated at the relevant decision-making levels, ensuring that client's views and concerns are taken into account when taking decisions.
- Supervisory and regulatory reviews are addressed in the appropriate sub-committees, following respective compliance process.
- Ongoing collaboration with subsidiaries is maintained, ensuring their input is considered in decision-making.
- Consultation with employees occurs at various occasions during the year and is used to define HR priorities.

#### 2. Informal communication channels:

- Informal discussions with clients take place within Crelan's agencies and can serve as valuable sources of information for defining priorities for customers.
- Informal conversations occur regularly with business partners to gather their feedback.

The topical chapters of these sustainability statements provide additional details regarding the existing communication channels between Crelan and its stakeholders.

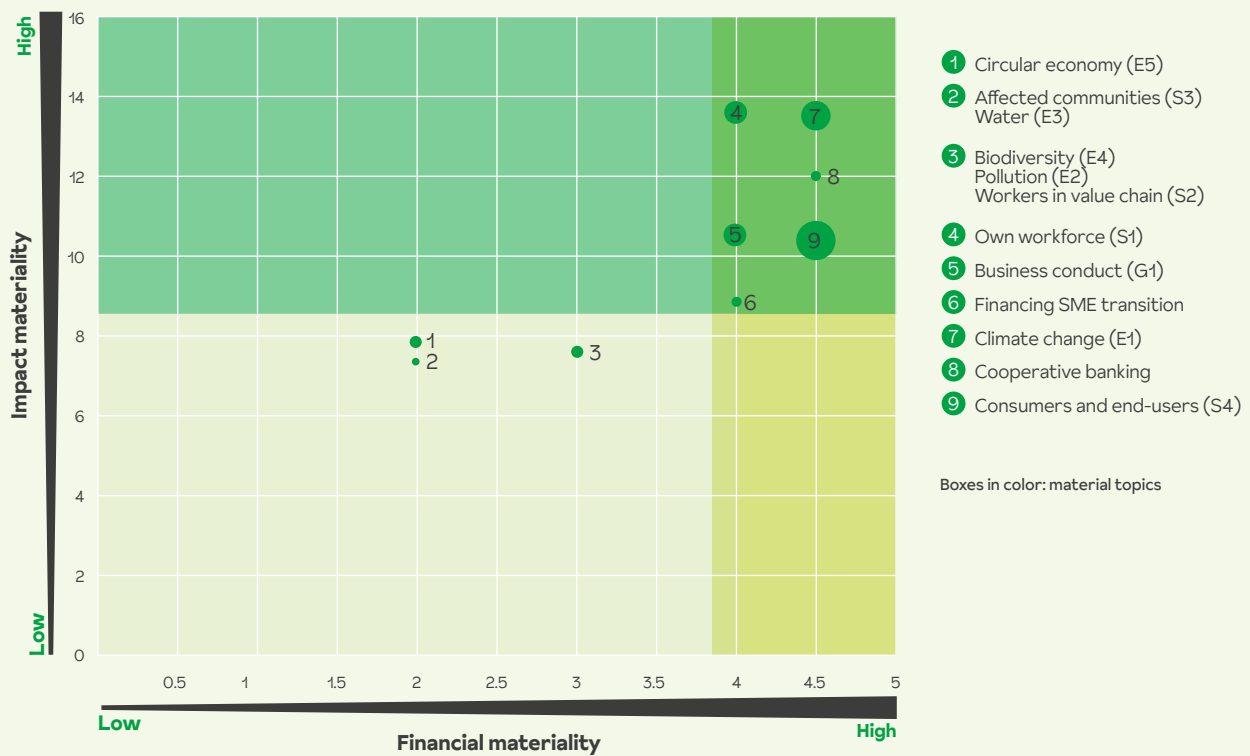
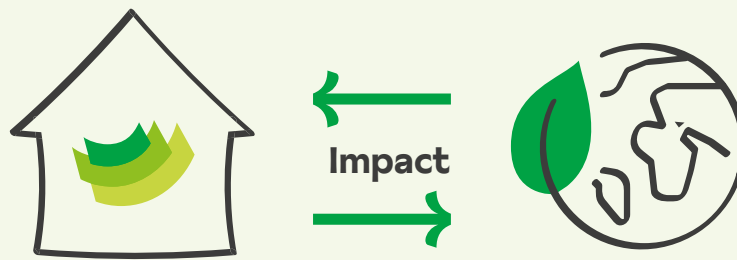
The feedback collected from the various stakeholders' engagement channels is conveyed to the relevant decision-making level using both formal and informal communication channels, on an adhoc basis due to the specificity of the topic and the different needs related to this feedback. Stakeholder interests and perspectives are relayed to executives and key C-level personnel through the communication channels mentioned above, and they are taken into account during the decision-making process for both the strategy and the business model.

Crelan has in its objectives to develop a structured approach for stakeholder engagement in the coming years.



# Material impacts, risks and opportunities, and their interaction with Strategy and business model

The visual representation of sustainability matters depending on their level of materiality can be found below (the size of the bubbles reflects the number of material IRO's identified for each topic):



The following table provides a summary of the main transmission channels for each business activity of Crelan, including where in the value chain and at which time horizon they are expected to materialize. The complete list of Impacts, Risks and Opportunities considered as material by Crelan is available in *Appendix 2*

Most relevant sustainability matters	Transmission channels to people or environment impact	Crelan activities / Group of products				Time horizon	Value chain component (UC: upstream, DC: downstream, OO: own operations)
		OO	IB	PB	AM / WM		
Climate change adaptation	Increase or decrease of energy consumption of Crelan (Scope 1&2), contribution to financing climate resilient and climate-friendly activities (scope 3)		X	X	X	Short, mid term	US, OO, DS
Climate change mitigation		X	X	X	X	Short, mid term	
Employee health, safety and well-being	Development of well-being and training programs, improvement of social dialogue, introduction of flexible work practices, development of practices to diversify the workforce	X				Short term	OO
Talent management		X				Short, mid term	
Diversity, equity and inclusion		X				Short term	
Workers' social rights						Short term	
Responsible marketing & product stewardship	Improvement of data privacy practices to protect client data	X	X	X	X	Short, mid term	<u>OO, DS</u>
Financial inclusion	Ensuring access to banking services and products for all clients	X	X	X		Short, mid term	US, OO, DS
Data privacy, security and cybersecurity	Keeping a transparent communication with client	X				Short term	OO, DS
Business conduct and corporate governance	Adhering to strict rules of doing business in an ethical manner	X				Short, mid term	US, OO
Business partners and third-party management	Introduction of ESG criteria in the suppliers' selection	X		X	X	Short term	US, OO
Cooperative banking	Keeping a tailored offering for the cooperators and improving the added value for them	X	X	X		Short, mid term	US, DC, OO
Financing SME transition	Supporting the transition towards a more sustainable business model			X		Short, mid term	US, OO, DS

OO: Own operations | IB: Individual Banking | PB: Professional banking | AM/WM: Asset Management, Wealth Management

The anticipated financial effects described in the table above can be material in the short, medium or long term via various channels, including:

- **Revenues generation:** increase of market share created with development of new products and development of current customer base
- **Reputational risk:** loss of reputation, impacting Crelan's image and customer base, may stem from, among other things, the negative effects resulting from Crelan's activities or insufficient action taken to address these impact
- **Credit risk:** increase in the credit risk of counterparties in the lending or investment portfolio (credit risk losses or provisions) resulting

from lower credit worthiness caused by either transition or physical risks

- **Operational risk:** increase of incidents disrupting the operations of Crelan, including human errors, cyber-attacks or damage to physical assets due to physical risk events
- **Business risk:** loss of market share caused by inadequate positioning on key topics or trends
- **Regulatory and supervisory sanctions:** risk of receiving fines for non-compliance with regulatory obligations

The following table provides a summary of the main risks and opportunities identified that are likely to arise in the short or mid-term:

Sustainability topic	Current and anticipated financial effects
<b>Climate change adaptation</b>	<ul style="list-style-type: none"> <li>– Opportunity of revenue streams linked to the production of new loans aiming at supporting individuals/SMEs to make their assets climate resilient.</li> <li>– Financial risks (credit) caused on exposure to clients which are exposed to physical risks (disruption of activity, asset damage).</li> </ul>
<b>Climate change mitigation</b>	<ul style="list-style-type: none"> <li>– Financial risk (credit) caused by transition risks drivers associated with both the mortgage (financing of mortgages backed by residential real estate collateral at risk of transition) and the SME portfolio's (collateral at risk of transition and/or inability of clients to operate in a transition scenario).</li> <li>– Opportunities of increased revenues/market shares (and reduce climate related risks) by financing (through information provision (ref. Setle) and product and pricing efforts) the acquisition of RRE with good EPC score or the execution of renovations, as well as energy efficient cars.</li> </ul>
<b>Cooperative banking</b>	<ul style="list-style-type: none"> <li>– Opportunities to strengthen the cooperative by increasing member participation through assembly general, CrelanCo Foundation committees and polls and by enhancing member engagement through CrelanCo Connect and an engaging cooperative communication.</li> <li>– Opportunity for Crelan to attract and fidelise co-operators through sharing benefits with cooperators and through a strong cooperator value proposition that offers additional services, advantageous products and extra benefits</li> </ul>
<b>Financing SME transition</b>	<ul style="list-style-type: none"> <li>– Opportunity of increase in revenues/market shares through loans to SMEs participating in the economic growth of local communities.</li> <li>– Opportunity to create a preferred segment (Credit Policy) for companies that are active in the implementation of environmental improvements (isolation, heat pumps...)</li> </ul>
<b>Responsible marketing &amp; product stewardship</b>	<ul style="list-style-type: none"> <li>– Risk of Crelan not playing its role/not walking the talk/ not executing in line with its strategy (difference with “what is said vs what is done”) and/or competitors being more successful in that role, which would result in an outflow of co-operators or clients to these competitors, resulting in business risk (/ reputational risk). This includes Crelan not being sufficiently active in communicating on the actions taken / the products offered.</li> </ul>

<p><b>Data privacy, security and cybersecurity</b></p>	<ul style="list-style-type: none"> <li>– Business risk/reputational / operational risk for Crelan resulting from inappropriate use of customer data caused by either internal or external factors</li> <li>– Business risk/ reputational / operational risk related to cyber security attacks affecting Crelan’s ability to deliver services to its clients (losing access to their banking services).</li> </ul>
<p><b>Financial inclusion</b></p>	<ul style="list-style-type: none"> <li>– Opportunity to increase revenues through (controlled) production of loans to individual borrowers which would have difficulties accessing funding elsewhere, ensuring that the Crelan Group (by the means of Europabank) can provide a comprehensive offering to its clients (hence increase its client base)</li> </ul>
<p><b>Business conduct and corporate governance</b></p>	<ul style="list-style-type: none"> <li>– Risk for Crelan to not (timely) apply legal and regulatory obligations</li> </ul>
<p><b>Talent management</b></p>	<ul style="list-style-type: none"> <li>– Risk that (key) staff becomes unavailable due to being under stress / overloaded for a longer period of time, leading to operational and continuity issues</li> </ul>

The risks and opportunities identified can materialize at different timeframes and frequencies. Risks and opportunities identified in the short term are most likely to generate a risk of material adjustment within the next annual reporting period.

Crelan has implemented a comprehensive risk management framework to address these risks, ensuring that emerging risks are effectively identified and monitored. This framework aims to identify, manage and mitigate any substantial risks that could impact Crelan’s strategy and business model. Further information on the overarching risk management framework can be found in the section “General Risk

Management” of the financial statements. Components of this framework are described in the subsequent topical chapters (when describing the risk management actions taken per sustainability topic).

Crelan identified entity-specific topics to complement the disclosure of ESRS: Cooperative banking and SME transition financing. The list of material IROs related to entity-specific topics is available in Appendix 2 of the report. Please note that since Crelan identified its impacts, risks, and opportunities for the first time in 2024, there are no changes to report compared to the previous period.



4.

# Impact, risk and opportunity management

## Methodologies and assumptions to manage impacts, risks and opportunities

From a general perspective, Crelan followed the methodological requirements specified in the ESRS and the EFRAG Implementing Guidance on Materiality Assessment to perform its double materiality assessment.

More specifically, the approach followed by Crelan consisted of the following steps:

Step	Description
<p><b>Identification of a list of relevant ESG topics</b></p>	<p>Starting from the list of ESG topics covered in the ESRS 1 - Annex A and a tailor-made desk research, Crelan mapped and clustered the ESG sub-topics into a manageable and tailored list of topics that relate to Crelan’s business activities (i.e. ‘Crelan ESG topics’), which was used as a basis to identify IRO’s.</p>
<p><b>Identification of potential impacts, risks and opportunities (IRO’s) for each of these topics</b></p>	<p>For each of the Crelan ESG topics defined in step 1, Crelan identified a list of relevant IRO’s that was subject to materiality assessment.</p> <p>This list of IRO’s was created based on desktop research and expert reviews, using a combination of internal (e.g. risk analyses) and external inputs (e.g. market studies). Crelan split its business model per key activities (retail banking, professional banking, wealth management and own operations) to generate homogenous IRO’s within these activities.</p> <p>The identification of IRO’s was focused on the value chain areas where such IRO’s are deemed likely to arise, based on the nature of the activities, business relationships, geographies or other factors concerned.</p>

<p><b>Assessment of the materiality of these IRO's based on pre-defined objective criteria</b></p>	<p>Each of the identified IRO's was evaluated following the methodology specified in the EFRAG Guidance on Materiality Assessment. More precisely:</p> <ul style="list-style-type: none"> <li>— The impacts were assessed based several dimensions: scale, scope, irremediability and likelihood. For each dimension, a score was attributed, allowing comparison across the identified impacts (and prioritization of the IRO's per dimension). Objective criteria were defined for each dimension, allowing comparability between the scores.</li> <li>— The risks and opportunities were assessed based on several dimensions: severity and likelihood. Crelan leveraged on existing analyses (e.g. risk management exercises) and complemented those with additional research when necessary. Whenever relevant, Crelan aligned materiality definitions with internal analyses to ensure consistency (and allow comparison with other types of risks).</li> </ul> <p>The scoring of IRO's per sustainability topic allowed Crelan to evaluate (when relevant) the interactions between impacts, risks and opportunities.</p> <p>The scoring of each impact was made using a combination of quantitative information (when available) and qualitative information (based on expert feedback).</p> <p>Materiality on topic level was defined by allocating the maximum score of Impact Materiality and Financial Materiality of the underlying IRO's.</p>
<p><b>Validation of the process and results</b></p>	<p>The ESG governance defined in section 2 Governance was applied to validate the process and results of the exercise, with ultimate validation by the Board of Directors.</p> <p>The integration of sustainability-related impacts, risks and opportunities in the overall processes of Crelan is detailed in the ESG policy, referring specifically to those IRO's and ensuring the material topics identified in the DMA are well integrated in the overarching ESG strategy. Additionally, climate risks are integrated into Crelan's risk management framework. In parallel, social and governance risks are already part of the risk management framework, ensuring a complete integration of ESG risks within "traditional" risk management.</p>

For this first exercise, Crelan decided to **prioritize the use of internal knowledge** to represent the views of stakeholders. The views from each stakeholder group were captured using a combination of desktop research, sectoral reports and consultation with internal experts. Each stakeholder group was matched with an internal expert, ensuring their insights were integrated into the assessment. This approach allows to link the ongoing stakeholders engagement approaches (conducted by internal experts) and the DMA. In subsequent exercises, Crelan might further enhance its stakeholders engagement approach (such as consultation with sectoral federations).



## Sustainability topics identified as material by Crelan

As a results of the DMA, the following sustainability topics were considered as material:

ESRS	Crelan sustainability topics
<b>Climate change (E1)</b>	Climate change mitigation
	Climate change adaptation
<b>Own workforce (S1)</b>	Employee health, safety and well-being
	Talent management
	Diversity, equity and inclusion (DEI)
	Workers' social rights
<b>Consumers and end-users (S4)</b>	Responsible marketing & product stewardship
	Data privacy
	Cybersecurity
	Financial inclusion
<b>Business conduct (G1)</b>	Business conduct and corporate governance
	Business partners and third-party management
<b>/ (entity specific)</b>	Financing SME transition
	Cooperative banking

For each sustainability topic covered by an ESRS, an analysis was conducted to evaluate which disclosure requirements within the standard were applicable based on the outcome of the DMA. Per disclosure requirement, and for each data point, Crelan evaluated whether the underlying matter was connected to a material topic / IRO. The resulting list of applicable disclosure requirements (incl. those referred to in other EU legislations) is available in Appendix 1.





# A. Environmental Pillar

# A.1

## ESRS E1 Climate Change

### 1. Objectives

Crelan recognizes the urgent need for a societal transition to a more sustainable world from a climate change perspective. As a cooperative bank committed to "going together for better," Crelan understands the dual role that banks play in both contributing to and addressing the challenge of climate change.

The objective of this chapter is to provide a transparent overview of Crelan's activities related to climate change, and enable the readers of this sustainability statement to understand:

- How Crelan affects climate change, in terms of material positive and negative impacts; including past, current, and future efforts to mitigate climate change.
- The nature, type and extent of Crelan's material risks and opportunities arising from Crelan's impacts and dependencies on climate change, and how Crelan manages them; and
- The actions taken by Crelan to adapt its strategy and business model to contribute to limiting global warming to 1.5°C.

### 2. Strategy & Governance

#### Transition plan for climate change mitigation

##### Crelan's strategy related to climate change mitigation

Crelan is committed to actively contributing to mitigation and adaptation efforts concerning climate change, encompassing its internal operations and the broader value chain.

- As a responsible company, Crelan is committed to reducing its environmental footprint by minimizing and greening energy usage in its offices and company cars. Crelan also integrates climate change consequences into its risk management framework.
- As a lender, Crelan provides clients with information on the climate impact of their business, real estate, and mobility investment decisions, providing appropriate products aimed at advancing both climate change adaptation and mitigation. Additionally, Crelan develops lending products to support the economy with the necessary funding to facilitate the transition.
- In its role as an investment advisor, Crelan assists customers in making informed investment decisions, understanding the impact of their investments, and accessing products that align with their ESG (including climate) preferences.
- Finally, as an institutional counterparty, Crelan strengthens its funding mix in support of its environmental objectives, including notably its green bonds program.

Through these initiatives, Crelan aims at navigating its dual role as both a contributor to and a part of the solution to climate change, thereby actively contributing to the collective effort towards a more sustainable future.

To achieve this ambition, Crelan defined a set of commitments, approved by the Board of Directors and making a distinction between “result” and “resource” commitments, reflecting the dependency of Crelan on certain external factors to achieve its ambitions. In general, governments play a crucial role in supporting the sustainable transition through policy frameworks. In addition to government policy, Crelan depends on clients making sustainable decisions. Crelan can provide information, stimulate sustainable thinking and integrate ESG in its own credit/investment decision taking, customers are the ultimate decision makers on

their actions. By recognizing that addressing global warming requires collective efforts, Crelan wants to emphasize that success in supporting climate transition is contingent on collaboration among governments, industries, financial institutions and clients.

To ensure Crelan plays its role of facilitating financial flows to support the transition in the economy, a set of commitments were defined as presented in the table below:

Lever of the ESG strategy	Type of commitment	Description of the commitment
As a company	Result commitment	<ul style="list-style-type: none"> <li>– Crelan s’engage à réduire sa propre empreinte environnementale, à rester une banque résiliente, à continuer de soutenir l’économie belge, et à inciter ses fournisseurs à réduire eux aussi leur empreinte environnementale.</li> <li>– Crelan intègre les conséquences du changement climatique dans son cadre de gestion des risques.</li> </ul>
As a lender	Resource commitment	<ul style="list-style-type: none"> <li>– Crelan entend soutenir la société dans sa transition vers une trajectoire alignée sur l’accord de Paris, mais reconnaît qu’une implication plus large de la société est nécessaire pour atteindre les objectifs de cet accord.</li> <li>– Crelan fournit à ses clients des informations sur l’incidence du changement climatique sur leurs décisions d’investissement dans les activités, les biens immobiliers et les solutions de mobilité. Cela incite les clients à réduire leur vulnérabilité au changement climatique à court et à long terme.</li> <li>– Crelan propose des produits de crédit et d’investissement à des prix compétitifs, en tirant parti de la demande croissante de solutions résilientes au changement climatique.</li> </ul>
As an investment advisor	Result commitment	<ul style="list-style-type: none"> <li>– Crelan vise à intégrer les considérations ESG (y compris liées au changement climatique) dans les investissements proposés aux clients, afin de garantir que ces derniers puissent avoir une incidence à la hauteur de leurs ambitions, et que la valeur de leurs investissements soit protégée contre les risques ESG (y compris liés au changement climatique). Crelan informe ses clients sur la manière dont les facteurs ESG influencent la valeur de leurs investissements et sur la manière dont leurs investissements créent une incidence ESG. Crelan prend également en compte les préférences des clients en matière d’ESG et conseille des produits pertinents.</li> </ul>
As an institutional counterparty	Result commitment	<ul style="list-style-type: none"> <li>– Crelan inclut les investisseurs institutionnels dans cette démarche grâce à son programme d’obligations vertes, saisissant ainsi l’opportunité de renforcer la diversification de ses sources de financement.</li> </ul>

These objectives are formalized in Crelan's ESG policy, approved by the Board of Directors in 2024. In terms of climate objectives, the strategy of Crelan is centered around two key initiatives which enable to articulate the actions and allocate resources:

- **Reduction of Crelan's own emissions**, primarily via the improvement of the energy efficiency of Crelan's buildings, the electrification of the fleet and the sourcing of green energy. Crelan commits to being net zero for Scope 1 and Scope 2 emissions by 2030, to align with global 1.5°C climate targets. Crelan aims to achieve this commitment primarily through reducing gross emissions and offsetting any remaining emissions. Net-zero ambition by 2030 for own emissions (scope 1 & 2) means
  - Building and executing of an emission reduction plan and
  - offsetting of residual emissions (max. 10% compared to the 2023-baseline).
- **Reduction of its emissions on the loan portfolio**, accounting for the largest share of its GHG emissions, with a priority focus on the mortgage portfolio (i.e. the largest share of Crelan's lending portfolio). Actions taken in relation to this objective are described in more detail in the following sections.

## Crelan decarbonization levers

Crelan has identified several decarbonization levers that will contribute to the achievement of the carbon reduction targets and ambition. These levers are split between those helping to reduce Crelan's own emissions, and those helping to decarbonize Crelan's loan portfolio. The actions associated with these levers, and their contributions in the reduction of the GHG emissions of Crelan, are provided in chapters Actions and resources in relation to climate change policies and Metrics and targets, respectively.

### Reduction of Crelan's own emissions

The following decarbonization levers contribute to the reduction of Crelan's own emissions

- Improvement of the **energy efficiency of Crelan's buildings**: GHG emissions from buildings represent the largest share of the own footprint of Crelan (scope 1 / 2). The improvement of the energy efficiency of these buildings, either through renovation or moving to buildings with better energy performance, is seen as an important decarbonization lever.
- **Electrification of the fleet** (and promotion of alternative mobility): the GHG emissions stemming from company cars or leased assets represent an important share of the GHG own emissions of Crelan. Migrating the fleet towards an electric-powered fleet is an important lever to reduce the emissions associated with this fleet.
- **Green energy sourcing**: the scope 2 emissions stemming from purchased electricity can be reduced by a renegotiation of energy contracts and a higher use of green energy sources, and by using self-generated energy (e.g. solar panels). Crelan has been using green energy sourcing for its electricity since 2024 (and is committed to keep on using it).
- Engagement with **external IT suppliers** (to which Crelan outsources its IT infrastructure) to reduce their own footprint (included in Crelan's scope 3 emissions).



## Decarbonization of Crelan's loan portfolio

For financial institutions, reducing the financed GHG emissions is seen as a critical decarbonization lever enabling the alignment of the economy to the Paris Alignment. Crelan sees the decarbonization of its loan book as a critical field of work, and in that context joined the Partnership for Carbon Accounting Financials (PCAF) in 2024 which will allow further developments and progress in this topic. Crelan initially concentrated on its residential real estate (mortgages) portfolio as it is the most material portfolio in terms of exposure, and it is rather homogeneous despite comprising numerous small loans.

Crelan holds a market share of approximately 12% in this market, hence Crelan can contribute (even if it is not leading this market) to the transition towards more energy efficient residential real estate, supporting the economy in this endeavor.

The real estate properties financed by residential mortgages carry potential locked-in GHG emissions due to energy inefficiency in existing properties. These emissions could pose a risk to achieving the Crelan's GHG reduction ambition. To mitigate these risks, Crelan is increasing financing for energy-efficient renovations. More precisely, Crelan has defined the following decarbonization levers and launched initiatives connected to those:

- **Offering renovation loans and incorporating Energy Performance Certificate (EPC) criteria into its credit policy**, with the objective of proposing these products at an attractive price for customers. Crelan aims at achieving its carbon reduction objectives by stimulating homeowners to renovate the stock of residential real estate that does not meet energy-efficiency criteria and stimulating the acquisition of properties with better energy-efficiency standards, which currently represent a limited share of the Belgian property market.
- **Creating awareness** amongst customers of the need to transition and offering them the necessary tools to understand and act on this transition. A key tool to creating awareness is the Setle platform. Setle is an all-in-one renovation application, in which the approximate cost of both esthetical and energy renovations can be calculated together with the client. Besides the impact on the EPC before and after a renovation, the tool will also generate a report; this price calculation also serves as proof of investment when applying for a home loan. Based on this information, the Crelan agent can discuss together with the customer what the most optimal solution is today, and for the future – with or without financing from Crelan.

At the same time, Crelan emphasizes the incorporation of social considerations into its credit offerings, taking into account not only environmental but also social criteria in the loan granting process. This "transition for everyone" is facilitated through adapting repayment schedules and focusing on the segment of first home buyers.

Decarbonization levers are currently focusing on the residential real estate portfolio. The remaining part of the emissions comes from other portfolios, mainly the lending to SMEs. Within this portfolio, lending to the agriculture segment represents the largest share of the emissions, despite its relatively small size in the total balance sheet. Defining GHG reduction pathway for this sector poses several complexities, caused on one hand by the diversity of the agricultural practices (having different profiles in terms of GHG emissions and being subject to different policies), and on the other hand the existence of a variety of small entities often engaged in mixed agricultural activities, complicating the assignment of precise emission factors. Despite these hurdles, Crelan remains committed to promoting sustainable agriculture through customer engagement, collaboration with stakeholders, and financing governmental transition initiatives, even as it continues to refine its approach to GHG emissions management in the agricultural sector (integrating a more holistic ESG perspective, as described in the chapter *A.2 – Entity specific: SME transition*).

The targets and commitments defined above are described in a series of formal documents / policies which have been approved by the Board of Crelan. They will be integrated in an overall transition plan that Crelan will formalize in the future (and reported in the sustainability statements on financial year 2026 at the latest), and integrating the requirements formulated in the CRR/CRD/CRDVI package.

## Integration of climate-related performance in incentive schemes

As described in chapter *General disclosures – ESRS 2*, Crelan has defined an incentive scheme including ESG considerations, linking the variable remuneration to the achievement of ESG objectives. For the first time in 2024, a sub-component of the ESG dimension looked at climate ambition, i.e. the objective to implement an action plan to achieve net zero on scope 1 and 2 by 2030. The weight attributed to GHG-reduction considerations in the scheme was equal to approximately 1% in 2024. This integration constitutes a first step in the consideration of climate-related targets in the remuneration paving the way to a process that will keep evolving in the future (as the maturity of the climate related targets are also aimed at evolving in the future).

For the year 2025, the objectives defined include a target on the use of the Setle platform, seen as a key enabler to stimulate the decarbonization of the loan book. The weight attributed to climate will be increased compared to 2024.

## Investments in coal, oil and gas-related activities and link with EU taxonomy

During the reporting period, Crelan did not invest CapEx in coal, oil, or gas-related activities (since Crelan's own operations do not involve these sectors). From a financing perspective, Crelan's transition strategy explicitly avoids financing fossil fuel-based projects (see also ESG Exclusion Policy in *General disclosures – ESRS 2*), and Crelan has historically never been an active player in these markets (given the focus on local Belgian SMEs in its professional loan portfolio).

Crelan is overall committed to aligning its economic activities, including CapEx and OpEx, with the criteria set forth by Commission Delegated Regulation 2021/2139. Crelan focuses its capital expenditures on projects like green buildings and renovations which are key components of the EU Taxonomy. Specifically, for the mortgage portfolio, Crelan aims to progressively improve its percentage of alignment with these criteria (as the availability of data / methodologies to derive alignment for this portfolio will improve, alongside the volume of eligible loans).

Crelan is not excluded from the EU Paris-aligned Benchmarks as it does not engage in activities in sectors excluded from these benchmarks.



### 3. Impacts, risks and opportunities management

#### Material impacts, risks and opportunities and their interaction with strategy and business model

From its double materiality assessment, Crelan has identified the following material climate-related impacts, risks and opportunities:

Sub-Topic	Value chain (VC) / own operations (OO)	Type of IRO	IRO Description
Climate change mitigation (incl. energy)	OO	Positive impact	Positive impact on climate change mitigation through Crelan's initiatives taken to reduce its own carbon footprint.
	VC	Positive impact	Positive impact on climate change mitigation through Crelan's initiatives taken to reduce the carbon footprint of its financed emissions.
	OO	Negative impact	Negative impact of Crelan through the everyday energy use contributing to direct and indirect GHG emissions of Crelan's operations on scope 1, 2 and 3.
	VC	Negative impact	Negative impact on climate change mitigation through the financing of investments and/or proposing of financial investments products to clients which are not aligned with climate change ambitions.
	VC	Risk	Financial risk (credit) caused by transition risks drivers associated with both the mortgage (financing of mortgages backed by residential real estate collateral at risk of transition) and the SME portfolio's (collateral at risk of transition and/or inability of clients to operate in a transition scenario).
	VC	Opportunity	Opportunities of increased revenues/market shares (and reduce climate related risks) by financing (through information provision (ref. Setle) and product and pricing efforts) the acquisition of RRE with good EPC score or the execution of renovations, as well as energy efficient cars.
Climate change adaptation	VC	Positive impact	Positive impact of Crelan on improving resilience/adaptation of society to climate change by supporting client investors to redirect their capital towards investment products which have a material positive impact on our society to adapt and be resilient to climate change.
	VC	Negative impact	Negative impact of Crelan on resilience/adaptation of society to climate change by offering (even unintentionally) client investors investment products which have a material negative impact on our society to adapt and be resilient to climate change.
	VC	Opportunity	Opportunity of revenue streams linked to the production of new loans aiming at supporting individuals/SMEs to make their assets climate resilient.
	VC	Risk	Financial risks (credit) caused on exposures to clients which are exposed to physical risks (disruption of activity, asset damage).

Within Crelan, several analyses are in place, collectively contributing to the evaluation of the resilience of Crelan's activities to climate change:

- Risk materiality assessments: since 2020, Crelan has conducted several risk materiality assessments to evaluate the material risks that could materialize across existing financial risk categories (in a broader context of implementing the ECB Guide on Climate & Environmental risks). These exercises aim at demonstrating resilience of Crelan's activities in various climate change scenarios and identify areas where Crelan is subject to risks.
- Stress testing: Crelan was part of the first Climate Stress Test (CST) conducted by the ECB in 2022 and conducted afterwards several internal stress tests on physical / transition risks.
- Internal Capital / Liquidity Adequacy Assessment Process (ICAAP / ILAAP): climate scenarios have been integrated in Crelan's ICAAP / ILAAP since 2023, with the objective to evaluate if additional capital / liquidity is needed to cover for future risks caused by climate drivers.

The following paragraphs summarize the main features and outcome of these exercises (hereafter labeled as "resilience analysis").

### a) Scope of Resilience Analysis:

The scope of Crelan's resilience analysis encompasses both physical (flood, heatwave, windstorm, drought) and transition (policy changes, energy prices) climate risks, and analyses in the various scenarios considered how the business activities of Crelan could be impacted. The analysis focuses on both Crelan's own operations as well as its downstream value chain, primarily real estate financing (residential / commercial) and professional loans (incl. the agriculture sector).

For a financial institution, the key risks that might emerge from climate risk drivers are credit risk, operational risk, liquidity risk, and market risk. Crelan sees climate risks as drivers of existing risk categories. The resilience analysis covered by Crelan includes an evaluation of these risks, and how the financial position of Crelan could be at risk. Given the business model of Crelan, a key risk driver considered is the increased risk of default from counterparties whose activities might be affected by a specific climate scenario. For mortgages (i.e. the largest product on Crelan's balance sheet), this concerns the risk that the value of properties with low EPCs deteriorate (affecting the Loss Given Default, but also the Probability of Default when renovations are required or due to higher energy expenses), as well as the risk that the property is exposed to physical risk events (e.g. floods).

The analysis evaluates risks across short term (1 years), short to mid-term (1-5 years), mid to long-term (5-10 years), and long-term horizons (>10 years), in line with

the ambition to analyze the impact of various scenarios on Crelan's operations. These time horizons align with those of the double materiality assessment described in the general disclosures section, except for the distinction between mid to long-term and long term, which was done following supervisory input.

### b) Timing and Method of Resilience Analysis:

The resilience analysis has been integrated into Crelan's risk management framework since 2022 and leverages on climate scenario analysis. An update of the analysis was made in 2024. This analysis uses climate stress-testing models to assess potential impacts across different timeframes, portfolios and geographies. The scenarios are informed by global standards, such as the Network for Greening the Financial System (NGFS) and/or scenarios defined by the ECB and inspired by NGFS (in the context of the ECB Climate Stress Test of 2022 and the ECB's publications of its own scenario analysis exercises). The analysis identifies and measures potential risks to its business model, including extreme weather events (physical risks) and regulatory or market shifts as well as reputational risk (transition risks).

### c) Results of the Resilience and Scenario Analysis:

The scenario analysis indicates that Crelan faces material transition risks in sectors like real estate, where energy inefficiency could affect the value of financed assets. Physical risks such as extreme weather events, particularly floods, can also pose a threat to agriculture and real estate portfolios. Stress-testing under various climate scenarios (including those from NGFS) shows that Crelan's portfolios are moderately vulnerable to these risks (the main material risk identified being credit risk due to transition risk drivers in the retail mortgage portfolio). The results reinforce the importance of Crelan's strategy to integrate climate considerations in its credit processes and decisions, and continue its efforts to finance energy-efficient renovations in order to improve the mortgage portfolio and to exclude financing to the most carbon-intensive sectors. Crelan's future focus is on maintaining resilience by continuously revising its risk management practices and aligning its strategy with evolving climate regulations (incl. training of employees in these matters). The following table summarizes how the various scenarios considered could materialize in financial risk or opportunity for Crelan.

	Financial risks	Financial opportunities
<b>Crelan as a company</b>	Greenwashing claims with reputational damage or fines as a consequence	Strong brand reputation, leading to attraction of talent and business partnerships
<b>Crelan as a lender</b>	Credit loss on financing of clients that suffer from the sustainable transition of consequences of climate change	Increased lending volumes due to transition projects for existing and new clients + lower credit losses
<b>Crelan as an institutional counterparty</b>	Fines or increased capital requirements for non-compliance + no (advantageous) access to capital markets	(Cheaper) access to capital markets for transition finance
<b>Crelan as an investment advisor</b>	Loss of turnover due to a lack of adequate product offering	Attraction of new clients due to tailored advice and products

**d) Uncertainties associated with the exercise:**

As described above, the use of long-term scenarios and modelling of expected financial impacts in these long-term scenarios contain an inherent uncertainty on their outcome (given the difficulty to determine how the balance sheet / business model of Crelan or the general society / economy will evolve in the long term). The financial outcome of the resilience analysis was completed by expert assessment in order to mitigate this uncertainty.



## Process to identify and assess material climate-related impacts, risks and opportunities

### General process for the identification of impacts, risks, opportunities

In alignment with its commitment to sustainability, Crelan has developed an increased focus on understanding its impacts on climate, while in parallel managing risks related to climate change. A process was followed to identify the areas where Crelan's operations, incl. its financing activities, have an impact on climate change adaptation and mitigation, as well as the risks and opportunities that could emerge as a result of climate change. These identified impacts have been essential in informing Crelan's overarching strategy, resulting in the formalization of strategic levers outlined within the ESG Policy.

From a risk management perspective, as described previously within Crelan's risk management framework climate change risks are identified as "drivers" of existing risks and are recognized to manifest through transmission channels, resulting in credit, operational, liquidity, and market risks. The integration of C&E risk drivers within Crelan's risk management framework accelerated as from 2022, aligning with the commitment to adhere to the ECB Guide on C&E risks, thus positioning Crelan to effectively manage and respond to the impacts of climate change within its operations and financial activities.

As part of a proactive risk management approach, Crelan continuously monitors and adapts to changes in market conditions and regulatory frameworks arising from climate-related factors, thereby allowing Crelan to mitigate risks and identify opportunities spurred by the transition towards a more sustainable economy. Furthermore, Crelan's understanding and measurement of these risks underscore its dedication to responsible and sustainable banking practices, which align with its strategic goals in addressing the impacts of climate change, as formalized within the ESG policy.

### Process in relation to managing impacts on climate change

Crelan's process for identifying and managing its impact on climate change focuses primarily on reducing its GHG emissions, in line with the commitment to achieve net zero for scope 1 and scope 2 emissions by 2030. Crelan measures its GHG emissions across three scopes:

- Scope 1 emissions refer to direct emissions from owned or controlled sources, such as fuel consumption in company vehicles.
- Scope 2 emissions account for indirect emissions from the consumption of purchased electricity,

heating, or cooling for its buildings.

- Scope 3 emissions, which are harder to control, include indirect emissions that occur in the value chain, including financed emissions, and customer activities.

Crelan uses these emissions data to inform its strategy for mitigating climate impact, promoting energy-efficient solutions in its own operations and financing projects that support climate change mitigation. Crelan is also transitioning toward offering green financial products, such as energy loans and green bonds, to support clients in lowering their carbon footprint. These items are described in the previous sections.

### Process in relation to managing risks related to climate change adaption (physical risks)

Crelan identifies climate-related physical risks across its operations and value chain by considering high-emission climate scenarios. These hazards primarily include extreme weather events such as floods, heatwaves, and storms, which could directly impact Crelan's operations and the value of the assets it finances, particularly in the real estate and agricultural sectors. The identification process considers geographical and sectoral vulnerabilities, focusing on assets or sectors that are most exposed to climate-related hazards.

For instance, agricultural clients are vulnerable to changing rainfall patterns and extreme weather, which can negatively impact crop yields and livestock. Real estate assets, particularly mortgages in flood-prone areas, are also at risk from increasing flood events. Crelan conducts ongoing assessments to identify these risks and develops strategies to mitigate the impacts. Crelan assesses how its assets and business activities are exposed to these climate-related hazards, using for instance scenario analyses to measure the physical risks posed to Crelan's portfolios.

Crelan's sensitivity to these risks is assessed through stress testing under different climate scenarios, focusing on the potential economic and financial impact of climate hazards (and making use of a combination of these scenario's as well as historical events such as the floods which occurred in 2021). Crelan has incorporated flood risk into its credit assessment criteria for real estate and agriculture lending. Based on these scenarios, Crelan evaluates potential losses that could be incurred as a result e.g. of property damage (for properties located in zones at risk of flood).

# Process in relation to managing risks related to climate change mitigation (transition risks)

Crelan identifies climate-related transition risks and opportunities by analyzing regulatory, market, and technological changes that arise from the transition to a low-carbon economy. This includes assessing the impact of new climate regulations, changes in market demand for green products, and advancements in renewable energy and energy efficiency technologies.

Crelan uses scenario analyses to evaluate the impact of transition risks. More specifically, Crelan considers a scenario aligned with limiting global warming to 1.5°C, focusing on how its operations, assets, and clients may be affected by these transition events. This includes risks such as rising compliance costs due to stricter environmental regulations or stranded assets in carbon-intensive industries. Opportunities identified include the growth of green finance, such as providing loans for energy-efficient renovations, renewable energy projects, and sustainable agriculture. The outcome of these scenarios is ultimately used to evaluate the risk profile of Crelan and to inform the strategy.

Crelan assesses its exposure to transition risks by examining its lending and investment portfolios, especially in sectors that are likely to face significant regulatory or market pressures during the climate

transition. These sectors include real estate, where there is an increasing demand for energy-efficient homes, and agriculture, where new technologies and sustainable practices are becoming essential for long-term viability.

Crelan realizes its opportunities by developing green financial products such as energy renovation loans, green bonds, and investment products aligned with ESG principles. This helps Crelan to position itself to benefit from the growing demand for sustainable financial solutions while managing the risks associated with a changing regulatory and market landscape.

## Use of scenario analysis

As mentioned above, Crelan employs climate scenario analysis to inform its assessment of both physical and transition risks. These scenarios include stress tests for different climate futures, ranging from high-emission scenarios to scenarios aligned with limiting global warming to 1.5°C. The scenarios are applied across short-, short to medium, medium to long-term and long-term timeframes, allowing Crelan to anticipate the evolving impacts of climate change.

The following table provides an overview of the scenarios which have been used by Crelan in the assessment of climate-related risks and opportunities described in previous sections (with a particular focus on those used for materiality assessment). The details of the public scenarios can be found on the website of the NFGS (version IV) or ECB.

	Risk affected	S	S-M	M-L	L
Transition risk	Credit risk	ECB: Accelerated transition	ECB: Late push transition	ECB: Late push transition	NGFS: NiGEM delayed transition
	Market risk	ECB: Accelerated transition	ECB: Late push transition	ECB: Late push transition	NGFS: NiGEM delayed transition
	Liquidity risk	Custom narrative			
	Operational risk	Custom narrative			
Physical risk	Credit risk	NGFS NiGEM current policies + ECB's climate stress test 2022 + Crelan overlay			
	Market risk	NGFS NiGEM current policies			
	Liquidity risk	Custom narrative			
	Operational risk	Custom narrative			

The results of these scenario analyses have reinforced Crelan's commitment to reducing its operational emissions, supporting clients in sustainable transitions, and steering away from carbon-intensive sectors (hence contributing to the overall climate ambition and commitments).

## Policies related to climate change mitigation and adaptation

Crelan has implemented a comprehensive set of policies to manage the material impacts, risks, and opportunities related to climate change mitigation and adaptation. These policies are designed to integrate

ESG (and climate more specifically) principles across the organization and support Crelan’s contribution to global frameworks like the Paris Agreement.

The following table provides an overview of the key policies in place at Crelan (with which other policies connect, such as the overall Risk Management Framework and Risk Appetite Framework):

	Policy name	Focus on	Coverage	Content	Scope	Approval Level
Overarching policies	ESG policy	Impact materiality & Financial materiality	Climate change mitigation Climate change adaptation Energy	Overarching document summarizing ESG governance and ambition (incl. climate)	Crelan	Board of Directors
	Climate & Environmental (C&E) risk charter	Financial materiality (risks)	Climate change mitigation Climate change adaptation	Description of Risk organization and process to manage C&E risks	Crelan	Chief Risk Officer
Connected Policies	Credit policy	Impact materiality & Financial materiality	Climate change mitigation Energy	Credit acceptance rules (incl. energy efficiency criteria)	Crelan NV*	Board of Directors
	Collateral acceptance	Financial materiality	Climate change mitigation Energy Climate change adaptation	Collateral valuation and acceptance rules (incl. consideration of energy efficiency factors)	Crelan NV	Board of Directors
	ESG Exclusion policy	Impact materiality & Financial materiality	Climate change mitigation	Criteria to exclude counterparties / clients / suppliers based on ESG impacts (incl. climate)	Crelan	Board of Directors
	Statement on the integration of ESG factors in investment advice	Impact materiality	Climate change mitigation	Criteria to include ESG risks and ESG preferences of clients in investment advice	Crelan NV	Executive Committee

\* other policies exist at Europabank with similar features

Two central components of Crelan’s strategy related to climate change are the ESG Policy and the Climate & Environment (C&E) risk charter. A summary of the content of these policies is provided below. On top of these policies, actions and processes are in place and described in the subsequent sections of this chapter.

### The ESG Policy

The ESG Policy aims at outlining Crelan’s overall approach to integrating sustainability into its governance, strategy and operations. It serves as a

guiding framework for Crelan to align its activities with environmental stewardship, social responsibility, and strong governance principles.

In this policy, Crelan has established a comprehensive governance framework to address environmental, social, and governance (ESG) issues, including climate change. The Board of Directors holds ultimate responsibility for sustainability performance and oversees the development and implementation of the ESG strategy, including setting risk appetite, approving targets, and evaluating compliance functions. Subcommittees advise the Board on ESG-related matters, such as risk appetite setting, sustainability

reporting, and remuneration policy integration. Crelan also has specific subcommittees and committees focused on climate-related risks, including monitoring transition and physical climate risk metrics, integrating ESG factors into lending activities, managing Crelan's investment portfolio with ESG criteria, and defining a Green Bond Framework.

The ESG policy also defines Crelan's ESG strategy, which encompasses the commitments described in the previous sections.

## The C&E risk charter

The purpose of this C&E risk charter is to describe the C&E risk management process at Crelan Group.

Key points from the charter include:

- **Roles & Responsibilities:** The charter clearly documents the roles and responsibilities of each line of defense within Crelan with regard to C&E risks.
- **Risk Assessment Process:** Crelan uses a four-step risk assessment process to identify, measure, evaluate, and report C&E risks. This includes conducting a yearly risk identification exercise and defining Key Risk Indicators (KRIs) and associated limits to measure and monitor the risks.
- **Stress Testing:** Crelan regularly defines C&E stress scenarios which are computed on a regular basis in order to assess the impact of C&E risks under stressed conditions.
- **Review & Validation Process:** The charter mandates a regular review of identified C&E risks and an assessment of the efficiency of mitigation measures.
- **Data Aggregation & IT Systems:** Crelan aims at strengthening data availability and quality for managing C&E risks. The Data department oversees the execution of the C&E data roadmap and maintains the ESG data glossary, ownership, and lineage.

The charter emphasizes the compliance with regulations, and the need for a robust system for exception and non-conformance reporting. It also underlines the need for regular revision and approval to keep it consistent with current practices and regulations.

The C&E risk charter covers both climate change mitigation and climate change adaptation through transition and physical risks, respectively, and denotes that clear categorizations between transition and physical risks are made during the risk identification exercise.

## Other relevant policies

Next to the ESG policy and the C&E Risk charter, specifying the vision and strategy of Crelan on ESG and climate change topics, Crelan has integrated ESG / climate elements in various existing policies (following a.o. the philosophy that climate change factors are drivers of existing risks hence should be captured in existing policies).

The following policies have been updated to integrate climate-related considerations:

- **Credit policy:** The Credit Policy outlines the general and specific criteria used by Crelan when granting credit, as well as the roles and responsibilities of different stakeholders. All stakeholders, including agents, Credit Analysts, Segment Journey, and Business Experts, are required to know and apply the Credit Policy, which is detailed in various specific manuals. Climate-related considerations were integrated in the Credit Policy, as part of the action plan developed to integrate the expectations from the ECB Guide on C&E risks as well as the requirements of the EBA Loan Origination and Monitoring Guidelines. Two major updates were performed, tackling both climate change mitigation and energy topics. First, the list of products offered (and accepted by Crelan) was updated to reflect the ambition of Crelan to stimulate "green credits", such as renovation loans and mobility loans. Explicit references to conditions to meet "green credits" as well as requirements related to purchase of properties with low energy efficiency (necessity to consider availability of funds to finance renovations) were integrated. Then, new loan origination requirements were incorporated, imposing clients seeking funds to finance the purchase of properties with low energy efficiency to prove that they have adequate funds available for renovations (and/or to request an additional renovation credit simultaneously).
- **Collateral valuation policy:** The Collateral Valuation Policy is connected to the credit policy and specifies the principles within Crelan to value and accept collateral (both real estate and movable property), to ensure an accurate and consistent assessment of all collateral. From a financial and risk perspective, Crelan aims at maintaining accurate asset values to prevent bias in portfolio valuations and comply with regulatory expectations. Climate risk is integrated primarily during the credit acquisition process, where both energy efficiency and physical risk are explicitly considered when determining the collateral value to be able to move through the credit approval process. After acquisition, the collateral value is updated on a regular basis to reflect general market evolutions, and in certain cases, climate risk factors are reconsidered in a full revaluation.

- **ESG Exclusion policy:** The ESG Exclusion Policy was developed in 2024<sup>3</sup> and approved early 2025 by the Board of Directors and serves as an “umbrella” policy aiming at defining Crelan’s vision on the activities / clients / suppliers that must be excluded due to ESG considerations (incl. climate considerations). This policy is then implemented within all functions (credit, investment, marketing, etc.) as part of their function-policies. Details are provided in chapter *General disclosures – ESRS 2*.
- **Statement on the integration of ESG factors in investment advice:** The objective of this statement is to describe the approach implemented by Crelan regarding the integration of sustainability risks and the consideration of principal adverse impacts on sustainability factors as a financial advisor, in accordance with Articles 3 and 4 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector (the “SFDR Regulation”). The statement defines guiding principles across the whole range of financial products offered by Crelan (investment funds, pension funds, bonds, structured debt securities). The underlying philosophy is based on the vision that the right combination of financial and non-financial criteria in the selection of investment products delivers added value for Crelan’s clients (as well as impact).

## Actions and resources in relation to climate change policies

In order to implement the climate change policies described in the previous section, Crelan’s actions related to mitigating its **negative impact on climate change** are focused on two main areas: reducing operational emissions (own emissions) and addressing financed emissions (particularly within its mortgage portfolio). In addition, as described above, Crelan aims to ensure that **climate risks** are adequately managed. Each area has a detailed action plan, with responsible individuals overseeing specific aspects of implementation. The actions put in place associated with these areas are described below.

## Actions related to the mitigation of negative climate impacts

### 1. Reducing operational emissions

As described in chapter Crelan decarbonization levers, Crelan defined decarbonization levers aiming to achieve its carbon reduction objectives on own operations. Several actions associated with these levers were initiated in 2023 and 2024:

- **Car Policy:** A new policy mandates the exclusive use of electric vehicles for the corporate fleet for all employees, aligning with Crelan’s goal to minimize transportation-related GHG emissions. The initiative was launched in October 2023 at Crelan NV with the switch from combustion-engine vehicles to electric ones, and a parallel policy will be introduced at Europabank from 2025 onwards. Considering a leasing duration (on average) of approximately 4 years, Crelan expects that by 2030 all vehicles are migrated to electric power.
- **Office Building Energy Efficiency:** Since 2022, Crelan has undertaken a comprehensive review of all its properties, identifying various measures to enhance their energy efficiency, including renovations and potential relocations. This exercise was conducted with the support of an external party expert in property management, to ensure that Crelan can identify the right actions having the most meaningful impact. As a result, Crelan has implemented energy efficiency measures, such as LED lighting and placement of solar panels at its Berchem headquarters, resulting in a significant reduction in electricity use and gas consumption in 2023 and 2024. An audit was conducted to evaluate further improvements and renovation needs at the Berchem office (with the support of an external consultant) resulting in the identification of various scenarios to reduce the emissions of that building. In 2024, a new energy efficient building was found to replace the Gembloux office and will replace in 2025 the former building contributing to further reducing the energy consumption (and GHG emissions). This building will be net zero and be equipped with both technologies to support sustainable operations (solar panels, thermal pump, water recycling system, etc.) and to improve the wellbeing of workers in the offices. Finally, a project has started to find ways to reduce energy consumption at the Anderlecht office, while Crelan is also looking for a new building in the central area of Brussels accessible by public transport. A decision about the new building will be made in 2025. At Europabank decision was taken to ensure that all buildings owned by Europabank (headquarters and agencies) will have an EPC label A by 2030.

<sup>3</sup> Note that the Credit Policy already excluded for many years certain types of activities. In 2024, it is the first time that Crelan has an overarching ESG Exclusion policy, across different activities.

- **Renewable Energy and green energy sourcing:** The installation of solar panels at the Berchem and Anderlecht offices, which generated 138 MWh of renewable energy in 2024, with plans for further reducing the dependence on non-renewable energy sources. Furthermore, Crelan initiated a process in 2022 to amend electricity contracts with suppliers, leading to a gradual transition of electricity contracts from both (former) AXA Bank Belgium and Crelan to "green energy." This transition supports the reduction of scope 2 emissions and aligns with Crelan's dedication to sourcing electricity from green energy sources

These efforts are coordinated by the Facilities department within Crelan, in collaboration with the ESG Office. A dedicated budget was unlocked for renovations, and several internal resources worked on these actions (supported when needed by external consultants).

## 2. Financed Emissions

As described in chapter Transition plan for climate change mitigation, Crelan defined an action plan to reduce the emissions associated with its financing activities starting with a prioritization on the mortgage Portfolio (corresponding to more than 80 % of the loan portfolio). To ensure that credible targets were defined for this portfolio, Crelan initiated the following actions:

- **Measurement of the GHG emissions:** In 2024, Crelan decided to become a member of the Partnership for Carbon Accounting Financials (PCAF). As such, Crelan commits to following the PCAF standards for measuring and reporting financed emissions. In order to measure the emissions linked to the mortgage portfolio, Crelan defined a methodology leveraging on the energy performance certificates (EPC) of the properties (financed with those mortgages). A data collection process was initiated in 2023, with the objective to increase the proportion of the portfolio for which actual EPCs were available. For properties where Crelan does not have EPC data available, Crelan developed a methodology to approximate these EPCs, using a.o. regional statistics. In 2024, Crelan used a third-party data provider to refine the approximations of EPCs based on asset-specific rather than regional information. Crelan will, together with the third-party provider, continue to invest in improving data quality to measure GHG emissions. For the professional loan portfolio, Crelan uses emission intensity factors from PCAF, in the absence of actual client data, given that Crelan finances mainly independent professionals and small companies who have neither the resources nor the obligation to report their emissions.

- **Definition of a pathway to align emission to Paris Aligned scenario:** Crelan performed in 2023 an exercise to identify which intensity pathway would be appropriate on the mortgage portfolio to meet Crelan's objective to support the transition of the society to a 1.5°C scenario, serving as a first step to steer the actions and portfolio. Crelan opted for the 1.5°C scenario of the Carbon Risk Real Estate Monitor (CRREM), and determined the intensity reduction levels that would align with this scenario. While this pathway serves as a "top-down" trajectory on how the Crelan portfolio would have to evolve to align with the 1.5°C scenario, it sheds light on the dependency of Crelan on the overall society to achieve its ambition. Given Crelan's role as a financial intermediary rather than real estate owner, Crelan's success in supporting climate transition is contingent on collaboration among governments, industries and clients. Committing to a net zero target on financed emissions as a financial institution is seen by Crelan as not realistic if no acceleration in other stakeholders' (government, building sector, property owners) transition is observed (such as decarbonization of the energy grid in Belgium, structural and strong acceleration of renovation efforts). For Crelan, considering a baseline intensity in 2023 of 70 kg CO<sub>2</sub>e/m<sup>2</sup>/y, aligning the portfolio to the 1.5°C degree pathway would trigger a decrease of the portfolio intensity to 21 kg c by 2033. Considering the current levels of energy efficiency in Flanders and Wallonia (73 and 76 kg CO<sub>2</sub>e/m<sup>2</sup>/y, resp.<sup>4</sup>) and the fact that there is no regional policy in place yet to accelerate the transition (and align with the 1.5°C scenario), such alignment would imply that Crelan would only finance the best EPC classes until 2033, which is not seen as realistic. Crelan therefore decided to monitor its progress towards the pathway, but not to commit to a specific decarbonization target on this portfolio by 2030 or 2050. This decision does not refrain the ambition of Crelan to achieve the resource commitment made (i.e. dedicate the necessary financing means and tools to customers to achieve this transition and continue efforts, as seen via e.g. the partnership with Setle and the commitment to PCAF to improve the quality of the estimates), which remains fully applicable. This decision might be revisited in the future. In 2025, a new set of targets reflecting the above will be defined by Crelan.
- **Development of an adequate set of products to support this ambition** (e.g. renovation credits) and/or adjustments of the access conditions to these products (e.g. extension of mortgage loan duration for good EPCs) to ensure a large set of clients can have access to those ("transition for all").

4 Sources: <https://www.vlaanderen.be/statistiek-vlaanderen/energie/energiescore-van-bestaande-woningen>; <https://etat.environnement.wallonie.be/contents/indicatorsheets/MEN%2010.html>

- Definition of “**catalyst actions**” rolled out as from end of 2024, aiming at supporting the achievement of the ambition, consisting of;
  - Creation of awareness among Crelan clients on the importance of “green renovations”, focusing on emphasizing the value proposition for Crelan. As part of these actions, Crelan invested in a new platform, Setle, that is being rolled out in the agencies and which will help the agents to identify, together with the clients, the areas where the client would best benefit from these renovations. The platform will allow Crelan to identify with the customers a business case behind the renovations, insight into what impact this has on the energy efficiency of the asset and the renovation work falling in scope of government subsidies.
  - Development of specific marketing campaigns targeting the above.

These efforts are coordinated by the ESG office, with the active contribution of the business functions (in particular, the credit and risk departments). Several internal resources worked on these actions (with support from external consultants on topical elements).

Finally, for professional clients, Crelan developed an “ESG scorecard” aiming at defining an ESG score (incorporating climate components) for these clients and giving means to Crelan front office to identify the transition needs of these clients and propose them with solutions. This includes areas such as energy efficiency, renewable energy and exposure to physical climate risk. See more details in chapter *A.2 – Entity specific: SME transition*.



## Actions related to the management of climate-related risks

Crelan developed in 2021/2022 an action plan aiming at implementing all expectations formulated in the ECB Guide on Climate & Environmental (C&E) risks by 2024. This action plan was presented to the ECB, and the progress against this plan is periodically monitored.

As part of this implementation, the following actions were taken to ensure that climate-related risks are adequately identified, monitored and managed by Crelan:

- Conduction of several climate-related materiality assessments and stress testing exercises aiming at identifying how climate-related risk drivers could materialize in risks for Crelan’s activities (see chapter *General process for the identification of impacts, risks, opportunities*);
- Integration of climate-related risks in Crelan’s risk taxonomy, and development of a dedicated C&E risk charter defining process and governance in place to manage C&E risks.
- Integration of climate-related considerations in the valuation of collateral, ensuring that collateral presenting higher climate-related risks is priced accordingly.
- Development of Key Risk Indicators to monitor the risks identified, setting Risk Appetite Limits and periodic monitoring of these indicators as part of the Quarterly Risk Review; and
- Finally, Crelan is adapting its IT systems to better collect and aggregate C&E data, while also establishing a comprehensive data governance framework to ensure the accuracy and relevance of ESG data across the organization (incl. ESG data dictionary).

Additional information on how Crelan manages its risks, incl. risks linked to ESG / climate risk drivers, are provided on a yearly basis in the Crelan’s Risk Report (Pillar 3).

## 4. Metrics and targets

### Targets related to climate change mitigation and adaptation

#### Targets related to GHG reduction

As described in chapter Transition plan for climate change mitigation, Crelan has defined a net zero target by 2030 on its scope 1 and 2 GHG emissions. This includes emissions related to Crelan's own operations, such as energy use in office buildings and emissions from its company-owned vehicle fleet. The assumptions used to generate this table align with those described in section Gross Scopes 1, 2, 3, and Total GHG emissions.

The following table provides a view on the baseline and target values until 2030 for scope 1 and 2 emissions:

Ton CO <sub>2</sub> e	2023	2024	2025	2026	2027	2028	2029	2030
	<b>Baseline</b>		<b>Projected</b>					
Emissions Crelan (electr + heating)	655,1	730	303,32	286,22	319,27	319,27	319,27	123,41
Emissions Europabank (electr + heating)	379,6		379,6	379,6	327,6	275,6	223,6	171,6
Fleet Crelan	1.478,5	1.073	949,7	534,2	221,3	10,8	0,0	0,0
Fleet Europabank	455,5		364,4	291,5	218,6	145,7	72,8	0,0
Refrigerants Crelan	NEW	74,0						
Refrigerants Europabank	NEW							
<b>Total</b>	<b>2.968,70</b>	<b>1.877</b>	<b>1.997,02</b>	<b>1.491,52</b>	<b>1.086,72</b>	<b>751,37</b>	<b>615,67</b>	<b>295,01</b>
<b>Reduction vs baseline</b>	<b>NA</b>	<b>-37%</b>	<b>-33%</b>	<b>-50%</b>	<b>-63%</b>	<b>-75%</b>	<b>-79%</b>	<b>-90%</b>

In parallel, Crelan acknowledges that targets related to the GHG emissions of the mortgage portfolio are necessary, while the intensity targets defined in 2023 (aligned with the 1.5° scenario) are not realistic. New targets are therefore being developed and will be finalized in 2025.

## Climate-related risk indicators / targets

Crelan has developed a set of risk metrics (“key risk indicators”) related to the management of climate risks and monitors them through a comprehensive framework. These indicators are integrated into the Quarterly Risk Report (QRR) and are monitored by the Enterprise Risk Management (ERM) team, which is responsible for gathering input from all teams on key risk indicators, including those related to climate risks. The ERM team updates the QRR on a quarterly basis, incorporating input from other teams, and presents it to the ExCo, the Risk and Compliance Committee (RCC), and the Board of Directors for discussion and decision-making. This indicates that Crelan takes a proactive approach to monitoring climate risks and incorporates them into its overall risk management framework.

The following Key Risk Indicators have been defined covering both physical and transition risks (figures not reported for confidentiality purposes):

- Physical risks: Crelan monitors its new production in high-flood risk zones, on a quarterly basis. A limit has been defined, ensuring that Crelan controls its exposure in these zones and hence manages the credit risk identified.
- Transition risks:
  - Crelan monitors its high-risk exposures to mortgage loans with are backed by properties with a low EPC (F or G). A limit has been defined, ensuring that Crelan controls its exposure in these classes (and in parallel can define remediation actions for their customers), hence manages the material credit risk identified. Periodic reporting on the volume of these credits is produced for the local supervisor.
  - In addition, Crelan has defined a risk indicator related to the volume of eligible green loans, which are needed for their green bonds program. This volume is monitored on a quarterly basis and used to monitor the liquidity risk.

Please note that the progress towards the target for scope 1 and 2 GHG emissions, are also tracked via a Key Risk Indicator.

## Other metrics and targets

Crelan has established a set of additional targets that complement the efforts to mitigate the adverse effects of climate change, even though they are not explicitly tied to a particular climate scenario:

- Usage of Setle: # simulations / # requests for loans with relevant goals (retail). A target of 14% is foreseen for 2025, and above 20% for 2030 (to be adapted based on experience in 2025)
- Share of # green loans in total # loans granted: A target of 20% is foreseen for 2025, and above 20% for 2030 (to be adapted based on experience in 2025)
- Share of contacted customers for energy efficiency: a target of 10% is foreseen for 2025, and above 10% for 2030 (to be adapted based on experience in 2025)
- Share of relevant employees (senior management, ESG Steerco members, credit decision makers, product managers, etc) who have followed climate change training. A target of 90% is foreseen for 2025.
- Share of all employees who have followed the annual Crelan ESG update event. A target of 90% is foreseen for 2025. This target is also tracked by risk management via a Key Risk Indicator.

Finally, a set of additional metrics are monitored without specific targets attached to them, such as e.g. climate risk indicators for investment funds distributed by Crelan.

At least 5 times a year, the Chief Cooperative Bank Officer reports on the realization of the ECB Climate & Environmental Risk Action Plan and the progress in the different ESG-related projects directly to the Board of Directors of Crelan NV.

Please note that no specific metric or target exists yet related to the EU Taxonomy indicators, available on EU Taxonomy reporting.

## Energy consumption and mix

The following table provides a summary of Crelan’s energy consumption in MWh across all of its operations for 2024. The primary areas of energy use include its office buildings, vehicle fleet, and other operational facilities. As part of the sustainability strategy, Crelan is focused on reducing overall energy consumption through energy efficiency measures and switching to renewable energy sources wherever possible.

Energy consumption and mix		Consolidated	
		MWh	% total
<b>Total energy consumption (MWh)</b>		<b>7.792,59</b>	
Total fossil energy consumption (MWh)		3.946,08	51%
Consumption from nuclear sources (MWh)			
Total renewable energy consumption (MWh)		3.783,81	49%
Of which	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)		
	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	3.578,95	
	The consumption of self-generated non-fuel renewable energy (MWh)	204,86	



## Gross Scopes 1, 2, 3, and Total GHG emissions

The following table provides an overview of the GHG emissions of Crelan encompassing scope 1, 2, and 3, measured in metric tons of CO<sub>2</sub> equivalent (CO<sub>2</sub>e). The table is split between own operations and financed

emissions. Please note that the net zero target for scope 1 and 2 is based on the same boundaries as the table reported below (but only covers scope 1 and 2 emissions).

### Own operations:

Overview GHG emissions (figures in tCO <sub>2</sub> eq)	Location based	Market based
<b>Scope 1 GHG emission</b>		
Gross Scope 1 GHG emissions	1877	1877
Percentage of Scope 1 GHG emissions from regulated emission trading schemes	0%	0%
<b>Scope 2 GHG emission</b>		
Gross Scope 2 GHG emissions (tCO <sub>2</sub> eq)	711	0
<b>Significant scope 3 GHG emissions (excl. Cat 15)</b>		
Total Gross indirect (Scope 3) GHG emissions	1633	1533
1 Purchased goods and services	7	7
3 Fuel and energy-related Activities (not included in Scope 1 or Scope 2)	548	448
4 Upstream transportation and distribution	175	175
5 Waste generated in operations	2	2
6 Business traveling	92	92
7 Employee commuting	809	809
<b>Total GHG emissions (excl. scope 3, cat. 15)</b>		
Totale GHG-emissies (tCO <sub>2</sub> eq)	4221	3410

Scope 1 GHG emissions reflect the direct emissions from sources owned or controlled by Crelan, including fuel combustion and other activities under our operational control. They have been calculated using the GHG Protocol, and cover Crelan's emissions from facilities (e.g. natural gas, other fuel consumption, refrigerants) and company vehicles (owned/leased cars). Please note that no emissions within scope 1 are related to biogenic emissions of CO<sub>2</sub> from the combustion or biodegradation of biomass were excluded from the presented Scope 1 GHG emissions.

Scope 2 GHG emissions represent indirect emissions from the consumption of purchased or acquired electricity, heat, and cooling used in Crelan's operations. They have been calculated using the GHG Protocol. The approach for calculating scope 2 emissions from purchased electricity involves two methods: the market-based and location-based approaches. The market-based approach calculates emissions based on the specific electricity sources Crelan has actually purchased, such as grey electricity from fossil fuels or green electricity from renewable sources, with green electricity having zero emissions if verified by Guarantees of Origin. The location-based approach calculates emissions based on the average emission intensity of the electricity mix in the grid from which Crelan draws power, including both fossil and renewable sources.

Scope 3 GHG emissions capture all other indirect emissions that occur across the upstream and downstream value chain, outside of Scope 1 and 2. This includes emissions from Crelan's suppliers, customers, and other third-party partners, reflecting the broader impact of its business activities. For Crelan, the following categories were identified as a priority and the most significant:

- Cat. 1: purchased goods and services (for emission from outsourced IT / data centers, which were directly obtained from the supplier)
- Cat. 3: Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2 (well-to-tank emissions)
- Cat. 4: upstream transportation and distribution (for transport of documents and money), emissions directly obtained from the supplier
- Cat. 5: waste generation in operations (in Crelan's buildings)
- Cat. 6: business travelling, including emissions from transport of employees for business travels (vehicles not owned by Crelan)
- Cat. 7: employee commuting, incl. emissions from

transport of employees for commuting (vehicles not owned by Crelan)

- Cat. 15: investments (discussed in detail in the following section)

Emissions related to the on-premise data centers not operated (scope 3, cat. 14) are currently not integrated in the reported figures. Similarly, the emissions related to electric company cars of Crelan / Europabank when these cars are not charged in Crelan's / Europabank's premises are not reported. Finally, for company cars of Europabank, an average emission factor for fossil-cars was used to derive emission (scope 1 / 2) when the fuel type was unknown.

Other categories were considered of a lower priority, considering the activities of Crelan as a financial institution.

Scope 3 emissions (excl. cat. 15) are to a large extent based on primary data from suppliers to which specific intensity factors are used. Overall, these emissions are calculated in accordance with requirements specified in CSRD, ESRS E1-6 and in accordance with the GHG Protocol.

## Financed emissions:

(tCO <sub>2</sub> eq)	2024		
	Scope 1	Scope 2	Scope 3
<b>Financed emissions (scope 3, cat. 15)</b>	<b>Scope 1</b>	<b>Scope 2</b>	<b>Scope 3</b>
<b>15 Investments</b>	<b>2.453.569,5</b>		
15 a) Loans collateralized by residential immovable property	861.703,2		n/a
15 b) Loans to non-financial professional counterparties	1.172.876,3	113.816,4	911.631,9
15 c) Sovereign bonds (incl. LULUCF)	305.173,5	n/a	n/a
15 c) Sovereign bonds (excl. LULUCF)	309.061,5	n/a	n/a

For Crelan, scope 3 category 15 is the most significant, in alignment with the material impact identified on climate change mitigation through Crelan's value chain. The scope 3 emissions on the investments have been calculated using the following methodology:

- Mortgage portfolio: application of the PCAF methodology (part A "Financed Emissions") for mortgage portfolios, applying the PCAF conversion factor ( $\text{CO}_2\text{e} / \text{kWh/m}^2\text{y}$ ) and average surface of Belgian properties on either actual or estimated EPC score of the properties financed with the mortgage loans (on the portfolio per end of 2024). Data quality score under PCAF is 5.
- Business loans, application of the PCAF methodology (part A "Financed Emissions") for these instruments and using PCAF intensity factors from the Exiobase Assets dataset expressed in  $\text{tCO}_2\text{e}/\text{mln} \text{€}$  exposure. This is the methodology option 3c and results in a PCAF data quality score of 5. Crelan reports emissions for scope 1, 2 and 3 separately. For the aggregation across different asset classes, Crelan only uses scope 1 & 2 given the inherent uncertainty and large variability of scope 3 emissions.
- Sovereign debt: application of the PCAF methodology (part A "Financed Emissions") for these instruments and using PCAF intensity factors. Crelan reports only the sovereign's scope 1 emissions, and obtains PCAF data quality score 1. Emissions are reported both including and excluding LULUCF. For the aggregation across different asset classes, the number including LULUCF is used. This is PCAF methodology option 1a and results in a data quality score of 1.
- Other investments (e.g. covered bonds, cash and financial counterparty exposures, derivatives): not included in the calculations above as considered as not material and/or due to the short term and volatile nature of the assets.
- Crelan is not an asset manager, it only distributes funds managed by third parties. Therefore, Crelan does not report any financed emissions from off-balance sheet assets under management, but only from on-balance sheet assets.

Finally, the table below presents the GHG emission per unit of net revenue for Crelan, with a breakdown of net revenue figures in alignment with financial statements.

<b>Overview GHG intensity per net revenue</b>	<b>2024</b>
<b>Net revenue used to calculate GHG intensity</b>	<b>2.836</b>
Interest receivable and similar income	2.505
Income from securities	1
Commissions receivable	276
Net profit or net loss on financial operations	12
Other operating income	41
<b>Net revenue (other)</b>	<b>-2.643</b>
<b>Total net revenue (in financial statements)</b>	<b>192</b>

<b>Crelan's GHG scope 1, 2 and 3 (excluding financed emissions)</b>	
<b>Total GHG emissions (location-based) per net revenue (<math>\text{tCO}_2\text{eq}/\text{mln} \text{€}</math>)</b>	<b>1,5</b>
<b>Total GHG emissions (market-based) per net revenue (<math>\text{tCO}_2\text{eq}/\text{mln} \text{€}</math>)</b>	<b>1,2</b>

<b>Crelan's GHG scope 1, 2 and 3 (including financed emissions)</b>	
<b>Total GHG emissions (location-based) per net revenue (<math>\text{tCO}_2\text{eq}/\text{mln} \text{€}</math>)</b>	<b>867</b>
<b>Total GHG emissions (market-based) per net revenue (<math>\text{tCO}_2\text{eq}/\text{mln} \text{€}</math>)</b>	<b>866</b>

## GHG removals and GHG mitigation projects financed through carbon credits

Crelan did not make use of carbon offsetting in the course of 2024, as the first actions taken aimed at first reducing the “gross” emissions of Crelan (on which Crelan put their efforts on, to bring a structural solution to GHG emissions). However, conscious of the fact that carbon offsetting is a necessary tool to achieve a net zero target by 2030, Crelan will put in place a carbon offsetting program at the latest in 2030 (which will be reported in subsequent sustainability statements).

## Internal carbon pricing

Crelan does not have a formal carbon pricing mechanism in place because the nature of its operations as a financial institution does not involve carbon-intensive activities. Other, more appropriate mechanisms have been developed ensuring that Crelan can redirect their funding towards activities / clients having a better impact on the climate (e.g. integration of climate factors in credit policies). In addition, Crelan generally takes a broader perspective than solely carbon when taking credit decisions, considering a wider range of environmental, social, and governance factors (c.f. for instance the ESG scorecard developed for professional clients, see *Chapte A.2 – Entity specific: SME transition*).

## Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

This section aims to outline the expected financial impacts of climate change on Crelan, specifically focusing on material transition and physical risks (the financial effects related to opportunities are covered only from a qualitative perspective in this first report).

As described in section Actions related to the management of climate-related risks, Crelan conducted several C&E risk materiality analyses covering a range of climate scenarios and time horizons. Crelan notes that for climate risk it has developed over the past years a refined and quantitative approach, in order to address the expectations set in the ECB Guide on C&E risks. The outcome of this quantitative exercise slightly differs from those of the Double Materiality Assessment, as the latter combines both quantitative and qualitative inputs to assess the materiality of impacts, risks and opportunities on all ESG topics. The results of the C&E risk materiality assessment demonstrated that transition risks reached the risk materiality threshold,

more specifically transition credit risk on the retail mortgage portfolio. The impact of physical risks on credit risk, as well as transition and physical risks on other risk types or portfolios (market, liquidity, operational risks), did not exceed the materiality threshold for risk assessment.

The financial effects identified depend on the time horizons.

- Initially, Crelan may encounter immediate challenges from weather events in the short term. These events could potentially affect physical assets and collateral, as seen during the floods in Belgium in the summer of 2021. Furthermore, rapid regulatory changes related to environmental policies may require fast adaptations and compliance measures.
- Secondly, the risks expected to be most prominent between one and five years – short-to-mid-term – are transition risks. Policy shifts and market dynamics associated with the move towards a low-carbon economy pose challenges such as regulatory compliance, investment considerations, market volatility and operational resilience. Physical risks are however also expected to arise, as the increasing frequency of climate-related events will affect financial values associated with assets and investments (e.g., market value of assets such as real estate). In addition, they may disrupt supply chains which can, in their turn, impact the financial values of companies and investments associated with those supply chains.
- Furthermore, in the mid-to-long-term, Crelan must anticipate the implications of carbon pricing mechanisms and regulations, while opportunities will emerge for investments in sustainable practices, such as renewable energy and green technologies. Additionally, changing consumer preferences towards environmentally friendly products and services may become a significant factor influencing long-term demand.
- Lastly, looking beyond ten years from now, in the long-term, Crelan anticipates potential exposure to the risk of physical asset stranding. This refers to the scenario where assets could experience significant devaluation as a result of climate impacts. Moreover, there is a concern about global systemic risks, where widespread economic and financial disruptions may occur, due to cumulative and interconnected climate challenges.

In the next section, the approach and assumptions used to conduct the assessment are presented, together with a summary of the outcome focusing on the material risks identified.

## Material transition risks

Applying the methodology above, Crelan defined narratives corresponding to each of the scenario considered in the analysis. These narratives were tailored to the type of risk affected, ensuring that

adequate connection can be made between the scenario and the parameters of each underlying risk.

The following table provides a summary of the narratives selected per type of risk to evaluate materiality:

Risk affected	Portfolio affected	Narrative (stress scenario)
<b>Credit risk</b>	Retail mortgages	Increase in energy prices, investment acceleration
	Agriculture	
	Other professional loans	
	Consumer loans / instalment loans	
<b>Market risk</b>	Corporate bond portfolio	Stress on corporate bond portfolio
	Sovereign bond portfolio	Widening spreads
	Covered bond portfolio	Stress on covered bond portfolio
<b>Liquidity risk</b>	Retail mortgages	Not enough eligible assets under Green Bond Program
	Retail mortgages	No Green Bond Framework
	Retail mortgages	New regulation impacting the eligibility of assets as HQLA through securitisation
	Retail mortgages	Not enough value for covered assets under Covered Bond Program
	Retail mortgages	Collateral eligibility requirements changed by the central bank
<b>Operational risk</b>	All portfolios	Increased scrutiny and timing pressure with actual fines
	External	Greenwashing by vendors/providers
	External/internal	Reputational impact from Crelan's ESG strategy
	Internal	Greenwashing (by Crelan)
	Agriculture	Reputational impact of nitrogen-intensive financing on client & talent



For each type of risk, Crelan identified how the scenario could impact the assessment of the risk from a qualitative perspective using a severity / likelihood assessment matrix. This outcome was used as a basis to perform the Double Materiality Assessment described in *General disclosures – ESRS 2*, resulting in the material risks described in *Material impacts, risks and opportunities and their interaction with strategy and business model*.

In addition, Crelan conducted a quantitative assessment aiming at quantifying the risks identified, with a focus on risks that are considered as most important. The table below provides a view on the risks exceeding the materiality thresholds (“MT”) at the various time horizons defined.

Portfolio affected	Narrative stress scenario	Impact			
		S	S-M	M-L	L
<b>Credit risk</b>					
Retail mortgages	Increase in energy prices, investment acceleration	>MT	>MT	>MT	<MT
Agriculture		<MT	<MT	<MT	<MT
Other professional loans		<MT	<MT	<MT	<MT
Consumer loans (LOA)		<MT	<MT	<MT	<MT
<b>Market risk</b>					
Sovereign portfolio	Widening spreads (sovereign portfolio)	<MT	<MT	<MT	<MT
<b>Liquidity risk</b>					
Retail mortgages	Not enough eligible assets under Green Bond Program	<MT	<MT	<MT	<MT
<b>Operational risk</b>					
All portfolios	Increased scrutiny and timing pressure with actual fines	<MT	<MT	<MT	<MT

In the short term, Crelan is mainly exposed to material risk through its retail mortgages portfolio. For this portfolio, the energy performance increasingly plays a role in the valuation of a property. Properties with a lower EPC value can decrease in value in the future, and that has an impact on the loss given default value (LGD value). The additional consumption of energy for this type of housing can also have a negative impact on the capacity to pay (CTP) and the probability of default (PD), taking into account the sharp increase in energy prices. These risk drivers ultimately affect the credit risk of this portfolio.





The following table provides a breakdown of the exposures of Crelan secured by real estate according to the different classes of EPC (table extracted from Crelan's Risk / Pillar 3 report, template 2.CC Trans-BB.RE collateral):

Counterparty sector	Total gross carrying amount (in MEUR)							
	CODE	Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral)						g
		a	b	c	d	e	f	
		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	
<b>Total EU area</b>	<b>1</b>	45.418,36	2.004,16	4.928,72	12.643,24	16.596,10	4.137,35	1.533,09
Of which Loans collateralised by commercial immovable property	<b>2</b>	6.567,74	92,54	246,00	987,53	3.187,56	312,38	20,54
Of which Loans collateralised by residential immovable property	<b>3</b>	38.850,62	1.911,62	4.682,72	11.655,71	13.408,54	3.824,97	1.512,55
Of which Collateral obtained by taking possession: residential and commercial immovable properties	<b>4</b>	-	-	-	-	-	-	-
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	<b>5</b>	6.717,26	-	-	1.157,98	5.559,28	-	-
<b>Total non-EU area</b>	<b>6</b>	61,09	3,44	9,37	18,86	24,24	3,41	-
Of which Loans collateralised by commercial immovable property	<b>7</b>	0,07	-	-	-	-	-	-
Of which Loans collateralised by residential immovable property	<b>8</b>	61,02	3,44	9,37	18,86	24,24	3,41	-
Of which Collateral obtained by taking possession: residential and commercial immovable properties	<b>9</b>	-	-	-	-	-	-	-
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated	<b>10</b>	5,04	-	-	3,81	1,23	-	-

Counterparty sector	Total gross carrying amount amount (in MEUR)								
	Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated
	h	i	j	k	l	m	n	o	p
<b>Total EU area</b>	1.894,36	4.533,52	9.288,47	12.275,21	10.076,76	3.727,14	1.252,60	2.370,30	92%
Of which Loans collateralised by commercial immovable property	77,94	237,72	756,66	1.989,69	1.589,35	229,95	74,75	1.611,68	74%
Of which Loans collateralised by residential immovable property	1.816,42	4.295,81	8.531,81	10.285,52	8.487,41	3.497,19	1.177,85	758,62	95%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	0%
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								-	0%
<b>Total non-EU area</b>	2,91	5,49	10,04	13,63	11,49	8,20	7,91	1,41	97%
Of which Loans collateralised by commercial immovable property	-	-	-	-	-	-	-	0,07	0%
Of which Loans collateralised by residential immovable property	2,91	5,49	10,04	13,63	11,49	8,20	7,91	1,35	97%
Of which Collateral obtained by taking possession: residential and commercial immovable properties	-	-	-	-	-	-	-	-	0%
Of which Level of energy efficiency (EP score in kWh/m <sup>2</sup> of collateral) estimated								-	0%

Les chiffres sont présentés en millions d'euros.

Ce modèle présente les montants bruts comptables des prêts garantis par des biens immobiliers commerciaux et résidentiels et des garanties immobilières reprises pour tous les secteurs de contrepartie, y compris les sociétés non financières et les ménages.

Efficacité énergétique (colonnes b-g) :

Dans la mesure du possible, le niveau d'efficacité énergétique a été estimé. Pour cette estimation, la valeur EPC réelle a été utilisée (lorsqu'elle était disponible) en combinaison avec les classes de notation par région en Belgique. En l'absence d'étiquette EPC réelle, l'étiquette EPC estimée a été utilisée.

Label / étiquette PEB de la garantie (colonne h-n) :

À partir du rapport de décembre 2024, Crelan a encore enrichi son ensemble de données basé sur le fournisseur Gudrun.

Pour les garanties pour lesquelles l'étiquette PEB est disponible, l'étiquette PEB la plus récente accessible a été utilisée. Lorsqu'un bien ou un prêt couvre plusieurs bâtiments avec des labels EPC différents, le prêt est divisé entre les garanties correspondantes et leurs valeurs.

Dans le cas où une étiquette PEB est manquante, une estimation a été effectuée sur la base du score NUTS et du type de propriété.

## Material physical risks

Similar to the approach followed for transition risk, Crelan estimated the financial effects resulting from physical risks using scenario-analysis whereby dedicated scenarios were defined per risk type.

The following table provides a summary of the narratives selected per type of risk:

Risk affected	Portfolio affected	Narrative (stress scenario)
Credit risk	Retail mortgages	Floodings
	Agriculture	
	Other professional loans	
	Consumer loans (Instalment loans)	
	Retail mortgages	Drought
	Agriculture	
	Other professional loans	
	Consumer loans (Instalment loans)	
	Retail mortgages	Other (storms/heatwave/wildfire)
	Agriculture	
	Other professional loans	
	Consumer loans (Instalment loans)	
Market risk	Corporate portfolio	Stress on corporate portfolio
	Sovereign portfolio	Widening spreads
	Covered bond portfolio	Stress on covered bond portfolio
Liquidity risk	Retail & wholesale deposits	Drawdown of funds due to flooding
	Retail mortgages	Not enough eligible assets under Green Bond Program
Operational risk	All portfolios	Physical risk events, affecting operational resilience
	Hacking event	Hacking event

For each type of risk, Crelan identified how the scenario could impact the assessment of the risk from a qualitative perspective using a severity / likelihood assessment matrix. This outcome was used as a basis to perform the Double Materiality Assessment described in *General disclosures – ESRS 2*, resulting in the material risks described in *Material impacts, risks and opportunities and their interaction with strategy and business model*.

In addition, Crelan conducted a quantitative assessment aiming at quantifying the risks identified, with a focus on risks that are considered as most important. The table below provides a view on the risks exceeding the materiality threshold at the various time horizons defined.



Portfolio	Narrative	Impact			
		CT	CT-MT	MT-LT	LT
<b>Credit risk</b>					
Retail mortgages	Floodings	<MT	<MT	<MT	<MT
Agriculture		<MT	<MT	<MT	<MT
Other professional loans		<MT	<MT	<MT	<MT
Consumer loans (Instalment loans)		<MT	<MT	<MT	<MT
Agriculture	Drought	<MT	<MT	<MT	<MT
Other professional loans					
<b>Market risk</b>					
Sovereign portfolio	Widening spreads (sovereign portfolio)	<MT	<MT	<MT	<MT

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.

The following table provides a breakdown of the exposure subject to physical risk (table extracted from Crelan's Risk / Pillar 3 report, template 5.CC Physical risk):

CODE		Gross carrying amount (Min EUR)													
		of which exposures sensitive to impact from climate change physical events													
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity						of which Stage 2 exposures	Of which non-performing exposures	of which Stage 2 exposures	Of which non-performing exposures
a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	
1	A - Agriculture, forestry and fishing	826,62	110,70	129,16	167,05	5,16	20,83	213,01	184,91	14,14	41,95	17,46	-7,17	-0,42	-6,61
2	B - Mining and quarrying	0,57	1,42	-	0,18	-	4,78	-	-	-	-	-	-0,00	-	-
3	C - Manufacturing	261,47	74,56	52,14	89,82	0,75	13,33	-	-	217,27	24,87	3,93	-1,83	-0,39	-1,34
4	D - Electricity, gas, steam and air conditioning supply	13,38	8,55	1,57	3,10	-	6,28	-	-	13,22	2,03	1,21	-0,56	-0,02	-0,51
5	E - Water supply; sewerage, waste management and remediation activities	19,37	3,96	1,65	5,76	0,01	9,92	-	-	11,38	0,02	0,39	-0,02	-0,00	-0,02
6	F - Construction	836,98	232,85	113,16	284,22	3,19	14,87	-	-	633,42	64,27	12,66	-4,74	-0,86	-3,62
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	732,73	185,36	145,17	245,74	4,37	15,19	-	-	580,64	44,90	8,62	-5,77	-0,59	-4,94
8	H - Transportation and storage	147,37	39,40	11,52	23,47	0,90	10,62	-	-	75,29	7,60	1,69	-0,91	-0,09	-0,78
9	L - Real estate activities	715,39	62,88	101,11	514,91	4,04	26,80	-	-	682,94	96,75	15,00	-3,73	-1,33	-2,06
10	Loans collateralised by residential immovable property	38.911,74	383,09	639,37	2.647,07	1.435,00	20,33	100,25	63,47	4.940,82	520,59	72,24	-14,98	-4,89	-9,39
11	Loans collateralised by commercial immovable property	6.567,96	172,92	238,72	376,98	17,97	16,22	269,16	168,28	369,15	77,35	17,02	-8,31	-0,86	-7,17
12	Reposessed colaterals	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### Comments

Row 10-12 in this template show gross carrying amounts of loans collateralised with commercial and residential immovable property and of reposessed real estate collaterals for all counterparty sectors, including non-financial corporates and households.

#### Gross carrying amount (column b):

All geographic areas are covered, i.e. EU and non-EU countries. No distinction in geographical area is made as 99% of the exposures resides in EU.

Row 13 is removed as it shows no exposures, exposure mapped to physical risk is disclosed in row 10-11 and majority of exposure towards non-financial corporates is included in row 1-9

#### Of which exposures sensitive to impact from climate change physical events (column c-o):

Crelan Group has identified drought and heat risk together with flood risk as physical risks.

For each type of risk a different method was developed to identify the potential physical risk.

Drought and Heat risk was determined based on the NACE code mapping set by the ECB. Sector codes A, B, C, D, E, F, G, H and L are in scope of Drought and Heat risk.

As of December 2024 reporting, Flood risk was determined based on Gudrun calculations.

At the end of 2024 Crelan Group was not able to distinguish acute and chronic physical risk, as a result all physical risk was reported as 'acute and chronic' physical risk.

For Drought and Heat Risk an exemption was made for the agricultural sector. Based on the type of activity a split was made between acute, chronic and 'acute and chronic'.

## Financial effects not identified as material

As shown above, the main material risks identified by Crelan relate to retail credit risk. While they have not been identified as material, physical and transition risks can also result in operational, market and liquidity risks for Crelan. In addition, physical risk drivers related to flood, wildfire, heatwaves, windstorm on credit risk were considered as not material.

## 5. EU Taxonomy reporting

The preparation of the EU Taxonomy disclosures is grounded in the prudential consolidation of the Crelan, in alignment with the regulatory framework for financial undertakings. This consolidation adheres to Regulation (EU) No 575/2013 of the European Parliament and Council and the Commission Implementing Regulation (EU) 2021/451 (FINREP). The reporting further incorporates the requirements of the Delegated Act supplementing Article 8 of the EU Taxonomy Regulation (Disclosures Delegated Act 2021/2178).

The EU Taxonomy serves as a classification system designed to identify economic activities that make a substantial contribution to environmental sustainability. It provides clear criteria that an economic activity must fulfill to be considered environmentally sustainable. These criteria include:

- Making a significant contribution to one or more of the six EU environmental objectives.
- Ensuring that no significant harm (DNSH) is done to any of the remaining five environmental objectives.
- Meeting minimum safeguards related to social and governance standards.
- Complying with the technical screening criteria associated with the specific EU environmental objectives.

As part of the Crelan's ongoing commitment to transparency and sustainable finance, Crelan follows the evolving EU Taxonomy framework to ensure that its activities align with its environmental goals.

The six EU environmental objectives are:

- 1 Climate change mitigation
- 2 Climate change adaptation
- 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

This taxonomy framework is instrumental in guiding Crelan's sustainable investment strategies, as Crelan works to support the transition to a low-carbon, resource-efficient economy.

For credit institutions, the EU Taxonomy is relevant from a financing perspective. This means that, generally, the financing activities of a credit institution are sustainable if they finance activities aligned with the EU Taxonomy. Crelan's main activity focuses on two segments: SMEs and retail. Currently, SMEs are not subject to EU Taxonomy reporting, which places the retail loan portfolio at the heart of Crelan's main objective. Specifically, financing energy-efficient residential housing, investments in energy efficiency, or renewable energies related to residential housing and private transport can now be considered as potentially contributing to the EU's environmental objective of mitigating climate change. Crelan does report some eligibility and minor alignment in its non-core assets (such as the exposure to covered bonds issued by credit institutions in the investment portfolio).

Counterparties with economically viable activities must not significantly harm any of the EU's six environmental objectives (DNSH criteria). For household mortgage loans, DNSH means ensuring that there is no harm to the "climate change adaptation" environmental objective. Financing the ownership of an energy-efficient building that faces significant exposure to physical risks and for which there is no adaptation plan in place does not meet the alignment criteria.

In the context of assessing sustainable economic activities in terms of the environment, it is required that the economic activity is conducted in compliance with the minimum safeguards provided for in Article 18 of the EU Taxonomy Regulation (EU Regulation 2020/852). According to the FAQ published in 2023 by the European Commission, for retail loan exposures, it is not necessary to verify if the minimum social safeguards are met, unless the financed asset can be traced back to a single producer. This is not the case for real estate property. Therefore, this criterion is considered to be fulfilled.

Crelan reports a Green Asset Ratio which is not materially above 0% - this is the same result as last year. When assessing Taxonomy-eligible and Taxonomy-aligned activities for financial and non-financial undertakings, information that is published by the different counterparties is required. The information for the core retail asset classes is typically difficult to obtain with complete confidence. Also, for Crelan this is a challenge and at this stage, it is not possible to have complete confidence of having the right data quality and regulatory interpretation to report in alignment with the EU Taxonomy regulation. Crelan therefore – conservatively – opted not to report

any formal Taxonomy-aligned loans. However, in the interest of transparency, Crelan follows the European Commission's recommendation to add voluntary reporting based on its current interpretation on the data it has at its disposal. When additional clarity comes from the regulator and when the market on the data requirements and regulatory interpretation and the quality of data improves, Crelan will evolve towards reporting formal EU Taxonomy alignment.

For this voluntary reporting, Crelan focuses on retail mortgage loans, its largest portfolio. It has applied the following criteria:

- Technical screening criterion (TSC) (climate change mitigation section 7.7): in the Green Asset Selection Methodology of its Green Bond Framework, Crelan has laid out its methodology (based on public data) for defining the top-15% most energy efficient residential properties in Belgium. Out of this pool, Crelan has removed the loans for which the first drawing was made after 01/01/2022 as a proxy for the EU Taxonomy cut-off date based on the building permit grant date of 01/01/2021.
- Do no significant harm: Crelan excludes loans which are linked to assets in high flood risk areas, based on public data sources, in line with the annex to the Risk Disclosures in the Pillar 3 ESG templates.
- Minimum social safeguards: as explained above, this does not apply to retail mortgage loans.

<b>Voluntary reporting – climate change mitigation proxy</b>	<b>31/12/2024</b>
Loans to households collateralized by immovable residential property (mln €)	38.060,52
Total green asset pool (mln €)	4.472,11
Exclusion of loans with first drawing date from 01/01/2022 (mln €)	- 1.591,01
Proxy for loans meeting TSC (mln €)	2.881,10
Exclusion of loans linked to high flood risk (mln €)	- 311,64
Proxy for alignment (mln €)	2.569,46
Proxy for alignment / total loans to households collateralized by immovable residential property (%)	6,8%
Denominator Green Asset Ratio (mln €)	55.802,96
Proxy for Green Asset Ratio (%)	4,6%

The detailed EU Taxonomy indicators are provided in Appendix 3– EU Taxonomy indicators.



## A.2

# Entity specific: SME transition

## 1. Objectives

The Crelan Group's longstanding involvement in the SME market, with roots deeply entrenched in the agricultural sector, has evolved over time to encompass an expansive array of industries (that meet the criteria specified in the ESG exclusion policy, as defined in *General disclosures – ESRS 2*). The strategic integration with AXA Bank Belgium fortified this breadth, strengthening the presence and sectoral outreach of the now-unified Crelan Group. This enhanced network has empowered Crelan to engage more deeply with an ever-growing variety of small and medium-sized enterprises.



In its comprehensive role, Crelan recognizes the intricate balance between enabling sectoral growth and the potential environmental repercussions that some of these sectors may present. For example, traditional agricultural practices, manufacturing processes, and construction activities often are associated with significant environmental footprints, due in part to resource consumption and waste generation. As a financier to these industries, Crelan is mindful that its lending practices could inherently have an impact on the operational practices and environmental footprint of these SMEs.

Conscious of this reality, Crelan actively seeks to transform this challenge into an opportunity to foster environmental stewardship and resilience, viewing itself as an instrumental force in the green transition of SMEs (incl. those active in the agricultural sector).

Crelan works to achieve this by encouraging and financing the adoption of sustainable practices, which can range from cleaner production methodologies to investments in energy-efficient technologies.

This chapter aims at providing details on Crelan's dual role in the SME market, on one hand supporting these sectors and their clients in their activities which have potential negative impacts on various environmental domains, while on the other hand being part of the solution in supporting these SMEs in their transition to sustainable practices. This section is structured as follows:

- First, a description of the general approach for identifying the material actual and potential IRO's on SMEs is provided, as well as the results of this analysis;
- Then, the material IRO's identified associated to the topic are presented, together with the policies, processes and actions taken to manage them;
- Finally, the metrics and targets used to monitor these IRO's are described.

## 2. Strategy and governance

### Material impacts, risks and opportunities and their interaction with strategy and business model

The process to identify and assess material impacts, risks and opportunities is described in *General disclosures – ESRS 2*. From this process, Crelan has identified the following material IRO’s related to the SME transition:

Sub-topic	Value chain (VC) / own operations (OO)	Type of IRO	IRO Description
SME transition	VC	Positive impacts	Positive impact of Crelan by supporting research and education in agriculture innovation research, short chain and knowledge transfer to stakeholders (agents).
	VC	Positive impacts	Positive impact of financing SME’s which activities contribute to the economic development/well-being of local communities (local SME’s)
	VC	Negative impacts	(Potential) negative impact of Crelan, by financing SMEs investments without criteria on biodiversity and ecosystems and/or which have a material negative impact on biodiversity and ecosystems
	VC / OO	Opportunities	Opportunity to create a preferred segment (Kredietpolitiek) for companies that are active in the implementation of environmental improvements (isolation, heat pumps...)
	VC / OO	Opportunities	Opportunity of increase in revenues/market shares through loans to SMEs participating to the economic growth of local communities.

Please note that material risks related to climate change were identified for SME clients (credit risk related to the transition to a carbon neutral economy). These risks are described in chapter A.1 - ESRS E1 Climate Change, focusing on this particular environmental topic. The current chapter focuses on the transition of the business model of SMEs from a more holistic E, S and G perspective.



### 3. Impact, risk and opportunity management

#### Policies related to SME Transition

	Name	Focus on	Coverage	Content	Scope	Approval level
Overarching policies	ESG Policy	Impact materiality	All activities of Crelan (incl. lending to SME's)	Outline Crelan's overall approach to integrating sustainability into its strategy and operations in order to promote a sustainable society by supporting SMEs	Crelan	Board of Directors
	Credit Policy	Impact materiality & Financial materiality	All credits granted (incl. those to SME's)	The Policy carefully outlines the general and specific criteria that Crelan emphasizes when evaluating credit applications	Crelan NV*	Board of Directors

\* Similar policy applies at EB

The strategy of Crelan in terms of financing the SME market is formalized in various policies which are interconnected. In particular, the ESG Policy and Credit Policy set the foundation on how Crelan finances this customer group.

A summary of the key content of these policies is provided below.

#### 1. ESG Policy

Crelan's ESG policy has a specific section aimed at supporting the transition of SMEs to greater sustainability. The aim of this policy is to integrate sustainability into Crelan's overall strategy and operations in order to promote a sustainable society by supporting SMEs. By establishing a clear operational framework, Crelan is better equipped to support SMEs in the challenging journey towards more sustainable business practices.

Moreover, the ESG policy distinguishes between different levels of Crelan's commitment - those where Crelan can directly achieve results and those where it will engage resources towards specific targets despite having limited control over the outcomes. This is particularly relevant for SMEs, as Crelan can significantly impact areas within its control, while also supporting SMEs in areas where broader societal efforts are essential for success. This part of Crelan's ESG policy outlines how Crelan identifies the scope of its influence and adapts its commitments accordingly, balancing actions it controls with areas where it will support broader efforts.

This approach is particularly meaningful in supporting SMEs in their sustainability journey, by ensuring that, while direct support is provided where possible,

there is also a concerted effort to advocate for and contribute to broader systemic changes needed for overall success. The ESG policy acknowledges that the transition to sustainability for SMEs is a collective effort, requiring coordinated action from all private and public stakeholders.

#### 2. Credit Policy

The Credit Policy encompasses the general and specific criteria highlighted by Crelan in the process of credit lending. In particular, the policy outlines the role and responsibilities of the various stakeholders involved, as well as criteria to accept those credits, reflecting the strategy of Crelan.

This policy was gradually updated in the course of 2023 and 2024 to incorporate ESG considerations and reflect the ESG strategy. The latest version of the policy, approved at the end of 2024 and applicable as from January 2025, integrated a dedicated chapter on ESG criteria in the credit lending, in order to connect with the ESG strategy. First of all, the policy integrates specific requirements to consider ESG criteria (incl. ESG scorecard) in the credit assessment process. Secondly, the policy defines a list of exclusions, being the list of sectors that Crelan is not willing to finance in alignment with its ESG Policy described in *General disclosures – ESRS 2* (e.g. gaming, weapons, tobacco, oil & gas when defined criteria / conditions are not met). Finally, the policy provides specific details associated to "green lending" and criteria to consider a credit as green, providing room to develop and promote this type of credits.

As part of the ongoing efforts to improve Crelan's credit application processes, Crelan is investigating the

integration of the ESG scorecard questionnaire into the IT application used by Crelan's agents and analysts. This integration enables employees to review and process credit applications more accurately and efficiently.

## Processes for engaging with SMEs about impacts

As described in section S4 – Consumer & end users, Crelan has established a mechanism to collect feedback from customers using proactive and reactive channels. These mechanisms apply to all customers, including SMEs, who can express their concerns and needs through these channels.

In parallel, Crelan acknowledges that the awareness around sustainability matters is not equally spread amongst customers, and only a limited number of concerns were raised proactively by SME customers on these matters. In that context, Crelan complemented the “traditional” customer outreach mechanisms by a new initiative, composed of several steps:

- In 2024, Crelan organized various training sessions for both Crelan employees and agents on sustainability matters which allow them to initiate discussion with clients on these matters (e.g. several “business days” specifically targeting business-labeled agents, were organized in the course of 2024 with a focus on sustainability). This training program was seen as an essential component of Crelan’s actions towards SME’s, given that agents are first in line when discussing with clients.
- In 2024 and 2025, Crelan has (and will continue) initiated dedicated roadshows (e.g. several “client days” were organized with a focus on specific aspects of sustainability for SME clients) and client outreach campaigns to increase client awareness on sustainability matters, with a particular focus on how their business could be impacted and the various mechanisms which exist for them to exploit this transition. For instance, to increase the awareness on (and use of) the increased investment deduction on green investments (coming into force in 2025), Crelan developed a dedicated campaign / communication targeting customers in scope and prospects (incl. bi-monthly mailings, creation of a dedicated page on the Crelan website including video’s explaining in an understandable way these mechanisms).

Finally, as described in the next chapter (on actions taken), Crelan has developed an ESG scorecard which is the central component of its action plan in terms of measuring and managing impacts (and risks) for SME clients. Filling in the scorecard will involve discussions with clients, serving as a first step to further discussions and engagements with clients on sustainability topics that matter for these clients (and

risks associated). Crelan started this process in 2024 focusing on the largest clients and will expand coverage in the coming years.

## Taking action on material impacts on SMEs, and approaches to managing material risks and pursuing material opportunities related to SME Transition, and effectiveness of those actions

From a general perspective, Crelan’s actions related to SME transition are focused on:

- Managing the impacts identified (incl. negative impacts generated by Crelan’s clients on the environment), and promoting the transition towards more sustainable businesses; and
- Generating opportunities for Crelan to position itself as a trusted partner in the transition, hence improving its market share in the SME sector.

Crelan acknowledges that supporting clients in embracing the sustainability transition is a long-term process, that needs to be split into concrete, tangible actions, ensuring both long term vision to a structural issue as well as tactical solutions that address the immediate client’s needs.

In that context, Crelan defined in the last years actions focused on the following:

- Firstly, by raising awareness among Crelan’s employees and agents about the impacts and risks faced by SME clients across various ESG domains, they can then effectively engage with clients on these matters.
- Then, improving the measurement of ESG impacts and risks for SME clients, with the objective to more accurately identify which clients are more vulnerable / impactful to certain sustainability topics, and developing tailor made solutions to support those. Crelan consequently developed the ESG scorecard in 2024.
- Finally, Crelan keeps supporting its clients with immediate actions on area’s having an impact on these clients, notably:
  - Supporting clients on thematic topics, such as supporting research and innovation in the agricultural sector or supporting clients when facing events that temporarily affect their activities
  - Enhancing the credit offering to promote credits associated with environmentally friendly objectives.

- Collaborating with the agricultural sector to assess how it can improve the process for its farming clients.
- Organizing meetings with federations of agricultural clients (Fédération Wallonne de l'Agriculture – “FWA” and Algemeen Boerensyndicaat - “ABS”) to discuss the ESG scorecards and initiating efforts to develop questionnaires specifically for the agricultural sector.

In the mid-longer term, additional initiatives will be developed to fully integrate these tactical initiatives in the daily processes of Crelan (once the desired level of maturity is reached).

The following paragraphs provide a description of the key actions taken in 2024.

### Creating awareness on sustainability concerns for SME sector

As described above, Crelan invested in various initiatives to increase awareness among Crelan employees, agents and ultimately clients. Several roadshows or “client days” took place and covered various sustainability topics affecting these clients (see above).

### Development of an ESG scorecard

A prerequisite in setting up a robust, long-term strategy is the identification of the main impacts and risks of the portfolio, and which issues are most critical for Crelan’s SME clients.

Consequently, in the course of 2023 / 2024, Crelan developed an “ESG scorecard” tailored to professional clients, enabling the assessment of an ESG score for each enterprise. This questionnaire was rolled out for the first set of clients in 2024, based on 3 sub-scorecards tailored to 3 different sectors.

The aim of the ESG scorecard is twofold:

- Firstly, to evaluate the ESG risks associated with Crelan’s business clients, ensuring that Crelan can monitor these risks and take measures to manage those; and
- Secondly, to provide support to these clients with tailored advisory services during individual consultations.

A training program was developed for Crelan’s front office (agents) in order to sensitize them to the importance of the ESG scorecard, and to train them on how to use it.

The ESG scorecard will allow Crelan to progressively collect information about its SME customers, engage with these clients, and identify areas for further action. The scorecard covers E, S and G dimensions, evaluating

for instance exposure to flood risk, energy efficiency efforts, environmental impact reduction initiatives, compliance with regulations governing product safety, employee well-being, etc.

A roll-out plan was defined and is monitored as part of the ESG metrics and targets defined by Crelan for year 2025 (targets for each year are specified in Metrics and targets).

### Supporting clients on thematic needs

Crelan acknowledges that SME clients are facing immediate needs that need to be addressed (while in parallel developing a more structural action). The following paragraphs provide details on actions taken to contribute to SME transition and position Crelan as a partner of this SME market.

### Supporting research and education in agriculture innovation research, short chain and knowledge transfer to stakeholders

Crelan actively contributes to innovation, research, and education through initiatives that support sustainable practices and advancements in the agricultural sector. For instance, through the CrelanCo Foundation, Crelan supports two chairs at leading Belgian universities: the Faculty of Bioengineering at the University of Ghent (UGent) and Gembloux Agro-Bio Tech at the University of Liège (ULiège). Both chairs focus on research on agricultural innovation and sustainability, and on the transfer of this new knowledge to the agricultural sector, policy makers and other stakeholders such as agents who are directly involved in implementing sustainable practices.

Through these partnerships (and the initiatives launched at both universities), Crelan contributes to the development of sustainable agricultural practices.

### Enhancing the credit offering to create a preferred segment within its Credit Policy for companies actively engaged in environmentally friendly improvements

Crelan has a significant opportunity to create a preferred segment within its Credit Policy for companies actively engaged in environmentally friendly improvements, such as insulation and heat pumps. This initiative perfectly aligns with Crelan’s broader sustainability-driven strategy, supporting companies that contribute to energy efficiency and environmental conservation.

To integrate its climate and environment strategy into various initiatives, Crelan offers ‘green loans’ to help customers increase their energy efficiency and preserve or enhance the value of their properties and

operations. Crelan provides “ECO Energy Financing” for private and professional customers in Belgium. These loans, offered at favorable interest rates, are specifically intended for energy-efficient investments. Eligible projects include replacing boilers, investing in green energy (such as solar water heaters, photovoltaic panels, heat pumps, and geothermal energy), conducting insulation work (on roofs, walls, floors, and with insulating glazing), installing thermostatic taps and switches, and performing energy audits. Not only are the interest rates for ECO Energy Financing lower, but they can also be tax deductible in certain cases, making these loans even more attractive.

Moreover, Crelan facilitates the purchase of new, less polluting vehicles by offering more advantageous pricing to private and professional customers who buy electric or hybrid cars. This initiative supports the transition to a more sustainable economy by reducing emissions and promoting cleaner transportation options.

Crelan also provides a specialized range of products designed to benefit farmers, horticulturists, and large companies in the agriculture and horticulture sectors. For example, “PAT professional loan” is a type of installment loan specifically designed for business use. It is designed to meet the financial needs of professionals, entrepreneurs and businesses. This loan enables the borrower to finance various business expenses or investments (incl. sustainable investments), such as the purchase of equipment, investment in a business or other business-related costs, through regular, fixed payments over a predetermined period.

Finally, as mentioned above, Crelan integrates in its credit decisions the outcome of the ESG scorecard and reflects the ESG exclusion criteria formulated in the ESG Exclusion Policy.

By creating a preferred segment for companies engaged in environmental improvements, Crelan can contribute to promoting sustainability. This strategy not only benefits the environment but also supports customers in achieving long-term financial and operational efficiencies through sustainable investments.

### **Opportunities of increase in revenues/market shares through loans to SMEs participating in the economic growth of local communities.**

Crelan actively seeks to increase its revenues and market share by providing loans to SMEs that contribute to the economic growth of local communities. Recognizing the pivotal role that SMEs play in driving economic vitality and creating employment, Crelan has developed a suite of financial products and services specifically designed to support these enterprises. Here are several ways Crelan achieves this:

- Firstly, Crelan offers flexibility to SMEs during challenging times. Crelan provides the option to suspend principal repayments on loans for up to one year to ease temporary pressure on customers’ cash flows. This was notably utilized to support agricultural and horticultural businesses affected by prolonged drought. Crelan’s readiness to implement similar mechanisms during periods impacted by changing environmental conditions demonstrates its commitment to supporting SMEs through fluctuating situations.
- In response to the energy crisis, Crelan participated in government and banking sector energy support measures for households and extended similar support to professional clients. At the end of 2022, Crelan introduced specially developed energy loans with specific terms for professional clients struggling due to higher energy prices. While this measure was initially intended as a one-time support initiative, Crelan remains open to discussing financial difficulties with clients. Crelan aims to assist by potentially granting additional working capital loans to ensure their continuity, thus providing SMEs with crucial financial lifelines during crises.
- Crelan also actively supports environmental sustainability through its ‘green bond’ initiatives. Crelan issues a range of euro bonds, including green bonds, to finance or refinance green loans with environmental benefits. The proceeds from these bonds are used to support projects like green buildings and clean transportation. This not only contributes to climate change mitigation but also taps into the growing market for sustainable investments, thereby attracting environmentally conscious customers and investors. Additionally, Crelan invests in local innovations by supporting innovative SMEs that are entering or transforming into new markets.
- Crelan offers a wide range of financial products and services tailored to meet the diverse needs of SMEs. By providing customized loans and support services, Crelan strengthens customer relationships, leading to longer customer retention and more stable revenues. The larger size of business loans compared to private loans also results in higher interest income per customer, further boosting Crelan’s revenues. Through flexible loan terms, participation in support measures, investment in sustainable projects, and strong local partnerships, Crelan not only fosters the growth of SMEs but also enhances its own financial stability and market presence.
- Crelan supports SMEs with the Professional Loan on Installment, a financing option for various movable and immovable investments with a professional destination. This includes the purchase of company vehicles, acquisition of equipment, working capital, energy-saving investments and tax payments. Depending on the investment’s purpose, the credit can be taken out in one lump sum or in

multiple installments. With this flexible financing option and the required investment verification, Crelan supports businesses in their growth and development.

## 4. Metrics and targets

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

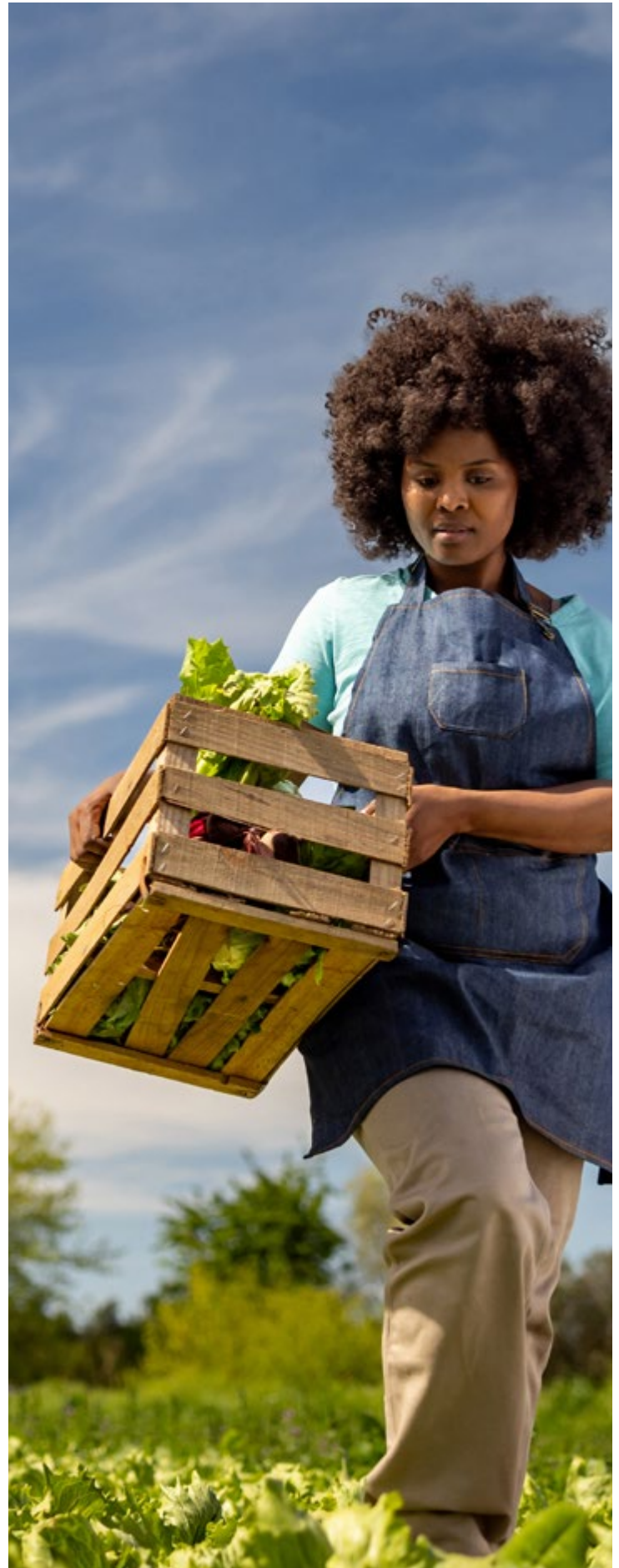
In 2024, Crelan successfully achieved its target of having more than 100 SME clients scored with the ESG scorecard. This target was defined as a first step in rolling-out the ESG scorecard to a larger scale.

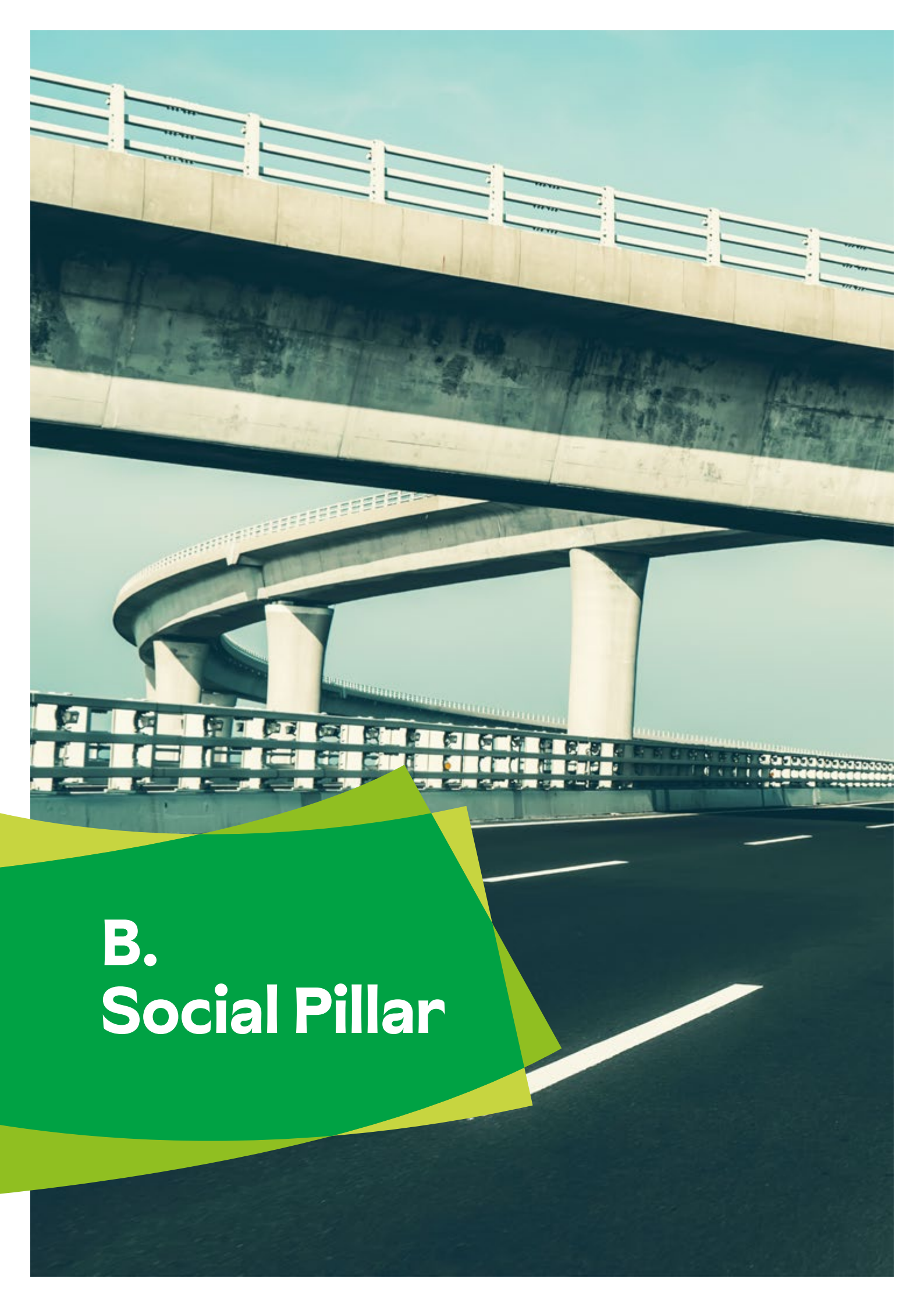
A new set of targets was defined and will be applicable as from 2025 (targets for Crelan NV, as Europabank possesses its own targets on that topic):

- ESG scoring implementation:
  - Target 2025: min. 500 clients scored with the ESG scorecard, of which 90% of the top 200 clients by credit exposure (and all applications larger than 1mln €);
  - Target 2030: all clients subject to annual review and all investment credit applications. On top, integration of the ESG scorecard in credit and risk policies, and provisioning.
- Number of contacted customers / number of customers with opt-in and adequate financial standing: 10% in 2025.

A target on finance transition initiatives will be developed in 2025 and implemented in 2026.

Finally, a KRI also exists on the implementation of the ESG Scoring (figures not reported for confidentiality reasons).





**B.  
Social Pillar**

## B.1

# ESRS S1 Own workforce



## 1. Objectives

With a substantial workforce exceeding 1.600 full-time equivalent employees, the large majority of whom are engaged in long-term contracts, Crelan places key importance on its people as a building block of its strategic vision. In an era defined by profound societal, environmental, and technological changes, Crelan recognizes its responsibility in supporting both its employees and its wider network of clients and stakeholders in transitioning towards sustainable and effective solutions. Meeting these complex challenges requires the commitment of the entire staff, across all divisions and functions within the organization. The Human Resources (HR) department plays a crucial role in implementing strategies that prioritize personnel.

The objective of this chapter is to explain the influence of Crelan's business activities on employees, and to describe:

- how Crelan's operations and practices materially affect the workforce, with a description of the material impacts, risks and opportunities identified related to the workforce;
- the proactive steps taken to avert or amend any negative impacts operations may have on employees and promote critical social and human right factors (such as working conditions, equal opportunities, workers-related rights), including a description of the policies and procedures in place;
- the workforce composition through a set of metrics and targets.

Although internal policies or actions may differ amongst the Crelan Group's entities, such as Crelan NV and Europabank, the general principles described in this chapter apply to all entities. Therefore, the focus of the following sections is on Crelan NV (and CrelanCo), yet similar initiatives also exist at Europabank.

All figures presented are consolidated.

## 2. Axa Bank Belgium (ABB)-Crelan Integration

In 2024, the Belgian banking landscape was marked by the integration of Crelan and Axa Bank Belgium (ABB). This integration proved to be a strong example of the importance of human and social aspects in merger and acquisition processes. From the beginning, Crelan demonstrated a proactive approach, effectively addressing uncertainties associated with such changes.

Crelan showed a clear understanding of work dynamics by prioritizing dialogue with its employees. The fact that the agreement to initiate the integration process was directly validated by social partners testifies to a mutual will to progress together. This agreement, marked by the absence of conflict, is the result of a strong corporate culture where employee consideration is a fundamental principle.

The focus is today on harmonizing personnel policies, with a clear objective to merge not only two banking entities but also to unite the respective corporate cultures and values to create a coherent and balanced whole, where each employee finds their place and can further develop within Crelan. A new Job framework was developed and the different working conditions between both banks such as working hours, homeworking, remuneration, social benefits, holidays, mobility etc.; have been harmonized via a collective labor agreement that was subscribed by all unions and that is applicable to all employees. The new Job framework and the harmonized working conditions have been implemented as from January 1, 2025, supported by an extensive people-oriented communication plan with appeal procedures where needed.

The journey is extensive and complex, but Crelan's humanist and inclusive approach suggests a successful integration where human capital remains the essential foundation of its structure. By preserving well-being and meeting the expectations of its employees, Crelan shows a strong determination to establish itself not only as a leading financial institution but also as an employer of choice, notable for its ability to navigate complex transformations with consideration for its employees. The efforts will continue, with a focus on leadership and career development.

Finally, the integration of Crelan and ABB presents significant challenges in harmonizing the data required in the ESRS Standard S1 – Own Workforce, with policies and data still being adjusted. This transitional phase leads to certain social information not reported yet, as measurement systems and indicators need to be unified across the two previously independent entities (c.f. below metrics for which transitional provisions are used). Nonetheless, Crelan commits to openly communicating these temporary gaps, emphasizing its commitment to transparency and social responsibility. The team responsible for reporting is working to establish a consistent framework that fairly reflects the social reality of the newly merged bank.

## 3. Strategy

### Interests and views of stakeholders

Collecting views from employees is an important element of Crelan's HR actions, as these views help in identifying the topics that matter to these employees and the needs for new developments / actions. These views are captured through a series of internal mechanisms, which are summarized below.

#### Pulse Survey

Quarterly "Pulse Surveys" are conducted to evaluate the employees' experience of "Working at Crelan". The primary objective is to gather employee feedback on a number of essential engagement indicators such as strategy, respect and recognition, inclusion, commitment and well-being. The survey results are shared and deliberated upon within each team, enabling the celebration of successful areas and the identification of opportunities for improvement. This approach stimulates employees to voice their concerns and provide insights on strategic projects that impact them directly.

#### Social Dialogue

At Crelan, social dialogue is organized into three distinct levels and involves social partners, including both unions and employer representatives. This system is highly institutionalized and firmly entrenched in legislation as follows:

- **National**
  - Provides a framework for all private companies in Belgium on various topics, such as Homework Policy.
  - Negotiates an intersectoral agreement every two years which includes terms on wage progression and other program agreements.
- **Sectoral (Joint Committee)**
  - Establishes a sector-wide framework for topics like dismissal processes; specifically, for Crelan, this is guided by Joint Committee No. 310 for the Banking sector. Crelan as an employer has a mandate to participate in this Joint Committee.
  - Translates and implements the intersectoral agreement at the sector level through collective labor agreements affecting all Joint Committee members.

## — Company

- Facilitates social dialogue on company-specific matters such as the social impact of restructuring plans.
- Implements sectoral agreements at the company level, which may include negotiating collective labor agreements for all or part of the staff within the company as mandated by Belgian labor law.
- Engages with three bodies (Workers Council, Committee for Prevention and Protection at Work, and Union Delegation) that have different competencies in matters of information, consultation, and negotiation related to financial, economic, social, well-being, health, and safety topics within the company. In May 2024, Belgian companies were required to renew their social concertation bodies through social elections. Even though the date of those elections preceded the legal merger, Crelan reached an agreement with all unions of ABB and Crelan to establish only 3 social bodies instead of 6, representing all employees. This demonstrates Crelan's commitment to constructive social relations and the importance of employee representation.

## Employee network initiatives

Crelan's network initiatives promote variety, togetherness, and employee well-being. They create areas for easy-going talks across different areas, becoming channels for news and fresh ideas.

Together@Crelan fosters a strong sense of community within the company by organizing and providing financial support for family-oriented, sports, and cultural activities. This includes the successful family day at Walibi in 2024, which reinforces cooperative values and team spirit. Similarly, Young@Crelan, through its "Fun, Inspire & Connect" initiative, encourages networking and a positive work environment by organizing events such as breakfasts for new employees and social gatherings. These initiatives are especially valuable for fostering team cohesion, especially in remote working setups.

## SMILE

In 2022, Crelan introduced monthly SMILE sessions as informal after-work events, each organized by a different department within Crelan. This initiative provides employees with the opportunity to socialize outside of traditional work environments, while the organizing team designates a charitable cause for each session. Participants cover the cost for their own drinks, with Crelan matching the total amount collected, and all proceeds are then directed to the chosen charitable organization. Additionally, employees are encouraged to propose and execute charitable

initiatives during these gatherings/SMILE. The SMILE sessions will be continued in 2025, as they are an important incentive for a positive company culture and employee engagement.

## Teambuildings and all staff yearly events

Teambuilding sessions and annual company events are organized to foster team cohesion and engagement. Each team within Crelan has the opportunity to plan a teambuilding activity annually, with the focus on facilitating informal interactions and mutual learning. Moreover, Crelan holds an annual party for all staff members, providing a platform to communicate strategic initiatives and projects.

## Team agreements

Teams within Crelan are guided and encouraged to formulate team agreements, which serve to enhance employee engagement by promoting a culture of ownership, transparency, support, and trust. Through establishing clear expectations and an environment supporting collaboration and feedback, team agreements help employees feel connected to their team and work, thereby increasing motivation and commitment.

## Speak-up / Ethics Notification System / Whistleblowing Framework

Furthermore, Crelan has implemented a comprehensive Speak-up / Ethics Notification System and Whistleblowing Framework, enabling employees to report concerns related to significant issues, risks to well-being, or breaches of company policies and regulations. This system empowers Crelan staff to raise important issues in a safe and supportive manner, ensuring a culture of accountability and integrity within the organization.

## Material impacts, risks and opportunities and their interaction with strategy and business model

As described in *General disclosures – ESRS 2*, Crelan conducted a Double Materiality Assessment aiming at identifying the material impacts, risks and opportunities (IRO’s) connected sustainability topics. The table below presents the outcome of this exercise with a focus on those IRO’s affecting the own workforce of Crelan. The

scope of the IRO’s and disclosures covers all employees employed by Crelan, with no material IROs related to non-employees, which are consequently not in scope. Moreover, given the workforce composition of Crelan, the positive impacts do not occur in specific countries or regions but are spread across all employees.

Sub-topic - Working conditions	Value chain (VC) / own operations (OO)	Type of IRO	IRO description
Social Dialogue	OO	Positive impact	Positive impact on social dialogue and working conditions through constructive collaboration with worker's councils en unions and employees' consultation to identify and monitor employees' concerns and needs.
Employee health, safety and well-being	OO	Positive impact	Positive impact on well-being of employees through well-being programs impacting mental/physical health and work-life balance
	OO	Risk	Risk that (key) staff becomes unavailable due being under stress / overload for a longer period of time leading to operational and continuity issues.
Sub-topic - Equal opportunities and opportunities for all	Value chain (VC) / own operations (OO)	Type of IRO	IRO description
Diversity, equity and inclusion (DEI)	OO	Positive impact	Positive impact on diversity on the workforce (gender, age, abilities)
Training, skills & development (talent management)	OO	Positive impact	Positive impact through training and skills development for employees of all levels

As a result of this assessment, four sub-topics were identified on which Crelan has material IRO’s, which are aligned with the overall values of Crelan as a cooperative bank:

- **Social Dialogue:** Crelan emphasizes the importance of social dialogue, highly institutionalized and engrained within legislation. This structured dialogue encompasses national, sectoral, and company levels, ensuring a comprehensive framework for addressing employee concerns.
- **Employees health, safety and well-being:** Crelan is committed to workplace accident prevention, and prioritizes well-being within the workforce. It upholds vigorous Wellbeing at Work policies and values employee safety, aiming to minimize accidents and promote mental and physical wellness.
- **Diversity, Equity and Inclusion (DE&I):** Crelan is dedicated to halting discrimination and fostering diversity and inclusion, aligning its policies with EU and national laws and providing additional support for vulnerable workforce groups. Crelan is committed to promoting diversity both internally, by creating a respectful workplace culture where everyone is valued, and externally, through community engagement and partnerships.
- **Learning and development (L&D):** Crelan emphasizes continuous professional development with a focus on enhancing skills for excellence in the banking industry. It values experiential learning, offering training programs across all levels that foster problem-solving, teamwork, and collaboration.

This chapter focuses on outlining the strategy, policies and actions related to these four topics.

Note that no dedicated material IRO in relation to “human rights” (incl. child labor and forced labor) was identified during the double materiality exercise. This conclusion is primarily driven by the fact that Crelan operates in a highly regulated sector, with limited risk of human right issues for its workers, and solely in Belgium where social rights are embedded into the national laws.

In Belgium, the integration of international human rights frameworks such as the United Nations Guiding Principles on Business and Human Rights, the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises is achieved through a comprehensive approach within domestic regulations.

Belgian law incorporates these global standards into its legal framework, ensuring that national legislation aligns with international commitments. For instance, the Belgian government enacts laws and policies reflecting the principles outlined in these international frameworks, including guaranteeing fair labor practices, safeguarding workers' rights, and promoting corporate social responsibility.

As a result, Belgian companies that comply with national regulations inherently uphold these international human rights standards. This alignment not only facilitates operational consistency for businesses but also reinforces Belgium's commitment to upholding universal human rights and ethical business practices both domestically and internationally.

While Crelan did not identify this topic as a material sub-topic within own workforce, due to the low likelihood of such events occurring and its compliance with Belgian legislation, its sustainability agenda implicitly embodies a deep respect for human rights (and Crelan does not condone forced labor or child labor). This ensures that Crelan protects the dignity, freedom, and respect of individuals within the organization, its business partners, and the broader societies it serves. The commitment extends to the adherence of employment and labor regulations and encompasses Crelan's partners and communities.

Although human rights incidents are unlikely to occur within Crelan's operations, Crelan provides a platform for staff to report problems and ensures prompt and effective resolution in the event of any adverse human rights outcomes. Comprehensive details on Crelan's policies, processes and actions to address the identified material impacts, risks and opportunities are covered in the next chapters.



## Impacts, risks and opportunities management

### Policies, actions related to own workforce and effectiveness of those actions

Crelan has developed a robust framework to tackle the four sub-topics identified as material. This framework is composed of three complementary pillars:

- **Crelan Policies:** in its commitment to upholding the highest standards in terms of social concertation, workplace health and safety, learning and development, as well as fostering a culture of diversity, equality, and inclusion, Crelan developed a set of policies to ensure that these standards are formalized and embedded in the culture of Crelan;
- **Belgian legislation,** providing rigorous labor laws and human rights protections for employees, ensuring fair treatment, non-discrimination, and workplace health, and safety;
- **Collective Labor Agreements (CLA's),** defined either at sector level, or specific to Crelan.

These three pillars are complementary and collectively contribute to promoting an inclusive workplace, prioritizing the well-being of employees and enhancing the overall quality of Crelan's professional environment. In November 2019, Crelan signed the Febelfin Charter on Diversity in the financial sector, demonstrating its continuous commitment and adherence to common rules of the financial sector. The recognition of Crelan as a Top Employer for the ninth consecutive year in 2024 reflects these efforts, and the overall adherence of Crelan with international principles and guidelines on human resources matters.

The table below provides the list of Crelan’s key workforce policies. Note that additional, “connected” policies exist, such as the remuneration policy or the integrity policy, which are not further described in this

chapter. The CLA’s in place (both Crelan and sectoral) are also not detailed in the table (but contribute to the framework in place to generate the impacts).

Policy name	Focus on	Coverage	Content	Scope*	Approval level
<b>Wellbeing Policy (and psychosocial wellbeing Policy)</b>	Impact materiality	Diversity & inclusion	Policy in place to preserving wellbeing and safety, ensuring compliance with legislation, and striving for continuous improvement through education, emergency preparedness, and protection against workplace harassment.	Crelan	Board of Directors
<b>Workplace Accident Prevention Policy</b>	Impact materiality	Health, safety and well-being	The Policy establishes a high standard for maintaining safety and wellbeing throughout all Crelan facilities and among its employees	Crelan	
<b>Diversity &amp; Inclusion (D&amp;I) Policy</b>	Impact materiality	Health, safety and well-being	The Policy defines the commitment taken by Crelan in terms of diversity & inclusion.	Crelan	
<b>Labor Regulations</b>	Impact materiality	Diversity & inclusion Health, safety and well-being Social concertation Learning & development	Are in place to protect workers' rights and ensure fair working conditions	Crelan	
<b>Homeworking Policy</b>	Impact materiality	Health, safety and well-being	Promotes flexibility and trust, enabling employees to work based on their individual needs and circumstances.	Crelan	
<b>Mobility Policy</b>	Impact materiality	Health, safety and well-being		Crelan	
<b>Code of Conduct</b>	Impact materiality	Health, safety and well-being	Sets out expected behaviors and ethical standards for employees within an organization, guiding their professional conduct and ethical decision-making.	Crelan	

In the following chapters, a summary of the actions, and initiatives related to each subtopic within “own workforce” is provided. Policies and actions are combined together as the consolidation of both (incl. the related CLA’s and legislation) provides the comprehensive view associated with those topics.

The HR team at Crelan is responsible for matters related to own workforce, and ensuring a diverse and healthy workplace. Within the group, more than 40 professionals work within the HR department, split into several sub-teams in charge of dedicated topics (e.g. learning & development). The HR management team convenes weekly to set overarching guidelines for key areas including recruitment, career advancement, and diversity in the workplace, all while ensuring adherence to legal standards.

### Social dialogue

As previously stated, Crelan emphasizes the value of social dialogue, a practice that is firmly embedded in legislation and institutionalized at the national, sectoral, and company levels. This structured dialogue offers a framework for addressing employee concerns. At sectoral level, within Joint Committee No. 310, Crelan participates in tailoring the National agreements to the banking sector. Company-specific dialogues take place in the Works Council and Committee for Prevention and Protection at Work. Company specific CLA’s are negotiated in the Union Delegation. They focus on the well-being, safety and the overall working conditions of the workforce.

This way of working contributes positively to ensuring that a smooth collaboration with workers’ representatives is in place, and that adequate channels are in place for employees to raise their concerns. The effectiveness of these actions can be tracked via various mechanisms, such as monitoring the evolution of employee protests, complaints or strikes (none took place in 2024).

## Employee health, safety and well-being

Crelan is committed to workplace accident prevention and the well-being of its employees, being important elements of its ethical and cooperative banking principles placing emphasis on proximity, respect, responsibility, and solidarity.

Several policies and initiatives are in place to minimize accidents and promote mental and physical wellness.

First, two policies are in place to specifically address the topic of wellbeing in the workplace:

- The Workplace Wellbeing Policy Statement commits to preserving wellbeing and safety, ensuring compliance with legislation, and striving for continuous improvement through education, emergency preparedness, and protection against workplace harassment. The policy complements the Wellbeing at Work Act of August 4, 1996. Notably, Crelan's Wellbeing Policy commits to prioritizing the well-being of its employees by implementing the Global Prevention Plan and Annual Action Plans, fostering a culture where employees can express their opinions confidently, and ensuring well-being is integrated across all departments with hierarchical support. The policy emphasizes continuous attention to employee and client safety, compliance with legal and voluntary commitments, safe practices and infrastructure, and comprehensive employee training. It also focuses on emergency preparedness, protection against workplace violence and harassment, continuous improvement in well-being measures, open communication, and meeting environmental standards. This policy is complemented by a dedicated policy on psychosocial well-being of the employees, further emphasizing Crelan's ambitions that employees feel good at work and for work to have a positive influence on their overall mental and physical wellbeing. Crelan acknowledges the inherent operational risks posed by employee stress and overload, which may also exacerbate human errors in banking activities. Proactive measures through comprehensive employee health, safety, and well-being policies effectively mitigate these risks. Moreover, Crelan's strategies for talent attraction and retention ensure the maintenance of a robust workforce, thereby maintaining service excellence and relieving pressure on existing team members.
- The Workplace Accident Prevention Policy establishes a high standard for maintaining safety and wellbeing throughout all Crelan facilities and among its employees.

Furthermore, a variety of initiatives and actions have been implemented to operationalize these policies and strategies, with the goal of promoting wellbeing and creation of a safe working environment. These actions allow Crelan to improve the well-being of the employees

and are reviewed on a periodic basis to evaluate what kind of additional actions are needed. A summary of the key initiatives is provided in the following paragraphs.

### Mindlab

Since its launch in 2022, the online platform Mindlab has provided employees with the flexibility to enhance their mental resilience at their own convenience and in their preferred location. In 2023, the decision was made to enhance the platform by introducing Mindlab Premium, offering an expanded range of resources such as podcasts and specialized training. In 2024, this valuable well-being platform remained available to all employees.

### Care@Crelan and Care4U

Crelan has implemented a policy designed to prioritize the well-being of its employees, with a particular focus on providing support for those reintegrating into the workplace after a prolonged absence. The "care@crelan" policy aims to facilitate regular communication with employees during their illness, with their consent, to bridge the gap between their absence and the work environment.

Additionally, Crelan offers the Care4U employee assistance program, which provides access to clinical psychologists and specialized advisors for staff members and their immediate family members, around the clock, seven days a week. Care4U encompasses four primary components, including emotional support for professional and personal issues, practical assistance, coaching, and specialized support for managers.

### Other initiatives

In addition to the initiatives focusing on psychosocial well-being, many other initiatives in the context of Crelan's employees' well-being were organized in the last years, such as:

- Emphasizing the importance of disconnecting was a focal point throughout the year, especially towards the year's end. The initiatives on this matter were based on the existing collective labor agreement regarding the right to disconnect, which is interpreted broadly at Crelan. Various tips and tricks, some from the employees themselves, have been highlighted. Special attention was also given to the role of managers in protecting the boundaries between work and private life.
- All employees, not only high-risk groups, are invited for a free flu vaccination.

- The Vikings@Crelan initiative was taken with the goal of having employees exercise together for their well-being and health, focusing on the importance of engaging in sports.
- At the end of 2023, Crelan launched, in collaboration with the external prevention service, a comprehensive survey on the psychosocial well-being of employees. The results of this survey were analyzed in 2024 and resulted in a communication plan and specific actions being launched. The communication covered a range of topics targeted to making employees aware on mechanisms in place improving their well-being including handling medical emergencies, the services provided by Care4U, internal and external support lines for emotional well-being (such as trust persons and talent partners), achieving work-life balance, and the significance of taking the right to disconnect.
- Finally, the Homework and Mobility Policy at Crelan promotes flexibility and trust, enabling employees to work based on their individual needs and circumstances.

The effectiveness of the well-being and safety actions is monitored through various channels, such as the bi-yearly meetings between “trust persons” (i.e. Crelan employees acting as first point of contact for employees who want to express a concern / issue). These “trust persons” play a key role in facilitating the raising of concerns from employees, and they can advise those employees on the various tools and channels which exist for them to further escalate their concerns. During the bi-yearly meetings, the “trust persons” can share their views on the functioning of the program and suggest improvements in the actions taken based on the feedback received.

## Diversity, equity and inclusion (DEI)

Crelan ensures compliance with EU and national laws regarding discrimination prevention and support for diversity and inclusion. Crelan has established special support for vulnerable groups in their workforce and provides an explanation of how these rules are implemented to foster a fair and inclusive workplace. By implementing the following initiatives, Crelan strives to create an inclusive and diverse work environment, promote equal opportunities, and eliminate discrimination through transparent and fair promotion practices.

Crelan actively promotes diversity both within the organization and in its external engagements. It aspires to embody a culture of diversity and inclusion, forging strong partnerships with various communities in different social areas (financial education, support for individuals from disadvantaged communities, etc.). Internally, Crelan commits to creating an inclusive and diverse work environment where every individual is respected and appreciated. Recognizing that diversity and inclusion are essential to foster innovation, creativity, and long-term success of Crelan, Crelan signed the Febelfin Charter on Diversity in the financial

sector in November 2019, thereby committing to uphold the common rules of the financial sector.

Diversity in promotion practices is just as important as diversity in recruitment. It involves ensuring that promotion opportunities are equal for all members of the organization, regardless of their origins, gender, age, or any other personal characteristics.

One of the primary goals of diversity in promotion practices is to ensure fairness and equal opportunity enabling each individual to develop their skills and advance in their career. This entails making promotion decisions based on merit, skills, and performance, rather than biases or favoritism. The Human Resources department is the guardian of diversity and inclusion, and as such, it has the authority to intervene in cases where biases are observed among managers.

Improving diversity at the corporate governance level is of great importance to Crelan and its leadership, who are committed to upholding the overarching principles of diversity and inclusion. Specific targets on diversity at the (top) management and Board of Directors have been defined and are described in paragraph Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities.

The Diversity & Inclusion (D&I) Policy defines the commitment taken by Crelan in terms of diversity & inclusion. Furthermore, Crelan commits to:

- Selecting, recruiting, and promoting based on merit and skills, regardless of gender, race, color, ethnic or social origin, genetic features, language, religion or beliefs, political or any other opinion, membership in a national minority, wealth, birth, disability, age, or sexual orientation.
- Regularly raising awareness among the recruiters about Crelan’s Diversity & Inclusion Policy, to reflect the diversity of the society in which Crelan operates.
- Encouraging managers to be open-minded by reiterating that every individual should have the same chances for promotion and development within the company.
- Evaluating performance and competencies based on clear and objective criteria. This includes regular assessments, measurable objectives, and transparent performance review processes.
- Promoting transparency and open communication regarding opportunities for promotion, training, and development.
- Eliminating any potential wage gaps between men and women.
- Banning any place for behaviors that sow discord or opacity, as well as any form of intimidation or harassment.
- Creating a respectful work environment, where everyone is treated with dignity and respect, and where differences are celebrated and valued.

- Practicing a zero-tolerance policy towards any form of discrimination.
- Providing training and information on the importance of diversity and inclusion in Crelan.

To underscore the importance of this commitment to Crelan, a member of the Executive Committee has been appointed as the person responsible for diversity and inclusion (D&I). Furthermore, Crelan has formed a Steering Committee, chaired by the diversity and inclusion manager (D&I manager), and comprised of diverse representatives from all areas of Crelan. This committee is entrusted with translating the D&I strategy into action by initiating various initiatives and projects within Crelan. Its members serve as the ambassadors of the D&I strategy throughout the company.

The Cooperative Bank Office also supports the diversity and inclusion manager (D&I manager) in translating this D&I strategy in line with the cooperative values and the social commitment, for the customers, the agents, and society at large.

The effectiveness of the diversity & inclusion actions is monitored through various channels, such as the diversity & inclusion dashboards published on Crelanet or the diversity metrics and targets monitored, which serve as inputs for discussion during the diversity & inclusion Steering Committees (and based on which new initiatives can be defined when relevant).

### Procedures implemented to prevent, mitigate, and act upon discrimination once detected

Crelan has implemented a comprehensive set of procedures to prevent, mitigate, and act upon discrimination to ensure a diverse and inclusive workplace. These procedures are supported by the integrity policy, which reminds all employees of their responsibility to act ethically and report any concerns.

The role of HR business partners is central in addressing any discriminatory behavior. Employees can report issues through various channels, including HR, trusted persons, or their manager, depending on their preference. Discrimination can be identified through employee reports or by managers who are trained to recognize and address inappropriate behavior. This responsibility is formalized in a document outlining the manager's role in detecting and addressing concerns.

When an issue is detected, trusted persons or HR business partners take immediate action to address it. They work closely with the affected individual to propose appropriate solutions, which may range from informal actions to more formal disciplinary measures, if necessary. The individual affected has the autonomy to choose which actions they wish to pursue. Once the issue becomes formal, an official process is followed, ensuring that all steps are handled in accordance with Crelan's policies and providing a clear, structured response.

These procedures are designed to ensure that Crelan not only commits to diversity and inclusion but also has a clear, accountable framework in place to address and resolve any issues of discrimination that arise.

### Training and skills development (talent management)

Crelan considers "learning" not only as a strategic investment contributing to the long-term success of Crelan, but also as an essential element of the corporate culture that enables employees to achieve their personal and professional goals. Crelan is dedicated to cultivating a skilled workforce capable of excelling in the banking sector, recognizing that a profound understanding of one's role and the potential for career development opportunities are essential for employee success and satisfaction.

Crelan has established training and skills development for employees at all levels.

Growing as a bank, as a team, and as individuals, but also as leaders and coaches, is the key phrase that summarizes all training initiatives. This commitment to promoting personal and professional development underpins Crelan's Learning and Development (L&D) vision, manifested through accessible learning platforms and ongoing initiatives. Anchored in the cooperative ethos, Crelan's vision of learning is grounded in collaborative efforts to serve the best interests of the customers, where traditional local services are complemented by modern techniques, exemplifying the cooperative essence of Crelan.

To this end, Crelan consciously focus on

- Employees' talents and ambitions and see learning through an appreciative and forward looking point of view.
- Creating opportunities and possibilities for employees to give their best and grow in what they do.
- Moving employees to work enthusiastically and motivated independently on their own talent and growth opportunities.
- Conducting dialogue between manager and employee around growth opportunities in a positive learning climate.
- Stimulating a learning dynamic that positively influences the power to change.
- Sharing knowledge, skills and insights that make the teams and the organization stronger.

## Learning Platforms

Employees are provided with free access to diverse learning platforms enabling them to engage in targeted and flexible learning. This is particularly crucial as employees increasingly seek autonomy and customization of their learning and development opportunities. Through the learning platforms that often focus on micro-learning, Crelan supports the professional development of its employees in a positive learning culture.

Learning platforms available to employees include:

- **My talent tool**, a learning management system to manage, organize, track and support all learning activities
- **Elan+**, a learning platform for the financial sector focusing on banking topics and personal skills
- **Learning agencies platform**: focused on banking topics
- **GoodHabitz**, a learning platform focused on personal skills: digital skills, personal skills, leadership, commercial skills, communication, ...
- **Mindlab**, focused on mental resilience and psychosocial well-being
- **Fin Source One**: focused on banking topics as regards the legal training obligation for persons in contact with the public and those responsible for distribution in Crelan
- **LinkedIn Learning**, a learning platform for IT and security employees focusing mainly on technical skills

## Key themes and initiatives during the past year

### Project “Learning Together”

To facilitate the integration of Crelan-ABB, it is vital for employees to exchange knowledge regarding the different banking applications and procedures to enhance service optimization. The "Learning Together" project was introduced with the purpose of helping employees become acquainted with the new applications and banking processes for them. Collaborating with the "Learning SPOCs" from each department of Crelan, training plans have been developed and realized to support and successfully implement this learning process.

### Leadership

Crelan places a strong emphasis on the role of its leaders in fostering growth, engagement, and involvement, making investments in strong leadership a priority. Coaching sessions took place, focusing on various aspects of leadership (and tailored to

the seniority of the managers). These sessions help managers focus on the development of their team members, which not only benefits performance, but also the well-being and job satisfaction of employees. Through this training, managers can make a vital contribution to creating a learning organization where employees feel valued and motivated to give their best.

In addition, mandatory trainings on inclusive leadership were established with the ambition to promote Crelan's culture of equality and respect, making managers aware of unconscious biases and provide them with skills to embrace diverse perspectives.

Finally, a new 'team cohesion' program was launched, aiming to enhance collaboration and build stronger connections between managers and their teams, enabling team members to work more effectively together.

### Future Skills

Employability is a key priority for Crelan. In addition to various technical banking training courses, non-technical skills trainings, digital skills, and language courses were given. Highlights during the past year were:

- Climat Fresk workshops on climate change and how everyone can contribute to a healthy climate
- The impact of sustainability and ESG on credit intermediation
- 'MS Teams Collaboration' focusing on making effective use of MS Teams to strengthen collaboration and communication in teams
- Stakeholder management in which knowledge and skills are taught to effectively build and maintain relationships with various stakeholders.

### Risk & Security

Crelan acknowledges that nurturing employee growth helps mitigate operational risks associated with employee errors and knowledge loss due to staff turnover. Crelan achieves this through various compliance training courses and the introduction of a new learning platform called "Phishing Tool," which serves to continuously raise awareness among employees and consistently inform them about risks and security measures.

## Key themes of future initiatives

- Crelan commits to refining career pathways, enabling employees to direct their own professional growth, with support from leadership. The initiatives ensure equitable access to career advancement possibilities and foster the enhancement of individual competencies.
- Crelan commits to implement a new performance management process that focuses on a system of continuous monitoring & feedback and working with functional & development objectives
- Crelan commits as a cooperative bank to focus & integrate the following themes into the 2025 training plan: diversity & inclusion, leadership, team cohesion, ESG & sustainability, future skills as data management, compliance & security, digital skills.

Crelan's dedication to professional development reflects its belief in the importance of empowering employees to reach their full potential, thus contributing effectively to its sustainability and its role in the global sustainable landscape. Through continuous learning and growth, Crelan aims to not only improve individual careers but also drive industry-wide progress as a socially responsible financial entity.

Through these actions, Crelan aims to cultivate a skilled, collaborative workforce, provide access to diverse learning platforms for employee development and promote both personal and professional growth. The monitoring of the effectiveness of these actions takes place in various forms, including the satisfaction surveys sent after each training course to participants or annual discussions held with the business to identify needs. These elements contribute to the evaluation of the training program and tailoring / revision when required.

## Processes for engaging with own workforce and workers representatives about impacts

Crelan commits to share how it listens to its employees' opinions when it makes decisions or plans activities that could affect them. Such communications with staff are carried out using a variety of mechanisms, the specifics and effectiveness of which are detailed under section Interests and views of stakeholders .

- Crelan engages both directly with individual employees as well as through formal workers' representatives. This dual approach ensures comprehensive input from the workforce into the decision-making process.
- The engagement with employees occurs at various stages, including strategy formulation, policy development and operational processes. Crelan uses multiple engagement methods,

such as surveys, town hall meetings, and regular consultations, to meet the diverse needs and preferences of the staff. This engagement is structured to be frequent and ongoing to maintain an open and constructive dialogue.

- The Human Resources Department, led by the Chief Human Resources Officer guarantees that employee insights are integrated into operational strategies and policies.
- Crelan abides by the terms of its policies and collective labor agreements, which reinforce its commitment to human rights and provide a structured method for gaining insights from the workforce. These agreements strengthen the ability to understand and address the concerns and aspirations of the employees.
- To evaluate the effectiveness of its workforce engagement, Crelan monitors and reviews the outcomes of these dialogues. Feedbacks, implementation of initiatives and follow-up meetings ensure the engagement is meaningful and leads to continuous improvement.

Through these listed points, Crelan demonstrates its dedication to embracing the voices of its workforce and making strides towards a collaborative and progressive corporate environment.

## Processes to remediate negative impacts and channels for own workforce to raise concerns

Crelan is committed to promoting a supportive work environment where the well-being of employees is a priority. Crelan Working Rules prohibits any act involving a psychosocial risk, including acts of violence, moral harassment, and sexual harassment at work. This obligation also extends to third parties who interact with workers in the exercise of their work (for example, clients, agents, suppliers). The company has established clear processes to address and remediate any adverse effects on the workforce, ensuring that employees have accessible channels to voice concerns, which is seen as fundamental to maintaining an equitable and fair work environment.

## General approach to and processes for remediation

As described previously, both formal and informal procedures exist for employees to raise their concerns, and are clearly described in Crelanet, giving the room to employees to select the most appropriate channel to raise these concerns. Showing the tone from the topic, Crelan defined in the "hierarchical lines" procedures an explicit request for managers to take into account the wellbeing of employees and the

duties to both support employees to flag any concern that are affecting them, and to act in case a concern is raised. The follow-up and escalation on incidents follow a well-established process defined either by the law or by internal procedures within Crelan (depending on the type of concern), and a formal answer is provided when a formal complaint is raised (as mandated by the law). The combination of these processes / procedures ensures that the ambition of Crelan on social matters and the various policies are well implemented in the operational processes.

As prescribed by European and Belgium regulations, Crelan established a Whistleblowing Policy available employee confronted with illegal confronted with illegal acts, unethical behavior and/or serious misconduct.

### Specific channels in place to raise concerns or needs and grievance/ complaints mechanism

An employee who believes they have suffered psychological harm, which may also be accompanied by physical damage resulting from psychosocial risks at work, can first address their hierarchy. The hierarchy is, in fact, directly empowered to propose a solution to resolve the issue. The worker can also reach out to the HR business partner. If this intervention does not yield the desired result, or if the worker does not wish to make use of the usual social structures within the company, they may utilize the dedicated procedures set out in the Working Rules.

The “trust persons”, of which there are 7 in 2024 within Crelan, play an important role in these procedures. These trust persons are the first points of contact for employees facing psychosocial issues, ensuring that employees can decide on the reporting channel that is most adapted to their concern.

Furthermore, Crelan has policies in place designed to protect individuals, including workers’ representatives, from any form of retaliation when using these channels. This is a crucial part of Crelan’s commitment to fair and ethical business conduct.

Finally, the worker may also seek a solution by reaching out to a member of the Committee for Prevention and Protection at Work or to a union representative.

The employer ensures that workers who are victims of an act of violence, moral or sexual harassment at work receive appropriate psychological support from the External Service for Prevention and Protection at Work and Care4U (Employee Assistance Program).

### Processes supporting the availability of channels

Crelan ensures the availability of communication channels through its Working Rules, which provide contact information for both internal and external

parties, as well as through a series of structured processes designed to promote accessibility. Twice a year, formal meetings are held with Trusted Persons to assess the effectiveness of the channels, identify areas for improvement and address any increases in demand or issues they may be experiencing. In addition, every year Crelan communicates with employees to let them know who the trusted contacts are and to remind them of the procedures to follow in the event of discrimination. The effectiveness of these channels is also highlighted in Crelan’s annual prevention report, which is included in the annual report, ensuring transparency and continuous improvement.

### Issues monitoring and channels effectiveness

Crelan assesses whether employees are aware of and trust these structures to raise concerns or needs through regular internal surveys and feedback mechanisms. Ensuring that employees trust these processes is crucial for their effectiveness and is an ongoing focus for the company.

Concretely, a monitoring of the number of interactions with the trust persons is in place, as well as a monitoring of the number of calls to Care4U.

Crelan assesses the effectiveness of the remedies in place through a structured feedback loop across key areas.

- For Learning & Development, Crelan monitors participation, collects satisfaction surveys, and conducts annual discussions with business leaders to ensure training programs meet evolving needs.
- In Diversity and Inclusion, action plans are reviewed during steering committee meetings and track progress through bi-annual dashboard reports.
- Well-being initiatives are assessed through employee participation and feedback, while social peace is measured by monitoring the occurrence of strikes, with no strikes in 2024 reflecting successful efforts. These metrics provide continuous insight to refine and enhance Crelan’s initiatives.

## 4. Metrics and targets

Facing the ongoing task of harmonizing employee data and policies from Crelan and ABB, temporary shortcuts and phase-in measures have been employed. Phase-ins are applied in compliance with “ESRS 1 Transitional provision: List of Disclosure Requirements that are phased-in”. Phase-ins allow to postpone the reporting of disclosure requirements or datapoints in the sustainability statement under the ESRS (for the first year).

Stakeholders are accordingly informed, ensuring that Crelan’s commitment to accurate and fair disclosure remains uncompromised during this period of integration. The phase-in arrangements have been used for the following disclosure requirements: employees’ satisfaction (S1-7), persons with disabilities (S1-12), work-life balance metrics (S1-15).

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Crelan defined a target for the topic Diversity & Inclusion, more specifically a target on diversity and inclusion for its Senior Management. Having the Senior Management validating these targets ensures that these stakeholders were consulted during the target setting process.

Subtopic	Scope	Target description by 2027	Actual 2024
Diversity and Inclusion in senior management	Crelan (Crelan NV & CrelanCo)	Achieve a minimum representation of 33% of the underrepresented gender in the "Crelan Circle" (i.e. senior executives who manage the bank)	28%
		Achieve a minimum representation of 33% for the underrepresented gender on the board of directors as a whole,	25%
		Achieve a minimum representation of 40% for the underrepresented gender on the non-executive directors of the board of directors	36%
	Europabank	Achieve a minimum representation of 20% of the underrepresented gender in the Management Committee	15%
		Achieve a minimum representation of 33% for the underrepresented gender on the board of directors as a whole,	36%

Crelan aims at generating a positive impact on the diversity of the workforce through these targets. Every appointment that does not meet this minimum must clearly state the reasons, which can only be related to competence and experience.

Beyond gender representation, the ambition is also to ensure parity between Dutch speakers and French speakers, while not neglecting the experience and skills of the available candidates. Any nomination proposal

contrary to Crelan’s ambition must be duly justified by the Nomination Committee in this regard.

No targets are currently explicitly in place for other topics (which might be revisited in the future).

Note that, as described in *Diversity metrics*, these figures will evolve in 2025 as a result of changes in the composition of the Senior Management.

## Characteristics of the undertaking's employees

The information below provides a picture of Crelan's workforce, per headcount and full-time equivalents (FTE's) including the size, gender, type, and turnover of employees.

### Total number of employees:

	Consolidated		Crelan (Crelan NV + CrelanCo)		Europabank	
	Headcount	FTE	Headcount	FTE	Headcount	FTE
<b>Total number of employees</b>	1796	1618	1400	1248	396	370
<b>Per gender</b>						
Male	884	823	671	614	213	209
Female	912	795	729	634	183	161
Other	0	0	0	0	0	0
Not reported	0	0	0	0	0	0
<b>Per country</b>						
Belgium	1796	1618	1400	1248	396	370
<b>Average number of employees during the year (FTE)<sup>1</sup></b>	<b>1710,8</b>	<b>1599,3</b>	<b>1326,2</b>	<b>1241,7</b>	<b>384,6</b>	<b>357,6</b>

### Total number of employees per type of contract:

	Consolidated					Crelan (Crelan NV + CrelanCo)	Europa-bank
	Total	male	Female	Other	Not reported	Total	Total
<b>Total number of employees by contract type</b>							
Headcount	1.796	884	912	-	-	1.400	396
FTE	1.618	843	774	-	-	1.248	370
<b>Permanent employees</b>							
Headcount	1.784	881	903	-	-	1.388	396
FTE	1.606	840	766	-	-	1.236	370
<b>Temporary employees</b>							
Headcount	12	3	9	-	-	12	-
FTE	12	3	9	-	-	12	-
<b>Non-guaranteed hours employees</b>							
Headcount	-	-	-	-	-	-	-
FTE	-	-	-	-	-	-	-

## Total number of leavers per type of leaver:

HC	Consolidated					Crelan (Crelan NV + CrelanCo)	Europabank
	Total	Male	Female	Other	Not reported	Total	Total
<b>Total number of leavers</b>	123	44	43	0	0	87	36
Voluntary leavers	46	16	11	0	0	26	20
Retirement	49	18	23	0	0	42	7
Dismissal	16	8	1	0	0	9	7
Other leavers	12	2	8	0	0	10	2

## Turnover:

Figures for 2024	Consolidated					Crelan (Crelan NV + CrelanCo)	Europa- bank
	Total	Male	Female	Other	Not reported	Total	Total
<b>Turnover (headcount)</b>	7%	3%	3%	0%	0%	6%	9,1%
<b>Turnover (FTE)</b>	7%	4%	3%	0%	0%	6%	9,3%
<b>Voluntary Turnover (FTE)</b>	3%	2%	1%	0%	0%	2%	5,3%
<b>Voluntary Turnover (FTE) (incl. retirement)</b>	5%	3%	3%	0%	0%	4%	6,8%

## Collective bargaining coverage and social dialogue

During 2024, 100% of the employees of Crelan are covered by collective bargaining arrangements and engage in social dialogue. Crelan does not have employees outside Belgium. These figures are aligned with Crelan's commitment to having an impact on its employees through social dialogue. Crelan legally does not have a European Workers Council because it only operates in Belgium.. Agreement are made with Belgian Works Councils.

Coverage Rate	Collective Bargaining Coverage	Social dialogue
	Employees - EEA	Workplace representation / EEA
0-19%		
20-39%		
40-59%		
60-79%		
80-100%	Belgium	Belgium

## Diversity metrics

The following tables summarize key diversity metrics with Crelan, namely the gender distribution within top management and the age diversity among employees. Crelan defined “top management” as one and two levels below the administrative and supervisory bodies of Crelan.

Note that the diversity figures at Crelan level will change in 2025 as a result of new nominations affecting

the committees composition. At ExCo level, the new composition announced in December 2024 will increase (after approval by supervisory authorities) the proportion of women to 17% (i.e. 1/6). At Board of Directors level, the proportion of women will increase to 32% (pending new nominations). Finally, at ExCo level N-1 (i.e. Crelan Circle), the (known) nominations will lead to a proportion of women of 27%.

### Gender distribution at “top management” level:

head counts / % head counts	Consolidated			Crelan (Crelan NV + CrelanCo)		Europabank	
	Total	Men	Woman	Men	Women	Men	Women
<b>Board Members *</b>	25	18	7	15	5	8	4
% of Board members	100%	72%	28%	75%	25%	67%	33%
<b>ExCo members*</b>	10	9	1	6	0	3	1
% of Exco	100%	90%	10%	100%	0%	75%	25%
<b>ExCo level N-1</b>	58	47	11	28	9	19	2
% of Level N-1	100%	81%	19%	76%	24%	90%	10%
<b>ExCo level N-2</b>	153	107	46	58	26	49	20
% of Level N-2	100%	70%	30%	69%	31%	71%	29%

\* without duplicates

### Age diversity among employees:

headcounts	Consolidated			Crelan (Crelan NV + CrelanCo)			Europabank		
	Total	Men	Woman	Total	Men	Woman	Total	Men	Woman
<b>Total employees</b>	1796	884	912	1400	671	729	396	213	183
Below 30 years	150	80	70	83	37	46	67	43	24
30-50 years	708	348	360	532	250	282	176	98	78
Above 50 years	938	456	482	785	384	401	153	72	81

## Adequate wages

Crelan is firmly dedicated to promoting adequate wages and pay equality, ensuring that both female and male workers receive equal remuneration for their contributions. Crelan offers adequate wages to all employees, and periodic analyses / surveys are conducted and coordinated by HR to evaluate the adequacy of the wages offered to employees.

## Social protection

In 2024, all employees of Crelan were covered by social protection.

## Training and Skills Development metrics

In the following tables, Crelan provides data on training and skills development opportunities offered to employees. Crelan commits to the professional growth, skill enhancement, and long-term employability of its employees. The information presented quantifies participation in development reviews and average training hours, further detailed by gender. These

figures include both “formal” and “informal” trainings. The relatively high number of training hours at Europabank is mainly driven by the volume of “informal” trainings accounted for in the internal HR systems (which is higher than at Crelan).

	Consolidated			Crelan (Crelan NV + CrelanCo)	Europabank
(averages based on headcount)	Men	Women	Total	Total	Total
% of regular performance and career appraisal per employee	92,8%	90,9%	91,8%	89,5%	100,0%
Average number of training hours per employee	49,3	42,6	45,9	28,6	107,0

## Health and safety metrics

The metrics below provide insights on the effectiveness of the Crelan's preventative actions on employees' health and safety (also consistent with the type of activities conducted by Crelan, i.e. financial industry

which is not considered as high risk for employee safety). The definition of work-related injury or illness aligns with the law of 10/04/1971 on work accidents.

Figures for 2024	Consolidated
% of employees covered by the health and safety management system	100%
Number of recordable work-related accidents	17
Work related accident rate (frequency rate: number of accidents per 1 million hours worked)	7,18
Days lost due to accidents	885

No fatalities as a result of work-related injuries or illness, neither records of work-related illnesses were identified in 2024. In 2024, a total of 885 calendar days were lost due to work-related accidents, including 510 at Crelan and 375 at Europabank. The figures at Crelan are primarily explained by 2 accidents causing exceptionally long absences (215 and 242 days), and resulting in a high increase compared to prior years (e.g. only 2 days were reported at Crelan in 2023). Finally,

note that the work related accident rate reported in the table also includes accidents that did not result in an incapacity of one day or more. When filtering on accidents resulting in an incapacity for work of more than 1 day (i.e. indicator used internally by Crelan and Europabank), the frequency is slightly below 3 accidents per million hours worked. The actual number working hours, extracted from social secretariat platform, is used to derive this metric.

## Remuneration metrics (pay gap and total remuneration)

The following table provide a summary of the gender pay gap, i.e. the comparative average earnings between men and women (excl. "inactive" employees). The figures

are based on average monthly gross salary for men and women (excl. inactive employees).

		Crelan (Crelan NV + CrelanCo)		
	Consolidated	ex-Crelan	ex-ABB	Europabank
Gender pay gap (in %)	12,3	15,0	13,0	5,1
Gender pay gap adjusted (in %)		2,6	2,2	

The Crelan NV (and CrelanCo) population is composed of 2 separate populations: (1) ex-ABB employees and (2) (ex-)Crelan employees, working until 31/12/2024 with different functions and salary scales. As from January 2025, both populations will work in the same unified statute, with the same function classification and pay scales based upon a companywide Collective Labor Agreement. The 2024 gender pay gap is assessed first by calculating an unadjusted gender pay gap which represents the raw difference in average (full-time equivalent corrected) salaries between male and female employees. The unadjusted gender gap does not control factors that may also influence earnings such as job roles and experience. Therefore, an adjusted gender pay gap is calculated following the statistical method proposed by Eurostat.

Analysis shows that the unadjusted gender pay gap can largely be explained by differences in average characteristics of male and female employees on these two populations: 81% can be explained for (ex-) AXA

Bank Belgium and 86% can be explained for Crelan. This results in an adjusted gender pay gap of 2,2% for AXA Bank Belgium and 2,6% for Crelan. Note that figures on adjusted gender pay gap need to be interpreted with care and are not a direct measure for inequality in pay across male and female employees. The adjusted gender pay gap is the residual gap or the gap that remains after correcting for observed characteristics of male and female workers (job roles and experience). Aside from gender, other factors may be at play which can drive differences in pay but that are not (yet) acknowledged. If so, the impact of these factors also ends up in the adjusted gender pay gap.

The following table provides a summary of the "total remuneration ratio", defined as the ratio between the highest-paid individual and the median employee (based on monthly gross salaries incl. benefits in kind and double vacation pay, excl. variable remuneration).

		Crelan (Crelan NV + CrelanCo)		
	Consolidated	ex-Crelan	ex-ABB	Europabank
Annual total remuneration ratio of the highest paid to the median annual total remuneration to all employees (excl. the highest paid individual)	3,31	3,28	1,84	2,50

## Incidents, complaints and severe human rights impacts

The following tables present of work-related incidents and complaints experienced by Crelan's workforce in 2024, as well as relevant fines, sanctions, or compensation linked to these topics (reported in Crelan's accounting figures). No severe incident on human rights, cases of non-compliance with UN principles on human rights nor fines related to these incidents were reported. These figures are consistent and further confirm the narrative descriptions provided in the previous sections of this chapter.

Figures for 2024	Consolidated
Total number of cases of discrimination reported in the reporting period	2
Number of complaints	25
Total amount of significant fines, sanctions and compensation payments	0

## B.2

# ESRS S4 Consumers and End-users



## 1. Objectives

As a Belgian cooperative banking group, Crelan strives to build up a long-term relationship with its customers, and places customer relationship and proximity at the heart of its strategy. The cooperative structure reinforces the importance of delivering impact and value to customers for Crelan, since Crelan is a banking federation with CrelanCo CS as shareholder, and only customers of Crelan can subscribe to shares of CrelanCo CS. With more than 1.7 million clients, Crelan can have material positive, negative impacts on these customers, and can face specific risks or opportunities. These impacts / risks / opportunities (IRO's) connected to customers can emerge from various perspectives. Crelan identified four material areas in which customers might be affected:

- Protection of customers' data privacy
- Maintenance of banking services and resilience towards cyber threats
- Provision of inclusive banking service
- Responsible and transparent marketing practices.

The objective of this chapter is to describe the strategy of Crelan connected to these topics, and how the various IRO's identified are managed. More specifically, the chapter is structured as follows:

- First, a description of the general approach for identifying the material actual and potential IRO's on consumers for each of these (sub-)topics is provided, as well as the results of this analysis;
- Then, the policies in place to manage the identified IRO's are described, as well as the channels existing for customers to raise concerns and actions taken to operationalize these policies / strategies;
- Finally, the metrics and targets used by Crelan to monitor these actions are described.

## 2. Strategy and governance

### Material impacts, risks and opportunities and their interaction with strategy and business model

In order to identify potential IRO’s related to customers and end-users, Crelan conducted several workshops and interviews with internal experts defined to represent the interests and views of customers on each of the sub-topics (as described in Interest and views of stakeholders). For a banking institution like Crelan, the consumer and end-users primarily consist of the clients of Crelan, involved in the value chain of Crelan through the various banking products and services which they contract to. These include customers using Crelan as a bank for daily banking operations, customers contracting credits as well as those receiving investment advice. Consequently, experts representing the views of these stakeholders were consulted to identify the IRO’s in the context of the double materiality assessment. These experts are also those in charge of the various communication channels with these customers in the daily processes, allowing a leverage on those existing processes for the DMA.

During this exercise, Crelan considered the views of its whole base of customers while considering that different customer groups might be affected at different levels by a specific topic. Considering that the severity of the (potential) impacts might not be equally spread, Crelan took care to reflect the views of vulnerable customers in the analysis. The following table provides a summary of the consumer groups which were looked at with particular attention during the analysis:

(Sub-)Topic	Customer Group considered
Data privacy	All customers
Cybersecurity	All customers (tailoring of the approach per process, but uniformly applied to all customers)
Financial Inclusion	All customers, with a particular focus on customers at risk i.e. customers who are <ul style="list-style-type: none"> <li>– Less digital</li> <li>– Less knowledgeable in financial products</li> <li>– In financial difficulties (temporary / permanent)</li> <li>– At risk of being not accepted by other banks</li> </ul>
Responsible marketing	All customers and target customers



The following table provides a summary of the material IRO's connected to each of the 4 (sub-)topics. While these IRO's cover the whole customer base, those related to financial inclusion are specifically targeting customers at risks (as defined above):

Sub-topic	Value chain (VC) / own operations (OO)	Type of IRO	IRO description
Responsible marketing & product stewardship	OO / VC	Positive impact	Positive impact to clients by offering fair advice and transparent information, enabled thanks to the proximity model in place at Crelan and embedded in Crelan's strategy (through a.o. large network of agents).
	OO	Risk	Risk of Crelan not playing its role/not walking the talk/ not executing in line with its strategy (difference with "what is said vs what is done") and/ or competitors being more successful in that role, which would result in an outflow of co-operators or clients to these competitors, resulting in business risk (/ reputational risk). This includes Crelan not being sufficiently active in communicating on the actions taken / the products offered.
Data privacy	OO	Risk / Negative impact	Business risk/ reputational / operational risk for Crelan resulting from inappropriate use of customer data caused by either internal or external factors.
Cybersecurity	OO	Risk / Negative impact	Business risk/ reputational / operational risk related to cyber security attacks affecting Crelan's ability to deliver services to its clients (losing access to their banking services).
Financial inclusion	OO / VC	Positive impact	Positive impact of Crelan's strategic focus on proximity towards its clients, enabling both an access of Crelan services to all clients depending on their needs and a knowledge of the clients (through the relationship with local agents).
	OO / VC	Positive impact	Positive impact of Crelan's via the design and access to products to improve inclusion, in particular for customers belonging to categories at risk of financial exclusion
	OO / VC	Opportunity	Opportunity to increase revenues through (controlled) production of loans to individual borrowers which would have difficulties accessing funding elsewhere, ensuring that the Crelan Group (by the means of Europabank) can provide a comprehensive offering to its clients (hence increase its client base)

In the next chapter, details are provided on how Crelan manages the identified IROs described above. For the topics which have a material impact on Crelan or vice versa, Crelan makes the link between the double materiality assessment and the formulation of Crelan's overall strategy.

### 3. Impacts, risks and opportunities management

#### Policies related to consumers and end-users

The topics affecting customers are captured in various policies, broken down per topic. The ESG Policy serves as overarching policy, defining Crelan's holistic vision on ESG matters including those affecting customers. These policies are completed by a number of procedures, which are described in section *Processes for engaging with consumers and end-users about impacts*.

The key policies related to customers and end-users are summarized in the table below:

	Policy name	Focus on	Coverage	Content	Scope	Approval level
Overarching policies	ESG policy	Impact materiality & Financial materiality	Financial Inclusion Data privacy Responsible marketing	Overarching document summarizing ESG governance and ambition (incl. social matters affecting customers)	Crelan	Board of Directors
	Data privacy policy	Impact materiality & Financial materiality	Data privacy	Establishes the minimum requirements and responsibilities for the protection of personal data.	Crelan	Security & Privacy Risk Committee (delegate of ExCo)
	Security policy	Impact materiality & Financial materiality	Security (incl. cyber)	Outlines the purpose and mission in terms of security, the key security objectives, the security risk management process and defines the Integrated Security Management System and the domain specific security policies.	Crelan NV*	Board of Directors

Connected policies	Credit policy	Impact materiality & Financial materiality	Financial Inclusion	Credit acceptance rules (incl. energy efficiency criteria)	Crelan NV*	Board of Directors
	Integrity policy	Impact materiality & Financial materiality	Financial Inclusion Data privacy Responsible marketing	Serves as a cornerstone of its commitment to ethical behaviour and compliance with regulatory requirements	Crelan	Board of Directors
	Marketing Charter	Impact materiality	Responsible Marketing	Charter targetted to agents and reflecting Crelan's marketing guidance that must be complied with	Crelan NV	Marketing & Communication
	Various security policies	Impact materiality & Financial materiality	Security	Policies covering various aspects of security (physical, system, operational resilience, HR, information classification, etc.)	Crelan NV*	Varia

\* similar policies exist at Europabank

In the next section, a summary of these policies is provided highlighting how these policies connect to the identified impacts, risks and opportunities for these topics.

## ESG policy

As introduced in previous chapters, the purpose of the ESG policy is to outline Crelan's overall approach to integrating sustainability into its strategy and operations.

The ESG policy includes a variety of commitments and actions related to consumer and end-users. Notably:

- Crelan wants to preserve broad access to financial services through digital channels and local agencies. (*result commitment – as a company*)
- Crelan wants to accompany society in a just transition, ensuring the less privileged maintain fair access to banking products. (*resource commitment – as a lender, as an investment adviser*)
- Crelan avoids overly complex products and services, ensures the client understands the offered product/service and its price, and ensures the product/service is suitable for the client. (*result commitment – as a lender, as an investment adviser*)
- The set-up of its distribution network (independent, exclusive agents) is oriented towards the creation of long-term relationships with its customers. This results in agents taking the time to inform customers and manage their financial health. (*resource commitment – as a company*)
- Crelan supports customers in their investment decisions, through the integration of ESG factors in them. Crelan informs clients on how ESG factors could impact their investments' value, and how their investments create ESG impact. Crelan also understands customers' ESG preferences and advises products accordingly. Crelan selects products with several degrees of ESG integration to cover all types of customers' ESG preferences. (*resource commitment – as a lender, investment adviser*)
- Crelan is vigilant in terms of data and cyber security – breaches of which can cause serious negative impact on clients, other third parties and Crelan itself. (*resource commitment – as a company*)

## Integrity policy

Crelan is committed to being a responsible and honest employer and this commitment extends to its interaction with customers and partners. For Crelan, maintaining trust with employees, customers and other stakeholders is crucial for its long-term success.

Crelan's Integrity Policy serves as a cornerstone of its commitment to ethical behaviour and compliance with regulatory requirements. It emphasizes the protection of customers' interests by outlining strict requirements and procedures when interacting with

these customers. It includes guidelines for employees to ensure compliance with Crelan's policies.

From a consumer and end-users' perspective, the policy notably covers requirements in terms of:

- Data privacy: Crelan is dedicated to upholding the highest standards in protecting customers' privacy. This commitment ensures that clients' personal and financial data is handled with utmost care and confidentiality, in compliance with privacy regulations and to safeguard against any potential breaches or misuse. This ambition is translated into dedicated data privacy policies providing more detailed requirements / guidelines (c.f. below).
- Marketing and advertising efforts: Crelan is committed to providing clear and accurate information in its advertising communications and avoiding illicit or misleading communication towards customers. Additionally, when providing investment services, Crelan emphasizes the importance of care, prudence, and providing proper information and advice for clients. Similarly, when offering credit, Crelan is committed to acting with honesty, fairness, transparency, and professionalism. This ambition is notably translated in a marketing charter aimed at agents, while an overarching (responsible) marketing policy is being developed (and will be rolled out in 2025) to structure the marketing initiative across all departments (reflecting the new Crelan organization).
- Financial inclusion: Crelan is dedicated to creating an environment that promotes equality and prohibits discrimination. This commitment extends to both its treatment of customers and its employees. Crelan is steadfast in its stance against unethical behaviors such as violence, harassment, and discrimination. Crelan expects a strong commitment from its management, employees and agents to prevent and address such conduct, thereby fostering an inclusive and respectful workplace for everyone. The inclusive and respectful environment for employees is seen as founding ground to offering inclusive and respectful services to customers. Crelan positions itself as a proactive provider of inclusive banking services, focusing on broad access to financial products and services for all customers, supplemented by targeted initiatives for specific groups and circumstances. The "proximity model" of Crelan plays an important role in that matter, as Crelan (through a.o. its network of agents) ensures proximity (both physical and in terms of relationship) with its clients.

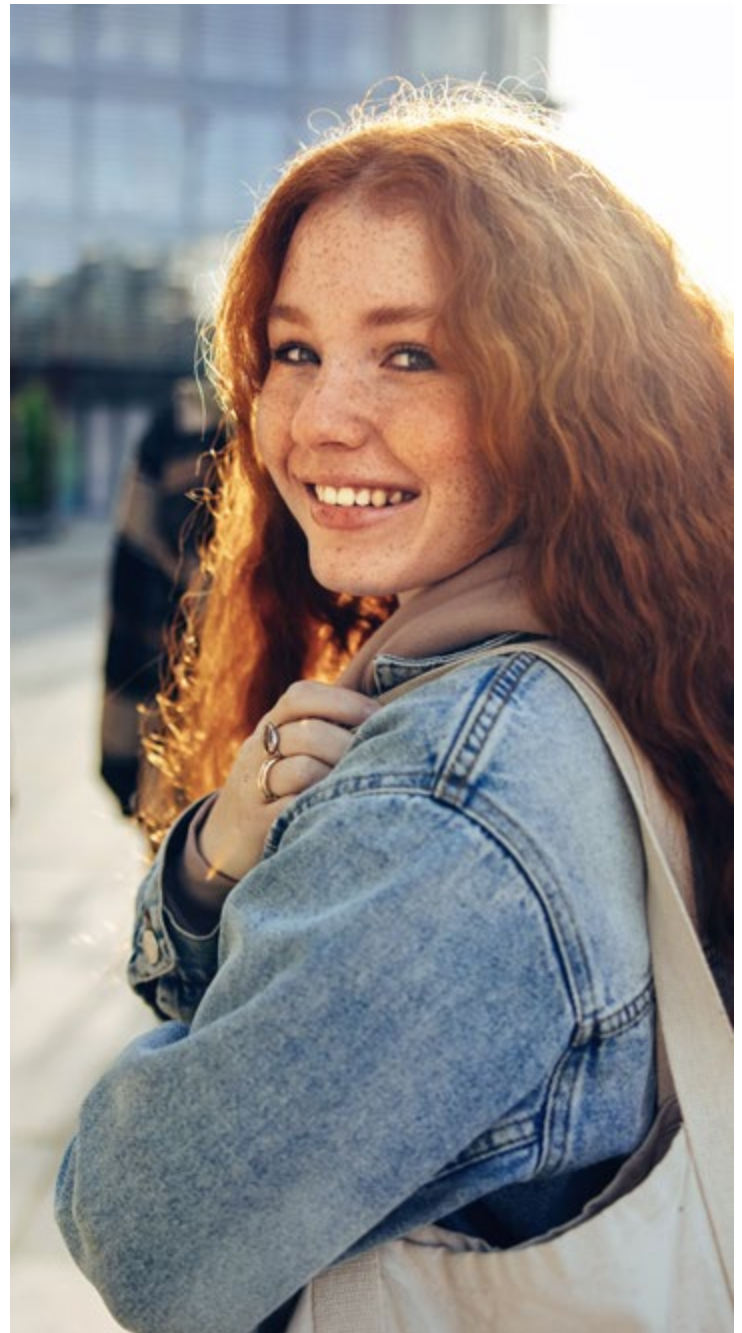
## Data privacy policy

The (Data) Privacy Policy emphasizes the importance of complying with the General Data Protection Regulation (GDPR) requirements, implementing security measures, conducting due diligence when sharing data with

third parties, and fostering competence, training, and awareness among employees and other relevant parties. All of these measures are designed to minimize the risk of data breaches and protect the rights of data subjects.

More specifically:

- The Privacy Policy contains several key requirements and rationales related to the handling and processing of personal data. The policy emphasizes the importance of transparency and limiting the collection and processing of personal data to specified and legitimate purposes, avoiding further processing incompatible with the stated purposes. Furthermore, the policy underscores the importance of adhering to storage limitations, ensuring that personal data is not retained longer than necessary. This approach is aimed at reducing the risk of inappropriate use of personal data and limiting the risk of data breaches by minimizing the amount of data processed.
- Additionally, the policy focuses on sound privacy governance and processes to ensure that GDPR principles are applied and GDPR obligations are complied with. Crelan also makes sure that privacy is built into the design of new processing activities or whenever changes are implemented. This practice is aligned with the goal of embedding good privacy practices into the organization, limiting the risk of inappropriate use of personal data.
- Another important building block is awareness and training. In order to contribute to the fulfillment of the obligations of Crelan, it is essential that employees and agents have the required competences. Therefore, Crelan ensures that appropriate training is implemented and refreshed on a regular basis (for both employees and agents).
- Finally, the need to implement appropriate technical and organizational measures to safeguard the integrity and confidentiality of personal data is also included in the policy. Access to personal data is to be limited to authorized personnel only, with security controls in place to prevent unauthorized access and sharing of information. These measures are essential for mitigating the risk of data breaches.

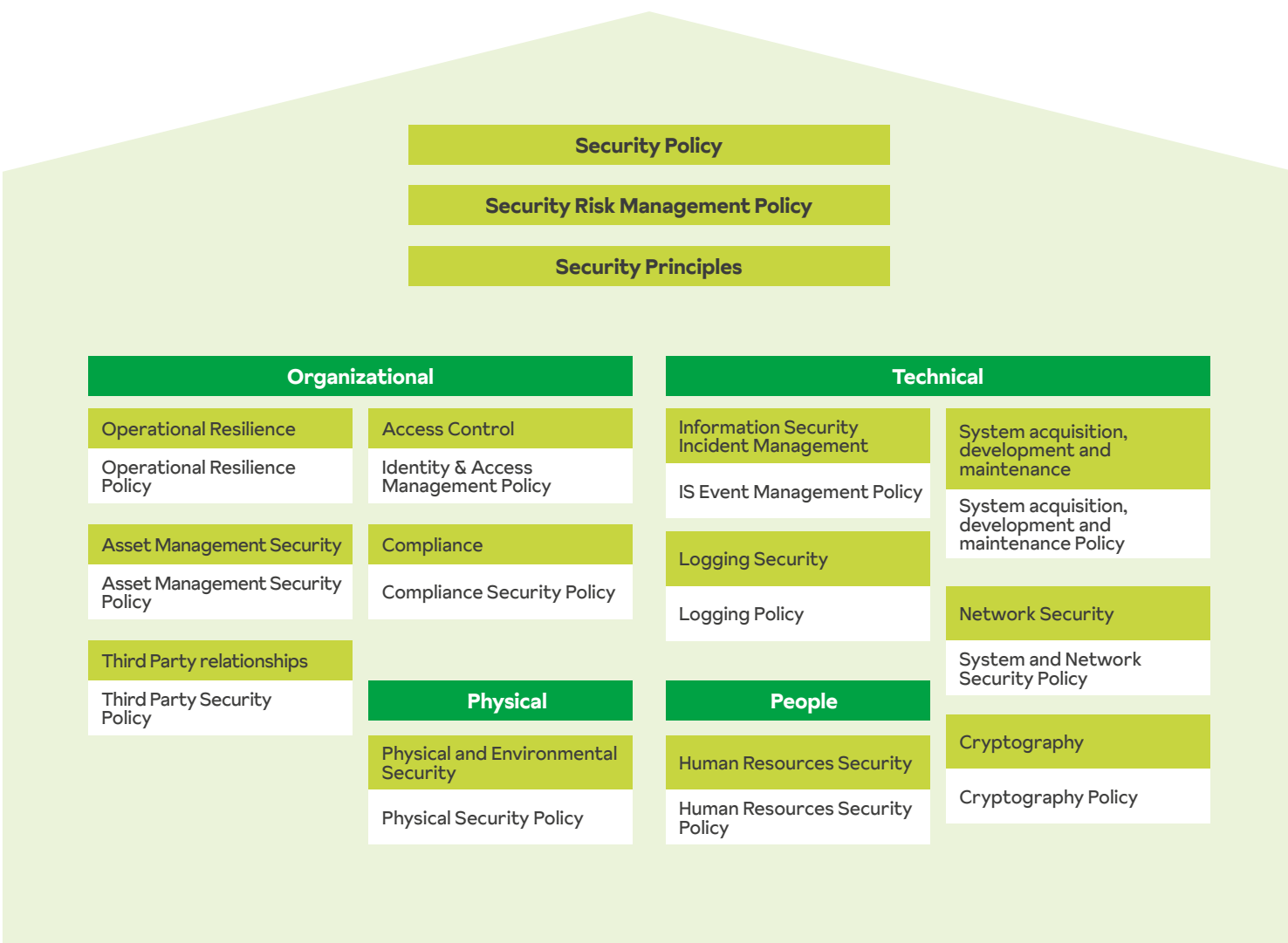


## Security policy

The Security Policy marks Crelan’s commitment to safeguarding its assets, encompassing people, business operations, IT, and information assets. Recognizing its status as a systemic bank operating in a complex and highly regulated market, Crelan is under significant scrutiny to maintain stringent security standards to preserve the personal and financial data of its clients, and guarantee continuous access to banking services to these clients. To fulfill these requirements, Crelan’s management emphasizes the imposition of necessary obligations on the institution, its processes, and personnel, as well as the establishment of a robust Security Governance, Integrated Security Management System, and effective Security Risk Management processes. The Chief Security Officer has meticulously documented the essential requirements necessary to realize Crelan’s strategy and regulatory obligations in a comprehensive set of Security Policies, organized in the "Security Policy Landscape."

The Security Policy highlights that Crelan must ensure the proper protection of its assets in a risk-based and cost-effective manner according to their criticality, integrating relevant internal and external regulations and industry standards. This underscores Crelan’s commitment to adopting security measures aligned with both regulatory and industry standards to safeguard its assets and ensure operational security. By emphasizing a risk-based and cost-effective approach, the Security Policy underlines Crelan’s dedication to aligning security measures with the level of risk and criticality of its assets while upholding regulatory and industry standards. This approach is vital in ensuring that security measures are proportional to the potential risks and that resources are utilized efficiently for maximum effectiveness and protection.

## Security Policy Landscape



## Processes for engaging with consumers and end-users about impacts

Crelan has put in place various mechanisms to capture the views of these customers and facilitate the raising of their concerns and engaged with them either directly or indirectly (a.o. through its agent network). Both proactive and reactive mechanisms exist, ensuring that Crelan captures adequately the feedback from customers. These mechanisms are targeted to all customers, including customers which are identified as more vulnerable (see *Strategy and governance*).

The feedback received from customers via the various channels helps in defining (or refining) the strategy of Crelan and in identifying actions to take, and are

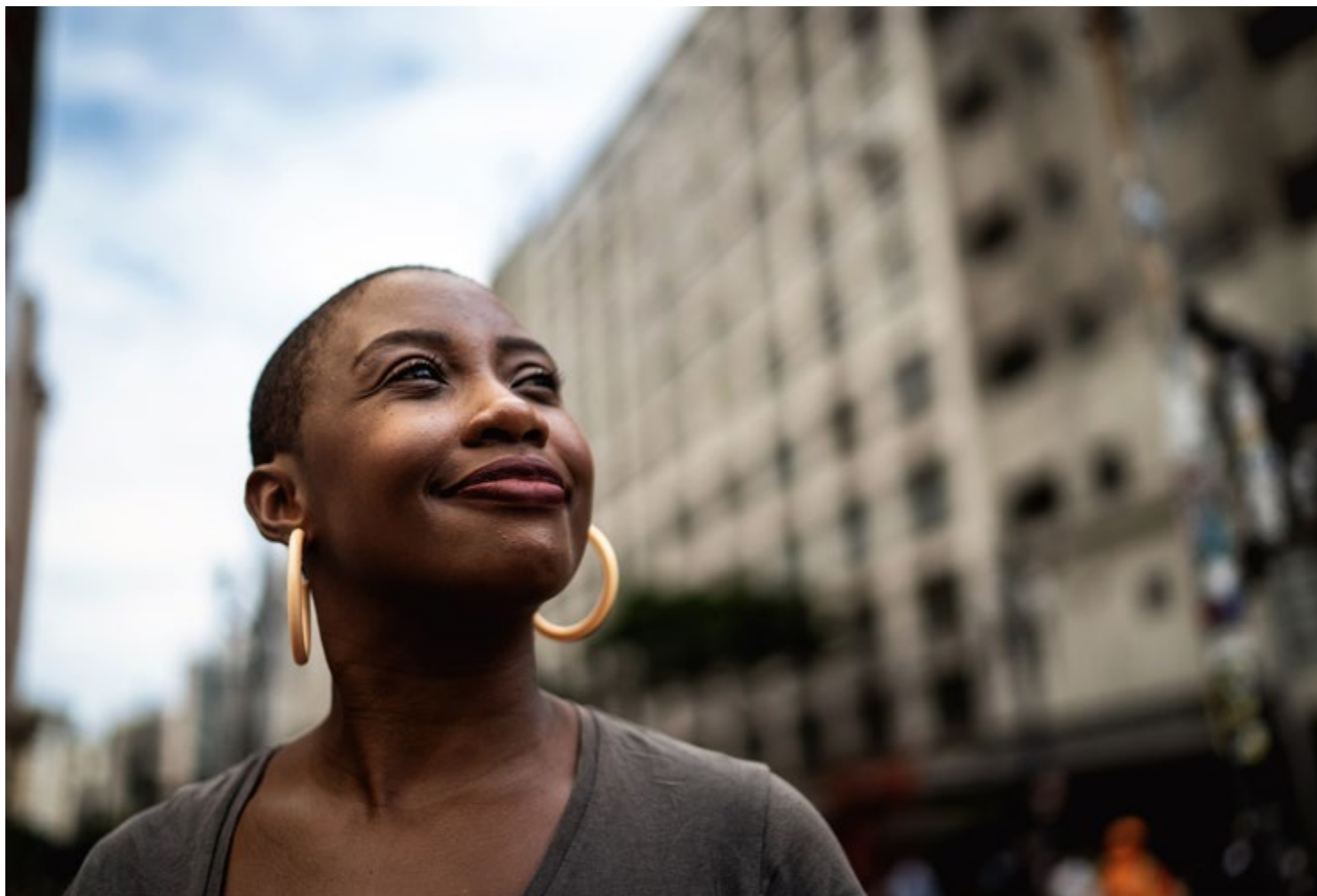
captured in the periodic review of the strategy. The actions taken as a result of this feedback can either be proactive (i.e. client feedback included in defining new strategies, setting up new products), or reactive (i.e. client feedback resulting from complaints are escalated according to defined escalation procedures per topic).

These various engagement mechanisms occur at several steps of the relationship with the client, as mechanisms exist at client onboarding, during client existing relationship and at the end of the client relationship. Each mechanism follows a dedicated frequency, depending on the specific needs (ranging from ad hoc complaints to semi-annual surveys).

The following table provides an overview of the various mechanisms which are in place to collect the views of customers:

Type of mechanism	Mechanism	Description
Channels for clients to raise concerns	Access to agents with expertise on the matter	The primary contact point for clients is the agent who has received GDPR training and instructions on how to handle privacy related requests. Where needed, or in case of questions, agents can contact DPOffice.
	Complaint filing	Customers can file a complaint via the public website <a href="http://www.crelan.be">www.crelan.be</a> , via the section 'contact us/complaints'. The complaints service contacts DPOffice in case the complaint is privacy related.
	Access to privacy "hotline"	Customers can contact <a href="mailto:www.privacy@crelan.be">www.privacy@crelan.be</a> if they have questions, concerns, complaints or if they wish to exercise GDPR rights. The customers are informed of this in the privacy notices mentioned above.
Information targeted to customers	Information on the use of personal data	Customers receive a privacy notice at onboarding, and at any later occurrence where Crelan collects further personal data or processes personal data for new purposes. These privacy notices also refer to the full version of the Privacy Policy that gives a comprehensive view on personal data processing at Crelan, available on the public website <a href="http://www.crelan.be">www.crelan.be</a> , via the section 'direct links/privacy'.

<b>Survey</b>	<b>Survey’s targeted to clients leaving Crelan</b>	Crelan runs customer surveys towards clients and clients that have recently left Crelan. There are no specific privacy related questions in the survey, but any privacy related feedback could be transferred to DPOffice.
	<b>Customer care digital</b>	Service desks are accessible to customers in order to raise questions or concerns related to digital matters. The client complaints are stored during a specific period, to allow Crelan to investigate these concerns and define adequate responses to improve its impact on customers. A coaching program was established for agents of the customer care department to ensure they can address client requests / questions better. Customers with requests which cannot be addressed by the service are redirected towards agents.
	<b>Customer excellence</b>	Various initiatives are in place to measure the satisfaction of clients and identify trends in customers' sentiment towards Crelan. These initiatives include, for instance, the monitoring of the overall Net Promoter Score (NPS) and its drivers, the image for retail (e.g. through social media) and intention to buy are also monitored serving as indications on customers' sentiment. Ad-hoc research is periodically conducted to deep dive into the sentiment of customers on specific topics.



The feedback collected from these exchanges with customers (both reactive and proactive) are shared with the Customer journey's and used to define their strategy and roadmap. More specifically:

- Quarterly reports containing client complaints are shared with various stakeholders (e.g. commercial staff, Executive Committee, Compliance);
- Customer care for digital is in relation with the Operations & Commercial segments to ensure adequate transfer of these client insights (and improve processes when necessary);
- Several "Agents Advisory Boards" are in place with agents to exchange information including issues raised by clients that need to be worked on;
- Customer surveys are shared with the Segment journey involved in the study, for integration in their strategy and roadmap.

The responsibility for engaging with stakeholders sits within the various functions in charge of the client interaction, namely:

- The "Customer Journey's", sitting within each function, aiming at defining the marketing approach for each client segment (and actions related to the implementation of this approach). The overall alignment of marketing approaches across all functions is coordinated by the Communications & Marketing department, ultimately under the responsibility of the CCO;
- The Data Privacy Office (and their first line representatives), in charge of centralizing the client complaints and defining an adequate answer in case of incidents, ultimately reporting to the Chief Risk Officer (CRO) and the Security & Privacy Risk Committee (delegated body of ExCo);
- The security department for security matters (ultimately reporting to the CRO) and the Security & Privacy Risk Committee (delegated body of ExCo);
- Finally, the ESG Office (ultimately reporting to the Chief Cooperative Bank and CEO) is informed (and consulted) to verify that actions taken towards customers are aligned with the overall ESG strategy.

## Channels for consumers to raise concerns

As shown above, Crelan mainly identified positive impacts (or risks) connected to its customers. This identification results from the fact that Crelan has a robust process in place to identify early customer concerns, which allows customers to raise their concerns which can be escalated early (c.f. previous section).

To ensure that customers can trust this escalation process (and can be protected when such escalation

occurs), Crelan developed a set of policies and mechanisms to protect client complaints, as it is described in section C.1 - ESRS G1 Business Conduct.

The channels for escalating concerns are easily accessible in a dedicated location on the Crelan website, supporting their access. The channels can be accessed via several ways (digital, via phone, physical via agents) to ensure that all customers can find the channel that best fits their needs. The existence of these channels is frequently reminded to customers (e.g. in the newsletter sent). All channels are specific to Crelan, and business partners (in particular agents for the relationship with customers) support the use of these channels (as agents are the first point of contact for customers hence can redirect them to the most appropriate channel). Furthermore, customers are incentivized to escalate their concerns via the website or agents, reinforced by the proximity model of Crelan.

The feedback received from customers is used and monitored at various levels:

- The outcome of the yearly survey is used to revise the strategy, identify specific actions needed per type of customer
- The complaints are reviewed individually and, when needed, escalated.

The complaints related to data privacy follow a specific mechanism that is prescribed by GDPR (art. 12-23, 33-34). More specifically, Data Privacy Office (DPOffice) manages all privacy related concerns, questions, incidents, breaches, and others. Complaints are managed by the complaints service in accordance with their procedure. DPOffice provides input in case a complaint concerns privacy. In some cases, concerns or complaints can indicate improvement potential in certain processes in Crelan. Different actions can be taken:

- Handle the problem
- Create a risk (to be handled in accordance with the risk management governance processes)
- Plan improvement actions on the roadmap
- This monitoring (and follow-up) also allows Crelan to verify that customers effectively have access to these channels and make use of them.

## Processes and actions related to impacts and risks related to customers

The policies defined in the previous chapter are operationalized by a set of actions and processes, tailored to each of the (sub-)topic affecting customers, which are described in this section. These actions were designed to address the specific sub-topics identified as material and their associated IRO's. Altogether, these actions contribute to delivering positive impacts for customers and/or mitigating the (negative) impacts that could be generated as a result of Crelan's operations. More specifically, these actions contribute to ensuring that the privacy of the customers is respected, that the services of Crelan remain accessible and robust to external threats, that these services are inclusive and that customers are provided with transparent information.

### Actions related to data privacy

The Privacy Governance Charter describes the roles of the three lines of defense in relation to the protection of personal data. In this context it also describes the responsibilities of the main first line business domain, which are key stakeholders and contributors in the further development of the data privacy maturity of Crelan.

To ensure that sufficient ownership and responsibilities are defined for this topic, Crelan appointed a Data Protection Officer (DPO) as part of the DPOffice (within the Direction Security). The DPO reports on the status of Data Privacy within the organization to the Security and Privacy Risk Committee, an official delegated body of the ExCo, to the CRO and to the ExCo.

Crelan runs a yearly self-assessment to determine the level of GDPR compliance and identify and follow up on improvement needs. Based on this information, a multi-year roadmap is determined.

Privacy risks are reported and followed up in accordance with the Crelan operational risk methodology, which serves to evaluate the efficiency of the framework (and improvements).

This framework helps in mitigating the risk of inappropriate use of personal data, and the risk that a data breach occurs and negatively impacts Crelan or its customers.

Several resources are dedicated to follow-up on data privacy matters across the various lines of business.

### Actions related to cyber security

Crelan has dedicated itself to robust cybersecurity risk management by adopting (and adapting) the ISO 27001 standard, an international benchmark for

information security management. This standard guides organizations on managing and mitigating security risks (incl. Information security) within a structured framework. Crelan uses the ISO 27001 standard as a foundation for its Security Management System, which is designed to ensure the systematic handling of such risks, demonstrating Crelan's commitment to protecting its data and processes.

Crelan's cybersecurity actions go beyond the baseline requirements of the ISO 27001 standard and encompass a more comprehensive range of potential security risks. Crelan's cybersecurity strategy incorporates a greater focus on human and physical security elements, broadening the scope of protection beyond just information systems. This integrated approach allows Crelan to address a diverse array of vulnerabilities and anticipate security challenges more holistically.

To further strengthen its security posture, Crelan integrates additional legal and regulatory requirements into its management system, tailoring its practices to the specific demands of the financial sector. By aligning with applicable laws such as the Digital Operational Resilience Act (DORA), Crelan ensures that its cybersecurity strategy is not only robust but also compliant with industry-specific legislation. This compliance is vital, as the financial sector is governed by strict legal requirements concerning cyber resilience and data protection.

At the operational level, Crelan has structured its cybersecurity defense through a well-defined three lines of defense model. This model involves multiple teams overseeing 15 distinct domains ranging from Identity & Access Management to Secure Software Delivery. These teams are tasked with risk assessment, continuous monitoring, and the implementation of security measures. In concertation with the guidelines set forth by the European Banking Authority (EBA), this structured approach enables Crelan to identify, report, and effectively handle cybersecurity risks, safeguarding the institution and its customers from potential cyber threats.

This framework helps in reducing the risk of security incidents, hence protects customers from the negative impacts that could be generated from such incidents. Several resources are dedicated to follow-up on security matters across the various lines of business.

### Actions related to responsible marketing

Within Crelan, the Marketing & Communications department coordinates the marketing campaigns end-to-end in collaboration with the various departments in charge of marketing actions and go to market with clients ("Go to Market" / "Customer Journey" functions each department), with the objective that a common approach is followed and developed. The definition of an adequate marketing strategy (and approach)

for each target segment is the responsibility of the Customer Journey within each department Credits, Daily & Digital Banking, Savings & Investments, and the Cooperative Bank Office. Crelan has introduced multidisciplinary marketing teams, enabling individuals to work together to implement projects and ensuring alignment between initiatives, while allowing tailored marketing communication for each client segment or Crelan's product.

A number of targeted initiatives took place in the course of 2024, such as:

- Savings & Investments: several initiatives targeted to different customer groups describing investment opportunities, as well as providing basic trainings to customers in need for awareness on investment possibilities;
- Credits: several campaigns aiming at promotion the credits proposed by Crelan, with a particular focus on new types of credits offered to customers (e.g. renovation credits, bike loans) or customer groups (e.g. business and retail clients). Awareness or training sessions were also shared to agents & customers;
- Daily & digital banking: campaigns took place for different categories of customers, aiming at tailoring the message (and offer) to these customers (e.g. per category of age);
- Cooperative banking: a dedicated communication aims at providing transparent information on benefits and initiatives targeted to cooperators

During these communications and marketing campaigns, Crelan took care to sufficiently promote the actions taken in terms of sustainability (and products developed), to ensure that customers are adequately informed on these products and can make informed decisions on the selection of these products. In addition, Crelan made sure to use an adequate combination of marketing channels (mix of newsletter, onsite events) that best fit the customer's needs, with the ambition to be transparent. Finally, as described previously, a marketing charter is in place and targeted to agents with the objectives that the principles set by Crelan in terms of marketing are adequately translated at the end of the value chain, in the interactions of agents with customers.

To ensure that the marketing initiatives are following applicable regulations, controls are being performed at both first- and second-line levels. Within the first line, these controls are the responsibility of Go To

Market and the Marketing & Communication teams. The objective of these controls is to ensure that Crelan adheres to regulations for each product it offers to its clients, including payments, consumer credits (e.g. Consumer Credit Directive) and investment products (e.g. MIFID, SFDR). A consultation process is available with Legal department in case of specific matters. In 2024, processes were put in place to request opinion from ESG office on dedicated ESG matters (with the objective to deliver an appropriate message to customers).

By complying with these regulations and having balanced marketing communication that is reviewed internally by various departments, Crelan supports transparent and tailored marketing practices that benefits to customers, hence supports the creation of positive impacts for customers.

Demonstrating its commitment to (responsible) marketing practices, Crelan plans to further enhance its collaborative approach by jointly developing a (responsible) marketing policy in 2025 (incl. formalization of roles and responsibilities in that matter). This forthcoming policy will firmly establish the organization's dedication to conducting marketing initiatives in a responsible and ethical manner, placing particular emphasis on transparency in reporting and aligning with the core values that Crelan stands for.

## Actions related to financial inclusion

For Crelan, financial inclusion ranges from access to banking services, financial products (credits and investments) as well as providing the right information about these products (incl. receiving trainings when relevant) – thus ensuring that customers can get access to the right services depending on their needs. This allows Crelan to both generate positive impacts for its customers, as well as generate opportunities thanks to the positioning of Europabank to address a specific business segment (hence increase the market base for Crelan as a group).

Several actions have been initiated to operationalize this strategy / vision. Most of the actions are applicable to all customers of Crelan, yet they have the most impact on customers which are "at risk" of being financially excluded. These actions generate positive impacts on customers, as they help in ensuring that all customers can get access to the banking services / products that meet their needs.

Action	Description
<b>Proximity to clients</b>	Through its large network of agents, Crelan distinguishes itself in the market by offering proximity to its clients, having access to agencies in both urban and rural areas, and relying on agents who built long-term relationships with these clients. This network is particularly important for people with lower digital connectedness, who can have access to Crelan services and products in their local agencies.
<b>Basic Banking Services</b>	By providing fee-free banking accounts in compliance with legal stipulations, Crelan ensures that even the most fundamental banking services are available to all customers, making sure that financial inclusion is not just a term but a practiced reality.
<b>Tailored products for clients at the various stages of their life (and when life changes occur)</b>	By recognizing the financial challenges faced by customers experiencing life changes (e.g. first job, children, living together) and by tailoring its product offering in accordance with these changes (e.g. flexible lending criteria with longer maturities), Crelan enables affected customers to remain included and to remove barriers to financial access.
<b>Low entrance to investment products</b>	By offering investment products at a low entrance, Crelan offers the possibility to a wide range of customers to have access to investments, including those customers with limited capital available. Crelan is also working on products, such as the new savings account, to ensure that people who cannot invest can still obtain a return from their savings
<b>Flexible acceptance criteria at Europabank</b>	Giving access to financial products (incl. credits) to actors of the economy which are either in financial difficulty, or which are active in more volatile sectors, is at the heart of Europabank’s business model. While Europabank does not necessarily differentiate itself by the type of products offered, it does by the acceptance criteria which allow these groups of customers (at risk of financial exclusion) to get access to these services. On top of providing these services, Europabank is committed to finding the right solution for each client (making a balance between needs for funding and associated risk premium / cost for the borrow), and to assist these clients in stabilizing their financial situation. This approach allows Crelan / Europabank to have a specific positioning in the market, hence increasing its customer base and generating opportunities.

Crelan periodically assesses the effectiveness of the measures taken, as well as the need to develop new measures. This approach was notably highlighted in Crelan’s fast reaction to crises / incidents affecting its customers, and Crelan’s ability to provide tailor made support / services to the customers during these events. Examples of the measures put in place by Crelan include the specific support measures like the one-time capital suspension of ongoing loans during the floodings in Wallonia, the support to agricultural clients during the bluetongue disease, the support to agricultural clients during the droughts which occurred in Belgium.

The vision and actions taken by Crelan on financial inclusion are closely linked to its cooperative roots, which is described in chapter *B.3 - Entity specific topic: Cooperative Banking*.

Several resources are dedicated to working on these topics, both at the level of the headquarters in the agencies (incl. > 2.600 independent agents on Crelan NV agencies). Since this topic is treated as part of a more holistic approach towards customers, these resources cannot be estimated with precision.

## 4. Metrics and targets

### Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Crelan monitors the topics described in this section with a number of metrics. For instance, the following metrics are in place, and were defined to ensure that the risks associated to these topics were adequately managed:

- In terms of data privacy, Crelan monitors the number of training and awareness initiatives towards employees and agents (with a target of at least 5). The metric was “green” in 2024, meaning that the target was met;
- In terms of cybersecurity, Crelan monitors the Percentage of time Crelan’s services were down due to a cyber-attack (with a target of 0%). The metric was equal to 0% in 2024;
- In terms of financial inclusion, an important element monitored by Crelan is its proximity with customers. This proximity is monitored through various qualitative and quantitative indicators, such as the large network of agencies in Belgium or the number of resources serving clients in these agencies (more than 4 per agency).
- Finally, responsible marketing initiatives are monitored through a combination of qualitative and quantitative indicators, including a monitoring of client complaints, or specific metrics such as the waiting time to obtain appointments.

The targets defined on data privacy and cybersecurity reflect the Security & Privacy team assessment on the level of control necessary to mitigate the associated risks. It is not directly linked to an engagement with customers (but rather form a more holistic evaluation, incl. potential impacts or risks for customers).



## B.3

# Entity specific topic: Cooperative Banking

## 1. Objectives

Crelan NV and the recognized cooperative company CrelanCo are solidly associated through a Federation of Credit Institutions, recognized by Belgian banking law, with Crelan NV at its core as the central institution. This unity, which forms part of their global strategy, is characterized by a strong sense of unity and mutual support, reflecting their joint efforts and shared accomplishments within the cooperative structure.

The materiality of the “Cooperative banking” topic for Crelan, as an “entity-specific topic”, is directly tied to the fact that its cooperative model is ingrained in its DNA. This model influences numerous decisions and impacts within the organization, underlining Crelan’s commitment to its cooperative identity. Crelan is making considerable efforts to strengthen environmental and social sustainability, which is rooted in its cooperative structure, strategic approach and local operations. As a wholly Belgian entity, Crelan prioritizes core banking activities and using customer funds to support local loans (no or very limited foreign activities). As a cooperative bank, Crelan is not publicly listed and aims for steady growth, solidity and security. Profits are reinvested in Crelan, its cooperative shareholders and employees, reflecting a long-term approach to decision-making and prioritizing local interests.

This dedication to a cooperative banking model is reflected in Crelan’s commitment to social responsibility and sustainable community development. This approach is encapsulated in a set of core principles contained in the ESG policy, designed to promote cooperation and support the greater good.

Central to this model is the principle of voluntary and open membership, which allows individual customers to become shareholders of CrelanCo, thus strengthening the cooperative’s impact on society. Democratic member control is another key aspect, empowering cooperative shareholders to actively participate

in decision-making and governance processes. Furthermore, Crelan’s cooperative banking model emphasizes sustainable profit distribution, financial resilience, and community support. The autonomy and independence of CrelanCo, fully owned by cooperative shareholders, enables strategic decisions that prioritize local needs and community interests.

Crelan also places a strong emphasis on education, training, and information dissemination to promote a cooperative mindset among its stakeholders. Crelan is committed to fostering a cooperative culture throughout its organization, ensuring that its cooperative values guide the actions of all employees.

Additionally, it actively fosters collaborative relationships with other cooperatives and communities to support cooperative entrepreneurship and community involvement.

This chapter aims at providing details on Crelan’s impacts, risks and opportunities associated with its cooperative business model. This section is structured as follows:

First, the strategy and governance in place for cooperative banking activities is described;

- Then, the material IRO’s identified associated to cooperative banking are presented, together with the policies, processes and actions taken to manage these IROs;
- Finally, the metrics and targets used to monitor these IRO’s are described.

## 2. Strategy and governance

### Governance in place on cooperative banking

Crelan demonstrates a strong commitment to social engagement and community support, and to supporting economic development in a responsible manner. By advocating for causes that uplift and empower local communities, Crelan actively supports a range of community initiatives aligned with its cooperative principles. This dedicated social engagement underscores Crelan's proactive approach to making a positive impact and fostering solidarity within the communities it serves.

In 2023, Crelan further solidified its cooperative focus through the establishment of a new department centered on Cooperator & People Engagement and

ESG, led by a Chief Cooperative Bank Officer reporting directly to the CEO. This organization reflects and supports Crelan's strategy, bringing cooperative engagement to practice and serving the needs of its local and future communities. As of December 31, 2024, CrelanCo has 296.751 cooperative shareholders. Crelan's cooperative engagement to its cooperative shareholders is translated into 3 strategic focus areas: a dedicated cooperator value proposition, member engagement and participation, and an engagement for community and education.

### Material impacts, risks and opportunities identified

The process to identify and assess material impacts, risks and opportunities is described in *General disclosures – ESRS 2*. From this process, Crelan has identified the following material risks related to the cooperative banking:

Sub-topic	Value chain (VC) / own operations (OO)	Type of IRO	IRO description
Cooperative banking	OO / VC	Positive Impact	Positive impact of Crelan's cooperative DNA to be meaningful for society, by acting local and by being close to its clients and the community through its proximity strategy, through sponsorships, through support for education and through CrelanCo foundation
	OO / VC	Opportunity	Opportunities to strengthen the cooperative by increasing member participation through assembly general, CrelanCo Foundation committees and polls and by enhancing member engagement through CrelanCo Connect and an engaging cooperative communication.
	OO / VC	Opportunity	Opportunity for Crelan to attract and fidelise co-operators through sharing benefits with cooperators and through a strong cooperator value proposition that offers additional services, advantageous products and extra benefits.

The policies, actions and metrics associated to these identified IROs are described in the next chapters

### 3. Impact, risk and opportunity management

#### Policies related to Cooperative Banking

Crelan has established a set of policies and initiatives aiming at formalizing the beneficial influence it yields within the local community and towards its cooperators, while actively seeking out new opportunities aligned with its core values. The list of policies connected to cooperative banking is provided in the following table:

	Policy name	Focus on	Coverage	Content	Scope	Approval level
<b>Overarching policy</b>	ESG policy	Impact materiality	Cooperative Banking	Outline Crelan's overall approach to integration sustainability into its strategy and operations	Crelan	Board of Directors
<b>Connected policy</b>	Status on Cooperative Bank Office	Impact materiality	Cooperative Banking	Structure, Composition and responsibilities of the Cooperative Bank Office	Crelan	Executive Committee
<b>Bylaws</b>	CrelanCo Bylaws	Impact materiality	Cooperative Banking	Contains internal rules and agreements of the legal entity CrelanCo	CrelanCo	Board of Directors
	Crelan Bylaws	Impact materiality	Cooperative Banking	Contains internal rules and agreements of the legal entity Crelan	Crelan NV	Board of Directors
<b>CrelanCo Initiative</b>	CrelanCo Foundation	Impact materiality	Cooperative Banking	CrelanCo Foundation is an initiative that groups the activities of the bank related to social engagement and charitable causes. It is the bank's way of putting into practice the cooperative principles of concern for community and education, and aligns with Crelan's ambitions of promoting social responsibility and development of local communities. Through CrelanCo Foundation, financial support is given to associations, charitable organizations, and local projects that have a social impact. By implicating its cooperative shareholders in the nomination and selection of the local projects to support, the bank aims to return the commitment of its shareholders.	CrelanCo	Board of Directors CrelanCo

## 1. Bylaws of Crelan and CrelanCo

The articles of association of Crelan, published on June 10, 2024, and those of CrelanCo, effective since January 20, 2020, establish a cooperative model as a cornerstone of Crelan's governance, organization and operations.

CrelanCo is a cooperative company which is fully owned by a substantial number of cooperative shareholders and operates as the shareholder of Crelan. As a shareholder of CrelanCo, one is indirectly a part-owner of Crelan. This governance structure, which is rooted in the principles of a cooperative bank, is clearly outlined in the articles of association.

Cooperators also have a vote at the general assembly. Furthermore, cooperative shareholders have the potential for an annual dividend, as stipulated in the articles of association, since CrelanCo shares its profits with its cooperators.

This model promotes an approach for all Crelan customers that focuses on proximity and personal advice, with extra engagement and banking advantages for the cooperative shareholders. Additionally, through CrelanCo, members are provided with various financial and non-financial benefits, and opportunities to participate in Crelan's decision-making processes.

This inclusive approach ensures transparency and accountability within the decision-making process.

## 2. ESG-policy

On September 24, 2024, Crelan reached a significant milestone by adopting an ESG Policy that formalizes its commitment to Cooperative Banking values which are guided by the ICA (International Cooperative Alliance) principles. The policy defines sustainability according to the 'Brundtland Report' and aligns it with the seventh cooperative principle, "Concern for Community". The Policy outlines Crelan's ESG governance, regulatory framework, and high-level ESG strategy.

As described in *General disclosures – ESRS 2*, the primary objective of Crelan's ESG Policy is to provide clear guidance on how Crelan aligns its operations with sustainability goals. Aligned with its cooperative principles, Crelan's ESG strategy is a dynamic framework that adapts to annual strategic planning cycles, ensuring ongoing commitment to sustainability and responsible practices.

## 3. Status of the Cooperative Bank Office

The Cooperative Bank Office was established with the clear objective of strengthening Crelan's cooperative strategy by integrating the ESG strategy and strengthening the cooperative identity. The Cooperator and People Engagement division as well as the ESG office each play a role in this integration

This strategic office is set out to operate in collaboration with all departments of Crelan and the Boards of Directors of CrelanCo and Crelan, under the direct supervision of the CEO.

At the helm of the Cooperative Bank Office stands the Chief Cooperative Bank Officer, charged with a multifaceted responsibility that encompasses cooperator and people engagement, cooperative governance, and ESG management.

### Cooperator and People Engagement division

Within the Cooperator and People Engagement division, the Cooperator Engagement Team will work steadfastly to strengthen the cooperative value proposition, fostering cooperator engagement and bolster the communication surrounding it. Additionally, this team will focus on advancing the cooperative brand and elevating Crelan's visibility as a cooperative bank. Its final goal is to increase the satisfaction of the cooperators and to fidelize them, as well as to elevate the number of cooperators by attracting new ones.

Meanwhile, the People Engagement Cell endeavors to cultivate a cohesive cooperative culture and translate Crelan's cooperative values into everyday behavior. The overarching aspiration is for these values to be inherently embedded within every staff member, both at headquarters and within the network.

The Cooperative Bank SteerCo oversees the implementation of the cooperative strategy, monitors the follow-up and ensures alignment of projects from the different domains within Crelan. The Chief Cooperative Bank Officer chairs the Cooperative Bank SteerCo, reports directly to the CEO and submits the results of the Cooperative Bank SteerCo to the Executive Committee.

At least 5 times a year, the Chief Cooperative Bank Officer reports on the realization of the cooperative strategy and the progress in the different cooperative projects directly to the Board of Directors of CrelanCo.

## ESG office and SteerCo

The ESG component of the Cooperative Bank Office is being implemented by the 'ESG Office'. The ESG Office is integrated into the Cooperative Bank office and is responsible for central tracking and monitoring of all ESG projects. The ESG Office is also responsible for coordinating the ECB Climate & Environmental Risk Action Plan, as part of the global ESG plan, and in that capacity, it oversees the progress of all ESG projects through the ESG Streams and the ESG SteerCo.

The ESG SteerCo oversees the follow-up and implementation of the ESG strategy, monitors the follow-up of the ECB Climate & Environmental Risks Action Plan and ensures alignment of projects from the different streams. The Chief Cooperative Bank Officer (CCBO) chairs the ESG SteerCo, while ESG Office acts as the secretary. The CCBO submits the results of the ESG SteerCo to the Executive Committee.

At least 5 times a year, the Chief Cooperative Bank Officer reports on the realization of the ECB Climate & Environmental Risk Action Plan and the progress in the different ESG-related projects directly to the Board of Directors of Crelan.

The integral role of the Cooperative Bank Office in fulfilling the ambitions of Crelan's cooperative strategy is underscored by its key role in promoting ESG and Cooperative Banking alignment.

## Processes for engaging with cooperative banking about impacts

The positive impact of Crelan's cooperative DNA is made meaningful to society through various initiatives that emphasize local presence, support for education, and active community involvement via the CrelanCo Foundation. Crelan has established several channels to engage with cooperators about the identified impacts and collect their views on actions that can impact them. As explained above, engagement with shareholders is a key element contained in the ESG Policy, as Crelan aims at promoting members' participation.

This engagement occurs via several channels:

- Participation of cooperative shareholders during General Assembly;
- Crelan's proximity strategy;
- Periodic check-in meetings with agents
- Active participation of cooperative shareholders representatives in the CrelanCo Foundation committees and its decisions, i.e. the charity aiming at financing initiatives having an impact on cooperators and local communities
- Dedicated communication towards shareholders,

including surveys, polls and newsletters.

- Proactively fostering partnerships and memberships in various sectors within the banking industry

These channels are further elaborated in the following paragraphs.

## Participation of cooperators during General Assembly

One of Crelan's main priorities is to enhance the involvement and participation of cooperative shareholders during the General Assembly of CrelanCo. This is facilitated by offering a compelling program, such as inviting external speakers to discuss current and relevant topics like the cooperative model. By actively involving cooperators in the General Assembly, Crelan fosters a democratic environment where members can voice their opinions, vote on important issues, and influence the direction of the cooperative. This participation ensures that Crelan's strategies and initiatives reflect the collective interests of its members.

On a broader scale, the establishment aims to explore potential collaborations between Crelan and national and international cooperative organizations.

## Proximity Strategy

Crelan commits to creating proximity and engagement by being close to customers through a large network of independent agencies and providing personalized service. Crelan works closely together with more than 907 independent banking agents who together with their office teams receive customers in 680 offices. These independent entrepreneurs are inextricably bound up with the local neighborhoods in which they live and work. Their advice is geared to the customer's best interests and to building a lasting relationship based on trust, not to short-term profit goals. Three anchor terms characterize this advice: honesty, competence and personal.

## Agency Check-in meetings

Crelan commits to a culture of cooperation and participation also with his independent agencies. In order to optimize the cooperator value proposition, the cooperative engagement and the local community engagement, inputs of agencies on these topics are important. To this end, periodic discussion meetings are organized with a representation of agents who have a large number of shareholders among their clients. During these meetings, input for new initiatives and feedback on planned initiatives towards cooperators are collected.

## CrelanCo Foundation

Based on cooperative values, Crelan is determined not just to engage in sustainable banking, but also to have a positive impact on society. Crelan is doing so by providing financial support to socially relevant and sustainable projects that make the community better. Through the CrelanCo Foundation Crelan supports local projects of cooperative shareholders in the areas of information and education, social inclusion and sustainability and environment.

To increase the democratic participation of cooperators, a new governance model has been introduced, establishing three regional CrelanCo Foundation Committees. Each committee, responsible for selecting projects according to a clear governance structure, consists of 13 members, including a chairman, 3 representatives from Crelan (2 members of Cooperative Bank Office & the regional commercial director) and 9 cooperative shareholders (clients, agents and staff members) from their respective regions. This structure ensures that local projects align with the CrelanCo Foundation's goals and address the unique needs of each region.

The representation of different stakeholders on the committees allows all perspectives to be included in decision-making. It also makes the committees' decision-making processes transparent, allowing all stakeholders to see how decisions are made, and which projects are selected.

## Dedicated communication towards cooperators

Crelan has also developed a comprehensive communication plan that distinguishes between the general communication channels available to all customers and the specific channels aimed at cooperators. This distinction ensures that the communication is effective and targeted, catering to the unique needs of each group.

To begin with, Crelan provides videos, webinars, and flyers that are made available to both agents and employees via the intranet. These materials are accessible to everyone within the organization, ensuring awareness and involvement regarding the cooperative strategy of Crelan and enhancing a cooperative company culture.

For cooperative shareholders, however, there is an additional layer of targeted communication. For instance, there is a specially adapted cooperator page on Crelan's website, which takes into account FSMA restrictions and is specifically designed to meet the information needs of shareholders. Additionally, the monthly Cooperator Newsletter is sent to all existing and new cooperative shareholders of CrelanCo. This newsletter, dispatched on the first Thursday of every month, provides a comprehensive overview of

CrelanCo deals, benefits, discounts, outings, resto-deals, CrelanCo Connect events, contests, voting opportunities, information about the CrelanCo Foundation, and other shareholder information. Extra newsletters may be sent out around significant events or information related to the status as a cooperative shareholder, such as the Annual General Assembly.

Through these ongoing engagements available for all shareholders, Crelan ensures that cooperators are well informed about its mission and activities, thereby promoting transparency and active participation within the cooperative framework.

## Partnerships

Through CrelanCo Foundation, 2 University Chairs are supported at UGent and ULiege (Gembloux Agro-Bio Tech) that focus on research in sustainability in agriculture and sharing this knowledge to stakeholders. This way, Crelan can also benefit from the results of this research and gather new insights.

Beyond the social activities of the CrelanCo Foundation, Crelan actively engages in various partnerships and memberships across different domains within Crelan to acquire expertise, facilitate knowledge sharing, and enhance its reputation as an expert organization. These strategic partnerships align with Crelan's commercial goals and address specific ESG challenges. Notable examples include the collaboration with ILVO (Instituut voor Landbouw-, Visserij- en Voedingsonderzoek) within the Customer Journey Business and the membership with Women in Finance within HR.



## Taking action on material impacts on cooperators, and approaches to managing material risks and pursuing material opportunities related to cooperative banking, and effectiveness of those actions

Crelan takes a comprehensive and strategic approach to managing the impacts on its shareholders, focusing on initiatives and programs designed to produce positive outcomes and mitigate any negative effects. These actions address economic, social, and environmental factors that influence the well-being of its cooperators, making Crelan a strong and supportive cooperative bank.

These initiatives can be categorized according to:

- Actions and initiatives to generate impacts for cooperative shareholders
- Actions and initiatives to increase attractivity of Crelan for cooperative shareholders

### Actions taken to generate impacts for cooperators

As described above, Crelan has defined an organizational structure aiming at engaging with cooperators, and as a result designing actions that deliver impacts on these shareholders.

The CrelanCo Foundation is a central component of the impact delivered to cooperators and society, by supporting relevant projects and charitable causes that have tangible effects on 3 key objectives: social inclusion, sustainability and education.

To that end, CrelanCo Foundation defined three working areas: Local cooperators' projects, a national good cause and University Chairs:

- Local projects meeting specific criteria are submitted by cooperators to the CrelanCo Foundation Committee for assessment and financial support.
- On a national level, the CrelanCo Foundation supports Classcontact and Bednet, two organizations which, in collaboration with schools, promoting social inclusion and education.
- In collaboration with the University Chairs at UGent and ULiège, Crelan organized educational events for cooperative shareholders, agricultural customers, students and various stakeholders, thus allowing all parties to benefit from the results and new insights of academic research in sustainability and agriculture.

Furthermore, through CrelanCo Connect, Crelan organizes various events that reinforce the sense of belonging and community amongst its members. For instance, in 2024, Crelan organized:

- the 20 km through Brussels where 350 cooperators participated, raising €7,000 for charity
- Cooperative Breakfast and guided tours at the Foire de Libramont
- Photo competition
- CrelanCo Family Day
- Various sports and hospitality events (f.e. Memorial Van Damme, the Belgian Cats & Lions games, Cyclo-cross).

### Actions taken to increase attractivity of Crelan for cooperators

Attracting cooperators, and ensuring stability and growth in cooperative banking capital, is an important element of Crelan's strategy. Crelan aims to be financially attractive for its shareholders and add financial value to those. Several actions and initiatives are in place and are seen as complementary to actions taken to generate a positive impact on those communities (ensuring that Crelan is both financially and socially attractive for cooperators).

By means of the yearly dividend distribution, CrelanCo has aimed at rewarding its cooperators adequately over the years and distributing an adequate level of dividend. Over the years, Crelan has managed to pay out substantial dividends to its members. A summary is displayed in the following table:

Year	Dividend
2018	3%
2019	3%
2020	3%
2021	3%
2022	4%
2023	4,25%

Crelan established a dedicated webpage for cooperators aiming at improving their awareness on initiatives taken by Crelan generating value for cooperative shareholders (ensuring they are aware of and can benefit from these initiatives). The page describes, for instance, the advantages offered to cooperators on the monthly contribution of Crelan's various payment packs, as well as the Wikipower's Group Buying Energy initiative (initiated by an energy expert to group the purchase of electricity to reduce cost for clients).

The engagement of cooperators significantly enhances Crelan's business model by fostering loyalty, community involvement, and sustainable growth. This sense of ownership motivates cooperators to remain engaged and invested in Crelan's success, ensuring a loyal and stable membership base crucial for long-term sustainability. These initiatives are closely connected with those having a positive impact on shareholders (and described in above), enhancing Crelan's presence and reputation. By promoting Crelan's values and services, they attract new members, expanding the cooperative's base and positioning Crelan as a socially responsible entity. Engaged cooperators also leverage their extensive networks to facilitate strategic partnerships, driving growth and value creation.

**Tracking the effectiveness of these actions**

Crelan tracks the effectiveness of its measures through participation monitoring. The success of organized events and the usage of offered benefits illustrate

how Crelan can mobilize its cooperative shareholders through community events combined with an economic advantage.

Crelan also gathers feedback from cooperators during general assemblies, through surveys and agents check-in meetings. This feedback is crucial for understanding the impact of its strategies and making necessary adjustments. By actively incorporating cooperators' inputs, Crelan ensures its actions remain effective and aligned with community needs. This ongoing dialogue helps identify emerging issues and allows for proactive management, fostering a constructive and transparent relationship with cooperators.

The overall effectiveness of these measures can be evaluated in various ways, but the most important one is the evolution of the number of cooperative shareholders and the penetration rate of CrelanCo-shareholders among the private customers of Crelan.



## 4. Metrics and targets

### Metrics related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The metrics on cooperative engagement focus on measuring the additional value created for cooperators through collaboration, communication, and teamwork across departments. By tracking metrics such as participation rates in cooperative projects, and the successful implementation of cooperative initiatives, Crelan can assess its cooperative efforts.

Additionally, the financial metrics concerning the cooperative structure enable Crelan to follow up on the effectiveness of its cooperative actions and behaviours, and their impact on performance and productivity. The dividend rate of 4.25% for 2024 is a direct indicator for the financial performance of the cooperative structure and strategy between Crelan and CrelanCo.

Overall, these metrics enable Crelan to measure and understand the tangible benefits of its cooperative strategy, to identify opportunities for improvement, innovation, growth and to install a more informed and strategic approach to driving organizational success.

The following metrics and targets associated to cooperative banking are included in the list of metrics and targets and monitored periodically by Crelan in 2024:

#### Metrics on the cooperative structure

Objective	Metrics	Rationale
Monitor annual evolution in Cooperative Capital	By the end of 2024, CrelanCo's cooperative capital amounts at 1.144,462.EUR. This means an increase of +21,67% in cooperative capital during 2024.	Strengthens the financial foundation, maintaining stability and enhancing the ability to fund diverse initiatives and projects
Monitor annual evolution of the Number of Cooperators	By the end of 2024, CrelanCo has 296.751 cooperative shareholders. 20,3% of Crelan's private customers are also cooperative shareholders	Ensures a broad cooperative's reach and amplifies its influence, allowing individuals to benefit from its services and support
Distribute dividends according to the results and performance of Crelan.	Distribution to cooperators of an annual dividend over 2024 of 4,25%*	Ensures members receive fair and sustainable returns, reflecting dedication to rewarding their commitment and loyalty.

\* Dividend subject to approval by the general assembly of CrelanCo on 24/04/2025



## Metrics and targets on cooperator engagement

Objective	Metrics & Targets	Rationale
<b>Monitor support to local and national social projects</b>	In 2024, CrelanCo Foundation supported 31 local and national social projects for a total amount of 257.278 EUR. Target 2024: / Target 2025: / Target 2030: /	Ensures a tangible contribution to community, creating a positive impact on a national level and on a local, cooperator driven, level
<b>Create cooperative awareness and enhance the cooperative culture for different stakeholders of Crelan and CrelanCo</b>	In 2024, Crelan organized 29 initiatives and events for students, employees or agents, in which cooperative banking, culture and awareness is an explicit objective. Target 2024: 3 Target 2025: 10 Target 2030: 10	Strengthen the knowledge on cooperative banking and on the cooperative identity within the own organization and externally.
<b>Offer reductions, advantages and events to cooperative shareholders</b>	In 2024, at least 88 different benefits and 26 events were offered to cooperators. Target 2024: 50 benefits & 8 events Target 2025: / Target 2030: /	Increase satisfaction and retention of existing cooperative shareholders and be attractive to future cooperative shareholders.
<b>Inform cooperators personally about their bank and about all the aspects and advantages associated with their membership of CrelanCo</b>	In 2024, Crelan sent 15 dedicated newsletters to its cooperative shareholders about CrelanCo benefits, events, polls and Crelan's actuality. Target 2024: 12 Target 2025: 12 Target 2030: 12	Increase engagement, satisfaction and retention of existing cooperative shareholders.
<b>Involve cooperators with CrelanCo through participation touchpoints.</b>	In 2024, 4 initiatives and meetings were organized during which cooperators could give their opinion, raise questions and influence decisions of CrelanCo. Target 2024: 2 Target 2025: 7 Target 2030: 7	Increase engagement and participation of existing cooperative shareholders.

In order to further strengthen its cooperative strategy, the Board of Directors of CrelanCo set out a renewed strategy for 2025-2030. Consequently, also a renewed set of metrics and targets tracking the delivery of the cooperative execution plan will be put in place as from 2025:

- Metrics on cooperative structure will continue to be monitored in the same way in 2025.
- Metric and targets on cooperative engagement will partially change. 2025-2030 targets are mentioned for the retained metrics.
- Additionally, 2 new metrics and targets were defined, for CrelanCo advantages offered to cooperators and for community engagement and education.





# C. Governance Pillar

## C.1

# ESRS G1 Business Conduct



## 1. Objectives

Business conduct is of the highest importance to Crelan as it lays the foundation for sound and responsible management, which is essential for maintaining integrity, stability, and trust within Crelan as well as from Crelan's stakeholders. In its role as a regulated and significant financial institution, Crelan adheres to strict rules and laws regarding business conduct. With governance as core principle, Crelan's business conduct is grounded on principles such as rigor, honesty, discretion, integrity, and loyalty in all relationships, and a significant sense of responsibility and respect towards colleagues, tied agents, and their employees. Crelan's commitment to professionalism ensures customer orders are executed with precision and care, upholding non-discrimination and transparency with clientele. It is through these practices that we aim to preserve public trust in Crelan and the dignity of our respective roles.

Effective governance provides the oversight and accountability necessary for responsible and sustainable operations. It provides the framework that underpins decision-making processes, risk management and regulatory compliance, and strengthens the ability to adapt to changing market dynamics while maintaining the highest standards of integrity.

The objective of this chapter is to detail the policies, processes and metrics that Crelan put in place to establish a sound and rigorous business conduct and governance.

## 2. Strategy and Governance

### Business conduct and integrity within Crelan's strategy

Crelan's strategy is to position itself as a cooperative bank with a core focus on the Belgian market. Crelan aims to differentiate itself through personalized service and the building of long-term customer relationships. Crelan strives to be a reliable financial partner for its clients, offering a wide range of banking services and products while also prioritizing sustainable and responsible banking practices. Integrity and governance are key elements of Crelan's strategy as they are essential for building trust with customers, employees, stakeholders, tied agents and their employees. In addition, as a regulated entity, robust governance practices help Crelan effectively manage risk, ensure compliance with regulations, and make informed decisions that are consistent with Crelan's long-term vision and values.

At Crelan, protecting its reputation is more than a matter of procedures and controls; it is deeply rooted in the active participation and commitment of its employees, tied agents and their employees. Every Crelan employee and agent is encouraged to embody a rigorous code of professional ethics that meets the expectations of our stakeholders and the general public.

Crelan's Integrity Policy embodies the core values of Crelan's corporate culture and serves as the primary document for all employees, tied agents and their employees. This policy, along with our proactive approach to compliance, provides a strong foundation for Crelan's sustainable governance and Crelan's corporate culture. Crelan upholds sustainable and good governance as a cornerstone of its operations, enabling it to support its strategic objectives through the leadership of its Board of Directors. The primary stakeholders in this area are management and shareholders, represented by the Board of Directors. In addition, employees, agents, suppliers, customers and the wider community are important stakeholders in Crelan's governance framework.

In the next paragraphs, a description of the roles and organization of supervisory and management bodies of at Crelan is provided. This section focuses on Crelan NV (i.e. the mother company), noting that Europabank (as a standalone bank) also possesses its own Board of Directors and Executive Committee (ExCo).

### Role of the supervisory bodies (Board of Directors)

At Crelan, the Board of Directors provides overall strategic direction and oversight, including the critical task of approving key policies and strategies that guide the organization's long-term goals. The Board also has significant financial oversight responsibilities. It approves financial statements and budgets, thereby ensuring the financial health and accountability of Crelan. To ensure sound risk management, the Board oversees policies and practices designed to safeguard Crelan's assets and maintain its reputation.

In terms of performance evaluation, the Board assesses the effectiveness of the ExCo and senior management, ensuring that the leadership is performing optimally to achieve Crelan's strategic goals.

Crelan's Board of Directors also maintains open and effective communication with key stakeholders, including shareholders, regulators and customers. By engaging with these groups, the Board ensures that the interests of all parties are considered and that Crelan operates in a transparent and responsible manner.

The Board of Directors takes the initiative to promote Crelan's integrity. It ensures that Crelan has appropriate integrity policies and suitable corporate values. These objectives, values, and codes are communicated throughout Crelan. Adherence to them is encouraged by the Board of Directors and the ExCo. In order to apply these values, the ExCo itself imposes strict and high-level rules of conduct and sets a good example ("tone at the top").

The Board of Directors ensures that the ExCo takes the necessary measures to ensure that Crelan constantly has an adequate and independent compliance function, at all times, with the aim to ensuring compliance with the legal provisions relating to the integrity of Crelan by the entire institution, its directors, the ExCo, its employees and agents, and their collaborators.

At least once a year, the Board of Directors assesses whether compliance risks are sufficiently identified and controlled, and, if necessary or desired, takes initiatives to adequately manage or mitigate these compliance risks appropriately.

The Board of Directors has established several subcommittees to oversee specific areas of importance within Crelan. A short overview of these subcommittees is provided below:

- The Risk and Compliance Committee plays a critical role in advising the Board on setting Crelan's ESG risk appetite. Through the Quarterly Risk Reporting framework, they diligently monitor ESG risks and provide valuable insights to the Board.

- The Audit Committee is responsible for overseeing the sustainability reporting process and its external assurance, and for reporting the results to the Board. In addition, the Committee ensures that internal quality control and audit functions effectively integrate ESG factors and carefully considers the independence and quality of assurance providers for CSR reporting.
- The Remuneration Committee, on the other hand, focuses on integrating performance against ESG key Performance Indicators (KPI's) and Key Risk Indicators (KRIs) into the remuneration policy. They closely monitor pay equity and address issues such as the gender pay gap, ensuring that Crelan's remuneration practices are aligned with its ESG commitments.
- The Nomination Committee is responsible for establishing and maintaining diversity and inclusion policies within Crelan. In addition, they emphasize the importance of having sufficient knowledge of ESG issues at all levels of the organization, particularly at the Board and ExCo levels. This is achieved through a comprehensive competency matrix that maps the skills of Board members and senior executives to requirements, including relevant ESG issues.

## Role of the management bodies (Executive Committee / ExCo)

### Organization at Crelan

The ExCo exercises all management powers except the determination of the general policy and strategy of Crelan and those actions reserved exclusively for the Board of Directors.

The tasks reserved exclusively for the ExCo are the day-to-day management and administration of Crelan within the framework of the general policy, strategy, corporate projects and budgets established or approved by the Board of Directors. Key to their role is the implementation of the strategies and policies set by the Board of Directors. The ExCo takes these strategic initiatives and translates them into action, navigating the complexities of the banking environment to achieve Crelan's goals.

Specifically, these responsibilities include the preparation of budgets and strategic plans that contribute to the development of Crelan NV (and the Crelan Group), the preparation of activity plans and budgets, the organization and management of Crelan's activities in accordance with the overall business and business environment, the development of the strategy and the formulation of the activity plans and budgets, establish objectives for Crelan and the Group, including financial position, risk exposure and business growth, and align them with business performance and finally,

directing and managing all units, departments and services of Crelan.

The ExCo consists of six members, who are appointed by the Board of Directors. The members of the ExCo are part of the Board of Directors as Executive Officers. The ExCo informs the Board of Directors on a regular basis, including at least once a year in writing about the main points of the overall strategic policy, the general and financial risks, as well as the management and control systems of the company.

Several subcommittees exist at Crelan, each with its own responsibilities related to ESG and risk management, such as:

- The Lending Risk Committee (LRC) is responsible for monitoring credit risk, including transition and physical climate risk metrics, and integrating ESG factors into lending activities. The Credit Commitment Committee (CCC) is a sub-committee of the LRC, focusing on larger and more complex credit files and integrating ESG factors into the review process.
- The Balance Sheet Risk Committee (BSRC) is responsible for integrating ESG criteria into the management of Crelan's investment portfolio and monitoring compliance with regulatory metrics and the Green Bond Framework. The Capital and Funding Committee (CFC) is a sub-committee of the BSRC and is responsible for monitoring the potential impact of ESG factors on Crelan's regulatory requirements.
- The Green Bond Committee (GBC) defines and reviews the green bond framework, ensures regulatory compliance and manages risks associated with eligible green assets.
- The Audit, Risk and Compliance Committee (ARCC) monitors the impact of ESG factors on operational risks, including reputational, compliance and information/security risks. It also includes the scope of internal audit for ESG matters.
- The Customer Invest Risk Committee (CIRC) oversees the integration of ESG in investment products and sustainability preferences in investment advice and is also responsible for the NAP process in relation to customer investment products.
- The Security & Privacy Risk Committee (SPRC) oversees matters related to privacy and security risks, incl. data privacy and IT security.

Finally, a number of subcommittees within each function existing, such as the following (falling within CHRO):

- The Committee for Prevention and Protection at Work (CPBW) is an advisory body focused on social policy, risk prevention and safety at work, including protection against environmental factors and hazardous substances and products. These subcommittees work together to ensure that ESG issues are integrated into Crelan's operational and

risk management processes, promoting responsible and sustainable practices throughout Crelan.

- The Crelan Works Council is a joint body within the hierarchical line of the CHRO, composed of representatives of the management and elected representatives of the staff, with mainly informative powers in the economic and financial field, on the one hand, and in the social field, on the other hand. In this way, the Works Council contributes to balanced decision-making, taking into account both the interests of employees and Crelan's objectives.

## The expertise of the bodies on business conduct matters

The individual and collective expertise of the Board members is ensured by a number of factors. First and foremost, the Nomination Committee conducts a thorough and comprehensive assessment of the suitability of Board members. The Committee is composed in such a way that it can provide a well-informed and objective opinion on the composition and functioning of the management and independence bodies, in particular on the individual and collective expertise of their members, their availability, integrity, reputation and independence of mind.

The Committee's role is to provide an analysis of the suitability of candidates for appointment, to review the distribution of knowledge, skills, diversity and experience within the Board, and to periodically assess the knowledge, skills, experience, level of involvement and known presence of each director. The purpose of these evaluations is to provide feedback to the Board. Finally, the Committee oversees the development of a comprehensive training program.

In addition, Crelan has a General Office that provides support functions to ensure the smooth functioning of the company. The General Secretariat is headed by the Secretary General, who reports to the CEO.

The General Office is charged with the important task of implementing, monitoring and controlling compliance with Crelan's corporate governance and certain business conduct principles, which are derived from a variety of sources, including policies, laws, circulars and best practices. These principles cover several important aspects, such as the individual and collective 'fit and proper' test, external mandates of board members, loans and credits to board members, and the Governance Memorandum.

Finally, at the levels of the Board and ExCo, there is a focus on ensuring a thorough understanding of business conduct, which is achieved through the implementation of a comprehensive competency matrix that aligns the skills of Board members and senior executives with organizational requirements.



### 3. Impact, risk and opportunity management

#### Material impacts, risks and opportunities and their interaction with strategy and business model

The process to identify and assess material impacts, risks and opportunities is described in Chapter *General disclosures – ESRS 2*. Crelan, as a member of Febelfin, is consulted; however, it does not partake in direct lobbying activities. As a result, no IRO’s were identified regarding political influence and lobbying activities.

From this process, Crelan has identified the following material risks related to the business conduct / governance topic:

Sub-topic	Value chain (VC) / own operations (OO)	Type of IRO	IRO description
<b>Governance and business conduct</b>	OO	Positive impact	Positive impact on the ESG accomplishments through linking the variable remuneration of EXCOM to the ESG targets.
	OO	Positive impact	Positive impact of Crelan by integrating ESG values in the corporate culture of Crelan through centralization, communication and alignment on all internal ESG policies.
	OO	Positive impact	Positive impact of Crelan through enhancing society's ethics and transparency via a strong integrity policy which is strictly applied
	OO	Risk	Risk for Crelan to not (timely) apply legal and regulatory obligations
	OO	Negative impact	Negative impact on clients as a result of not properly managed conflict of interests
	OO / VC	Positive impact	Potential positive impact of Crelan on ESG engagement of business partners through implementing ESG considerations when selecting business partners.

The policies, actions and metrics associated to these identified IRO’s are described in the next chapters.

## Policies in place to manage its material impacts, risks and opportunities related to business conduct and corporate culture

### Overview of key policies related to business conduct

Crelan has implemented a comprehensive set of policies to manage their governance-related impacts, risks and opportunities. The following table provides an overview of the policies in place at Crelan:

	Policy name	Focus on	Coverage	Content	Scope	Approval Level
Overarching policies	Governance Memorandum	Impact materiality	Corporate governance Business conduct	Roles and Responsibilities of Corporate Organs	Crelan*	Board of directors
	Compliance Charter	Impact materiality	Corporate governance Business conduct	Defining the Compliance function, formalizing its key responsibilities, and describing its main features within the Bank.	Crelan*	Approved by the Bank's Executive Committee and validated by the Board of Directors
	Integrity policy	Impact materiality	Corporate governance Business conduct	The document's purpose is to present the integrity policy of the Bank, as defined by the Executive Committee, which encompasses strategic objectives, corporate values, and guidelines on integrity.	Crelan*	Board of directors
	Anti Bribery and Corruption	Impact materiality	Business conduct	The purpose of this decision is to set out and explain the prohibitions against bribery and corruption in the operations conducted by and on behalf of the bank.	Crelan*	Executive committee
	Whistleblowing policy	Impact materiality	Business conduct	The purpose of this whistleblower policy is to provide a mechanism for anonymous reporting and to define the necessary measures for protection of the whistleblower.	Crelan*	Executive committee
Connected Policies	Anti Money Laundering	Impact materiality & financial materiality	Business conduct	This policy focuses on the obligations in the field of AML/CFT applicable to a bank	Crelan*	Board of directors
	Conflicts of interest	Impact materiality & financial materiality	Business conduct	This policy on the prevention and management of conflicts of interest has been established in accordance with the relevant legal and regulatory provisions.	Crelan*	Executive committee
	Taks Avoidance Policy	Impact materiality	Business conduct	This policy proactively prevent customers, employees and the organization from violating tax laws.	Crelan*	Board of directors
	Training policy	Impact materiality	Business conduct	Training plan for the employees	Crelan*	Board of directors
	Gifts and entertainment	Impact materiality	Business conduct	The purpose of this policy is to describe the bank's arrangements regarding gifts and invitations.	Crelan*	Executive committee
	Vendor Risk Management Policy	Impact materiality & financial materiality	Suppliers management	The goal of Crelan's Vendor Risk Management Policy and Procurement Policy is to effectively identify, assess, and mitigate risks associated with third-party vendors to ensure the security and reliability of business operations, and to embed criteria for the selection of suppliers (incl. ESG criteria).	Crelan*	Executive committee
	Procurement policy	Impact materiality	Suppliers management		Crelan*	Executive committee

\* group level policies

In the next paragraphs, the content of the key policies is explained, giving details on how Crelan acts on each sub-topic considered as relevant for business conduct / compliance.

## 0. Integrity policy

The Integrity Policy, approved by the Board of Directors on August 20, 2024, serves as a building block to define Crelan's vision in terms of business conduct and corporate culture. As such, it serves to ensure that Crelan's Code of Conduct is fully implemented in order to maintain Crelan's values and integrity, and to foster trust and confidence among its stakeholders. By establishing transparent behavioral expectations and ethical standards, the Integrity Policy fosters a constructive work environment where employees, tied agents and their employees are equipped to make ethical decisions and act in the best interest of Crelan and its customers.

Crelan's corporate culture is developed and promoted through workshops, events and quarterly pulse surveys that prioritize employee engagement and feedback. Initiatives such as the 'Change & Culture' project, diversity and inclusion awareness-activities, and learning and development programs contribute to a strong and cohesive team with clear objectives. In addition, compliance training enhances work practices and corporate culture, providing employees, tied agents and their employees with essential skills to uphold integrity, manage conflicts, maintain confidentiality, and combat financial crimes, ultimately safeguarding Crelan's reputation.

Furthermore, in today's dynamic and highly regulated financial environment, these guidelines are vital for ensuring compliance with legal and industry standards and for addressing potential ethical issues, conflicts of interest, and improper conduct. In turn, the principles set forth in the Integrity Policy are vital to ensuring that Crelan's activities are conducted with integrity and serve to guide decision-making at all levels of the organization.

The Integrity Policy includes specific guidelines on a range of important issues, including ethics, anti-money laundering, anti-corruption, bribery, conflicts of interest, and non-discrimination. It clearly communicates Crelan's commitment to ethical behavior. Additionally, it serves as a cultural assessment tool and is reviewed and updated annually to ensure alignment with Crelan's activities and regulatory evolutions.

As outlined in section Metrics and targets, Crelan has established a Risk & Compliance culture KPI dashboard, which is actively monitored and reported to the Board of Directors for overseeing corporate culture.

The policy consists of an introductory section that outlines Crelan's core values, scope, and methods of implementation, as well as specific policies and procedures for each area of activity. The following paragraphs provide a summary of the key aspects of each policy.

## 1. Anti-money laundering and terrorist financing (AML)

As a bank, Crelan plays an important role in the battle against money laundering and rigorously implements controls to prevent financial transactions from being exploited to conceal unlawfully acquired funds. Therefore, this issue is placed at the top of the Integrity Policy and is identified as a particular focus within the Compliance function. The AML-policy was approved by the ExCo on the 10th of July 2023.

Crelan is committed to a robust approach to anti-money laundering and countering the financing of terrorism, employing a risk-based strategy to effectively comply with regulatory requirements. Crelan has established comprehensive systems across all its entities to detect money laundering and terrorist financing activities. These systems are governed by a set of standards and controls, and are maintained through employee vigilance, mandatory training programs, and constantly evolving automated tools. Additionally, a reinforced system for prevention and detection is also implemented throughout the organization (Anti-money laundering Group Policy).

Crelan's efforts to combat money laundering and the financing of terrorist activities are reflected in its Customer Acceptance Policy. This is because Crelan has a low-risk appetite with respect to ML/FT and, as a result, is unwilling to enter or maintain business relationships with customers unless it has reasonable assurance that the customer in question will not use or employ its products or services to engage in ML/FT. This Customer Acceptance Policy is known within each entity of the Crelan Group and the tied agents.

## 2. Tax Avoidance Policy

Strict compliance with tax regulations is essential to the integrity of financial institutions. As a result, Crelan will not engage in any transaction or practice designed to help clients or others evade tax obligations or mislead the tax authorities.

Crelan aims to exclude special mechanisms through a targeted Tax Avoidance Policy (adopted by the ExCo on the first of January 2022) which would enable or promote tax avoidance by third parties as a goal or consequence. This should take into account the non-exhaustive list of types of practices outlined in the NBB Circular 2021\_16 of July 6, 2021, regarding special mechanisms. Crelan recognizes that, in addition to the potential for penalties, the introduction of special mechanisms could have a significant impact on the financial position of Crelan Bank. This could affect its ability to remain solvent and liquid, potentially jeopardizing its ability to continue as a going concern.

Crelan should refrain from becoming involved in any transactions or practices that could result in customers or other individuals evading their tax obligations or

providing misleading information to the tax authorities. Tax risk identification in the context of tax prevention policy is integrated into Crelan's Compliance Risk Assessment, taking into account the prevailing tax legislation and circulars issued by the NBB.

As part of Crelan's Integrity Policy, it has developed a Tax Compliance Policy designed to maintain its reputation in tax matters by acting in a fiscally clean manner at all times. This includes proper compliance with the automated exchange of financial information under Central Contact Point (CAP) or Common Reporting Standard (CRS).

Through a New Activities and Products Approval Process (NAP) Crelan ensures whether, when developing new products and services for customers, the required attention is paid to correct tax implementation and, consequently, to avoid special mechanisms. In addition, guidelines have been established for employees within Crelan, and effective leadership regarding Tax Avoidance Policies should establish appropriate internal controls and review them at least annually.

In the initial training of new employees, the Tax Avoidance Policy and the special mechanisms are explicitly included. This training covers both the legal and regulatory provisions as well as policy guidelines and practical examples of various types of special mechanisms.

Procedures necessary to implement this Policy and the Guidelines will be established within the various departments involved, and appropriate first- and second-line controls

Within Crelan, the Compliance function is responsible for coordinating the implementation of the Tax Avoidance Policy and for coordinating the avoidance of special mechanisms. If serious or urgent problems arise, the Compliance Officer reports them to the member of the ExCo responsible for compliance. In addition, Crelan ensures correct information and publication of its policies for employees through appropriate internal communication channels.

### 3. Conflicts of interest

In carrying out its day-to-day activities, Crelan entities will inevitably encounter situations in which different interests converge. Often these interests are similar, but sometimes Crelan will find itself in a situation where interests diverge. The Conflicts of Interest Policy is designed to prevent damage to the interests of customers and/or to the reputation of Crelan. This Policy was approved by the ExCo on February 22, 2023.

Crelan has developed procedures and taken reasonable steps to identify, prevent and control potential conflicts of interest. For example, Crelan identifies and keeps current a list of situations involving potential conflicts of interest with its clients that Crelan itself and/or its

employees/tied agents or their employees are likely to encounter in the course of their activities (the Conflicts of Interest Inventory). This inventory is updated on a yearly basis. Crelan expects all employees, tied agents and their employees to be able to recognize conflicts of interest when they arise and to know the steps to take if they themselves are involved in a conflict of interest. Mandatory training is provided to all employees, tied agents and their employees on a regular basis. Verification of conflict of interests takes place at the start of each Board meeting.

### 4. Anti-corruption and bribery

The Anti-Corruption and Bribery Policy ('ABC') is part of Crelan's Compliance governance framework. The Anti-Corruption Policy of Crelan has been approved by the ExCo on the 10th of July 2023 and the policy is reviewed at least bi-annually to ensure it remains current and accurate.

Crelan has zero tolerance for any form of bribery and corruption, as well as any form of procurement fraud or any other deceptive or collusive practice in the engagement of suppliers and/or related parties. When board members, employees, tied agents and their employees are acting on behalf of Crelan, they should exercise good judgment as to what may be considered disproportionate, advantageous or excessive in terms of remuneration, gifts, donations or unwarranted preferential treatment.

The roles and responsibilities related to the prevention, identifying and reporting of bribery and corruption are aligned with the three-lines-of-defense model as defined by Crelan. Each Department Head in the first line is responsible for managing bribery and corruption risks and for ensuring that there are adequate internal controls in place to prevent and detect such activities. The second line is the Compliance function, which is responsible for designing, updating, and communicating this policy. The final line of defense is the Internal Audit function, which is responsible for providing independent assurance regarding bribery and corruption.

Crelan's Anti-Corruption Policy is consistent with the United Nations Convention Against Corruption (UNCAC) and the principles set forth in the Convention. The policy reflects the principles of the rule of law, integrity, transparency and accountability as stated in the UNCAC. In addition, the policy seeks to promote effective practices to prevent corruption in accordance with each State Party's obligations under the UNCAC.

The functions within Crelan that are most at risk of corruption and bribery include primarily high-level functions that have direct contact with customers and suppliers, such as vendors, as well as agents.

Crelan's Gift Policy emphasizes the importance of caution in interactions between our employees, tied agents and their employees with public officials or former public officials. These individuals hold positions

of influence through legislative, administrative or judicial functions, or through representation of government agencies and corporations, and are therefore at the highest risk for corruption. It is strictly prohibited for our employees to provide benefits, directly or indirectly, with the intent of influencing or attempting to influence these individuals.

Crelan's AML Policy also provides strict instructions on installing the highest level of vigilance on relations with Politically Exposed Persons (PEP) which represents a higher corruption risk.

## 5. Whistle-blowers

Crelan is subject to the legal requirements of Directive (EU) 2019/1937 and with its transposition into Belgian law (Law of 28 November 2022 on the protection of whistleblowers in respect of infringements of Union or national law established within a legal person in the private sector) and therefore complies with the policies on the protection of whistleblowers. Subsequently referred to as the "Whistleblower Act".

To ensure compliance with the Integrity Policy and to promote the effectiveness of internal controls, Crelan has provided channels for staff members and other stakeholders to report potential violations of policy, enforcement actions and other unethical or illegal conduct. Crelan has established a Whistleblowing Policy that includes procedures for reporting suspected illegal activity, unethical behavior and serious misconduct to an independent reporting manager. Crelan recognizes the importance of protecting whistleblowers from any adverse consequences related to their disclosures.

Any form of retaliation against whistleblowers is prohibited (dismissal, suspension, negative presentation evaluation, coercion, intimidation, etc.). Crelan ensures that whistleblowers have access to support measures where necessary (in accordance with the applicable law transposing Directive (EU) 2019/1937: "Whistleblower Act" and its transposition into Belgian law (Law of 28 November 2022 on the protection of whistleblowers in respect of infringements of Union or national law established within a legal person in the private sector)).

The whistleblower-process goes as follows. Upon receiving a report, the impartial reporting manager, being the sole recipient of all reports, will acknowledge the receipt of the report to the reporter within 7 calendar days, unless the reporter explicitly opts out of contact, or if contact would compromise their anonymity. The receipt confirmation serves as an acknowledgment of the information transfer but does not confirm its classification as a report of an infringement. The impartial reporting manager will conduct an initial assessment of the report and communicate with the reporter for further details or clarification if necessary.

If the impartial reporting manager determines that the information received constitutes a report of an actual or potential infringement, they will confirm this with the reporter, unless otherwise requested by the reporter, or if it would compromise their anonymity. The report, along with an anonymized summary, will be transmitted to the Whistleblowers Committee for further review.

Based on the recommendations of the impartial reporting manager, the Whistleblowers Committee will make a decision on risk classification and follow-up measures. The reporter will be informed about the handling or acceptance of the case within one month of the report. Furthermore, a status report outlining the follow-up measures and results of the investigation will be sent to the reporter within 3 months of the report.

In the event that the reporter is not satisfied with the decision or status report, they may escalate the matter to the impartial reporting manager, who will then notify the Whistleblowers Committee. Based on the recommendations of the impartial reporting manager, the Whistleblowers Committee will decide on any further measures, which will be communicated to the reporter.

The Whistleblowing Policy applies to all internal and external stakeholders who have whistleblowing rights in accordance with the applicable whistleblowing rules. Internal stakeholders include employees, external workforce, tied agents and their employees, shareholders, and individuals belonging to the company's administrative, managerial, or supervisory body, including volunteers and paid and unpaid interns. External stakeholders include former employees, applicants, contractors, suppliers, and clients of Crelan. The measures to protect the whistleblower, also apply to natural persons who confidentially assist the whistleblower in the reporting process (so-called "facilitators"), and to third parties connected to the whistleblower who may become victims of reprisals in a work-related context.

The Whistleblower Policy plays a critical role in shaping Crelan's corporate culture by creating an environment that values transparency, ethical behavior and accountability. This policy empowers individuals within the organization to speak up and report potential misconduct, illegal activity or other serious concerns without fear of retaliation. By providing a formal mechanism for employees and stakeholders to speak up and raise issues, Crelan maintains a workplace where integrity and ethical behavior are a priority.

## 6. Non discrimination

At Crelan, diversity goes beyond non-discrimination and has the potential to improve collaboration and achieve better results within teams. Crelan's approach to diversity encompasses a broad spectrum, including age, language, personality, skills, and more, beyond just nationality and gender.

Each employee is required to sign a Code of Professional Ethics upon joining the company, which explicitly prohibits discrimination on the basis of race, nationality, gender, age, physical disability, sexual orientation, political opinion, or philosophical or religious beliefs. The Code emphasizes that any violation of this principle is totally incompatible with Crelan's values and may result in both internal sanctions, as outlined in the Work Rules, and criminal sanctions, as provided by law. Crelan is committed to fostering a work environment where diversity is celebrated, and discrimination is unequivocally condemned.

## 7. Vendor Risk Management (VRF)

The Procurement Department at Crelan is committed to ensuring that all contractual arrangements adhere to regulations, specifically the DORA regulation concerning the use of ICT third-party. It is essential for Crelan to recognize, evaluate, and mitigate supplier risks from a risk management perspective. The organization holds overall responsibility for the services provided to clients, whether they are outsourced or not. Vendor Risk Management at Crelan is guided by key principles aimed at upholding the organization's values throughout the procurement process and employing a risk and value-based approach for "right" sourcing.

Throughout the procurement activities, several measures are taken to ensure compliance and transparency. This includes utilizing standard Crelan agreement templates or minimum clauses for contracting, using the approved procurement platform Ivalua and tooling for transparency, implementing a single process across the Procurement Lifecycle, segregating duties to avoid conflicts of interest, monitoring and reporting exceptions to assure compliance, and driving a sustainable procurement approach towards suppliers via the ESG framework. Business conduct forms an integral part of the supplier selection process, and it is applied within the comprehensive Sourcing and Contracting & Renewal processes.

The Sourcing Process at Crelan involves the identification, evaluation, and selection of suitable suppliers aligned with specific business requirements. This process includes vendor screening to assess financial health, compliance with sanction lists, adverse media, and politically exposed persons (PEPs), and ESG scoring when necessary. The Contracting & Renewal process commences after the complete finalization of the sourcing process, including risk assessment, and encompasses the validation and approval of contracts/renewals based on the Approval & Signature Policy.

The Vendor Risk Management process is integrated into all stages of the procurement lifecycle, governed by the Procurement & Outsourcing Committee (POC) with formal decision-making authority on procurement and outsourcing matters, including vendor risk. Furthermore, the Audit, Operational Risk, Internal Control and Compliance Committee (ARCC) oversees

the management of non-financial risks, including vendor risk, by being regularly informed of progress, changes, and issues.

Crelan distinguishes between the procurement of critical versus non-critical goods and services based on the Vendor Risk Framework (VRF) and the risk appetite of Crelan as determined via Triage performed by the Business/Requestor. A differentiated risk-based approach is then applied to the procurement lifecycle process accordingly.

The contractual agreement with third-party vendors is monitored and tracked within the procurement platform at several levels. Various factors such as contracting entity, the validity and status of the agreement, tiering, anti-bribery clause, corporate response clause, data privacy clause, IT security clause, and other considerations are taken into account.

Additionally, specific DORA contracting frameworks have been developed for the ICT 3rd party components based on a detailed internal analysis of the legislation, such as Addendum Dora, MSA Dora, and SaaS Dora. This comprehensive approach to vendor risk management ensures that Crelan's procurement activities are in compliance with regulations and reflect the organization's commitment to transparency and ethical practices.

## 8. Training policy

Crelan acknowledges the importance of establishing a sound risk management framework to proactively identify and address compliance risks. Consequently, Crelan developed a Training Policy aiming at defining ambition and requirements in terms of compliance trainings. This policy applies to tied agents and their employees, as well as to all employees of Crelan, including members of the ExCo and the Board of Directors (provided that they are acting within the scope of their mandate with Crelan).

The objective of the policy is to define a comprehensive compliance training in order to comply with laws and regulations, aiming at enhancing the ability of employees to navigate and mitigate the risks inherent in banking by providing the necessary skills through compliance training.

The Compliance Department, in collaboration with the Learning Department, ensures that tied agents, their employees and all employees of Crelan are properly trained and briefed on compliance matters. These trainings cover Anti-Money Laundering and Prevention, Sanctions and Embargoes, Due Diligence and Fair Market Practices, Advertising and Marketing of Banking Products, Tax Avoidance Policy, Complaint Handling Follow-Up, Integrity Policy and Deontology, Anti-Discrimination Principles, Conflicts of Interest, Privacy Rules, Guarding Outsourcing Principles and MiFID.

In terms of training frequency, Crelan ensures that every new employee is required to complete a Compliance training program shortly after joining the company. In addition, training is provided periodically to all employees in the various compliance areas. Training can be delivered in a variety of ways, including classroom training and e-learning. External training courses are also offered.

To ensure compliance with training requirements, HR or Commercial Support prepares a report listing the names of employees, tied agents and their employees who have or have not attended the training sessions. This report is then distributed to managers, who can use it to monitor employee participation and address any outstanding training needs.

A training plan is prepared on an annual basis, outlining the training to be provided in the various compliance areas for the different target groups. All employees are required to attend all basic compliance training courses (see table).

Training	Target Group	Frequency
Integrity & Ethics Policy	Main office and branch employees	Annual
MIFID	Main office and branch employees	Every two years
Conflicts of interest	Main office and branch employees	Annual
Market abuse and insider dealing	Main office and branch employees	Every two years
AML + Sancitons & Embargos	Main office and branch employees	Annual
Tax Prevention Policy (incl. special mechanisms)	Main office and branch employees	Every two years

In addition to regular employee training, Crelan also conducts regular sensitization activities. These include the dissemination of general information to all employees through various channels, such as news releases (newsletters) on the Compliance portal, meetings, workshops, and more. Through these activities, Crelan ensures that tied agents and employees are and remain informed about Compliance risks, including trends, typologies, and Crelan's approach to mitigating and managing these risks. Each new employee is required to complete a compliance training program after joining Crelan.

As part of Crelan's focus on raising operational standards and fostering a strong corporate ethos, compliance training equips employees, tied agents and their employees with the knowledge and skills to effectively implement sound practices, including integrity, conflict resolution, safeguarding sensitive

information and combating financial crime. By installing and maintaining professional best practices, Crelan not only protects its long-term interests and strengthens its reputation, but also cultivates trust with stakeholders such as customers, business partners and internal teams. Crelan recognizes that a lack of awareness of compliance protocols can expose employees to unintentional violations, which can lead to financial consequences and regulatory penalties.

The Compliance function is responsible for drafting the Training & Awareness Policy and an annual training plan for all Crelan employees. They also ensure that it is properly implemented by carrying out the necessary controls.

In addition, Crelan has established a network of compliance correspondents. The Compliance Correspondent Network strengthens the link between the first line of defense and Compliance (second line of defense). In addition, a functional and effective Compliance Correspondent Network contributes to the culture of compliance within Crelan. The objective of these correspondents is to assess the compliance risks associated with the activities of their department, to make the teams concerned aware of the scope of the Crelan's Integrity Policy, to address the recommendations and to draw up and implement an action plan themselves.

The Compliance Correspondent is responsible for coordinating the development and implementation of compliance controls at the operational level (first line). This role entails providing regular updates to senior management and the Compliance department on control results and trends.

Furthermore, the Compliance Correspondent plays an active role in identifying and assessing compliance risks, contributing to the annual Compliance Risk Assessment (CRA). In the event that a new or increased compliance risk is identified, the Compliance Correspondent is required to immediately inform the Compliance function. It is also the responsibility of the Compliance Correspondent to raise awareness of the issues covered by the Corporate Integrity Policy during team and management meetings. When appropriate, the Compliance Correspondent may prepare an Awareness Note. Moreover, they are responsible for making recommendations and developing action plans for their management to mitigate identified compliance risks. Finally, the Compliance Correspondent is responsible for monitoring regulatory changes, reporting on them, and communicating their potential impact.

## Mechanisms for identifying, reporting and investigating concerns about unlawful behavior or behavior in contradiction of its code of conduct

### Employees, tied agents and their employees' level

Several mechanisms are in place to ensure that behaviors which are misaligned with the code of conduct (and internal policies) are duly identified, reported and investigated.

Primarily, the ExCo bears the responsibility for implementing the Integrity Policy and managing Compliance Risk. This implementation requires an effective and well-suited internal control system with multiple lines of defense, commencing with internal control in the operational, commercial, and support services. Designing, implementing, and enforcing specific measures to implement the Integrity Policy also falls within their remit.

Then, in its role of Second-line of defense, the Compliance function identifies, documents, and assesses the risks associated with the compliance obligations. It evaluates the adequacy and effectiveness of existing measures within Crelan for compliance (procedures, controls, and guidelines), identifies any potential deficiencies, and proposes, if necessary, actions for modifications and/or improvements to these existing measures. Notably, controls on compliance with the Anti Bribery & Corruption (ABC) requirements are conducted through ongoing monitoring and periodic testing (based on internal Crelan requirements). Risk-based supervision of employees, tied agents and the activities of their employees to detect cases of non-compliance with policy requirements is part of the overall ABC control framework.

Finally, an escalation mechanism is in place to ensure that cases of non-compliance can be reported and are duly followed up (as described above). If customers are dissatisfied with the service or have a complaint, they can contact Crelan's customer service.

Employees, tied agents, and their employees are responsible for promptly notifying compliance as soon as reasonably possible when they have knowledge or suspicion, or when there are reasonable grounds to have knowledge or suspicion, that another person or entity is involved in an act involving bribery and/or corruption.

In cases where escalation is necessary, customers can initiate a structured complaints procedure, through which their concerns are thoroughly investigated and addressed by the Compliance department

within Crelan. The Head of Compliance is empowered to independently seek guidance from the Chair of the Risk & Compliance Committee, the Chair of the Board of Directors, the accredited auditor, or the supervisory authorities without prior notification to the ExCo. Additionally, there are scheduled quarterly discussions between the Head of Compliance and the chair of the Risk & Compliance Committee and the Board of Directors. Furthermore, the Head of Compliance has the authority to challenge decisions related to compliance in other departments at a higher hierarchical level.

Crelan also provides transparency on how customers can contact the relevant authorities, if necessary, to ensure that any issues are resolved appropriately. This comprehensive escalation mechanism highlights Crelan's commitment to customer satisfaction and the careful management of disputes.

### Supplier level

As explained in section Management of relationships with suppliers, the integrity of Crelan's supplier is key element to the support the value chain in an end-to-end point of view. Therefore, each supplier has to comply with the Crelan's supplier Code of Conduct which has been developed in 2024.

## Prevention and detection of corruption and bribery

*Section Mechanisms for identifying, reporting and investigating concerns about unlawful behavior or behavior in contradiction of its code of conduct* describes the mechanisms in place for the detection / identification of mechanisms which are misaligned with the Code of Conduct and internal policies, including incidents of bribery and corruption. In particular, the role of the Compliance function as second line of defense in the investigation (and when needed, escalation) of the incidents of corruption and bribery (via notably the compliance report) is a central component of the governance in place on compliance matters, and guarantees independence between the investigators and the chain of management involved in the matter.

Anyone representing Crelan is expected to fulfil their duty of vigilance. Crelan has the procedure 'Duty to report atypical transactions and facts' which explains the procedure to be followed by employees, tied agents and their employees in their role as first-line of defense. First-line of defense is the supervision of customer relations by employees, tied agents and their employees who are in direct contact with the customer. The agent or employee completes the internal report form and delivers it to the AMLCO who conducts second-line supervision.

The AML analysts investigate in their role as second line of defense the internal reports from first line and also carry out a posteriori transaction monitoring. Crelan has developed several scenarios to carry out its transaction monitoring. These scenarios were developed taking into account the size and complexity of the entity, the customer's risk category, etc.

The Anti-Fraud team will investigate, in his role of first-line of defense, all types of external fraud that pass through the customer's account, by using the Safer Payments tool and receiving internal reports from the agents. The Credit Review team detects and investigates credit fraud based on checks and reports from other departments within the credit department. Finally, the Inspection team investigates possible fraud within agencies. In second line, the investigations/fraud prevention team investigates CEO fraud, employee's fraud, identity fraud and credit fraud following reports from another financial institution.

As previously stated, Crelan has implemented procedures within its compliance framework to thoroughly investigate instances of corruption, bribery and non-compliant business conduct. Crelan has established the "Bemiddelings- en Adviescomité" ("BAC") within the hierarchical line of the Chief Risk Officer (CRO) to effectively address and manage such matters.

Furthermore, as previously indicated, Crelan has implemented a Whistleblower Policy to ensure a proper channel for the escalation of critical misconduct issues, enhancing transparency and accountability in addressing these matters. Moreover, Crelan provides conflict of interest training that also encompasses the Gift policy, aimed at mitigating corruption issues.

Several communication channels exist to ensure that employees, tied agents and their employees are made aware of the existing policies (and updates of those). First, within Crelan all-important policies including the Integrity Policy, Whistleblower Policy, Conflict of Interest Policy, and Order Execution Policy are stored on the Crelanet (intranet), giving access to employees, tied agents and their employees to the latest version of these policies. To ensure that policies reach their intended audience, Crelanet ensures that the various policies can be filtered by target audience. This allows each employee, tied agent and their employees to see which policies are relevant to their position.

Then, updates of such policies are regularly communicated via intranet or internal newsletter, such as the Compliance Newsletter sent every month, and which constitutes an important channel of compliance communication. In addition, Crelan has put in place a network of "compliance correspondents" within each function being the representatives of the compliance function within each department, with the objective to embed the knowledge of these policies within each function (and define training needs when needed). Finally, a training program is in place to ensure that

employees, tied agents and their employees are made aware of these policies, and are knowledgeable on the content of those (see below).

By means of active and targeted communication via Crelanet, coupled with tailored training, Crelan strives to guarantee that all employees, tied agents and their employees possess a comprehensive grasp of Crelan's business conduct and compliance rules, and are equipped to apply its tenets effectively and consistently in their day-to-day activities.

In order to reduce the risk of incidents, a dedicated training program is in place to increase awareness within employees, tied agents and their employees on these matters, ensuring that (i) their behavior reflects the code of conduct and internal policies, and (ii) that inadequate behavior can be spotted and reported (e.g. through the whistleblowing mechanism described in this document). This business conduct training should be followed by all employees and all tied agents and their employees, regardless of their region or position. Moreover, all functions involving direct contact with customers or suppliers, such as vendors, credit and compliance functions, are at a higher risk of bribery or corruption. However, training is mandatory for all employees and therefore does not include specific training for higher risk positions.

The Compliance function assists the ExCo in training Crelan's employees on compliance-related issues. It serves as a point of contact for employees who have questions about compliance-related issues.

Furthermore, comprehensive training programs are systematically instituted to equip Senior Management, staff, tied agents, and employees of tied agents with the essential knowledge of Belgian AML/CFT legislation.

The training program is defined every year and targets all employees, all tied agents and their employees. In 2024, the compliance training program included training on AML, conflicts of interest, Deontology - Duty of discretion & Whistleblower system. The following table provides a summary of the coverage of these trainings (figures for Crelan NV).

<b>FY 2023-2024</b>	<b>Year</b>	<b>Percentages of agents and employees completed</b>	<b>Percentages of employees HQ completed</b>	<b>Training frequency</b>
<b>General MiFID training</b>	2023	89,52%	89,98%	Every 2 years
<b>General AML training</b>	2023	89,76%	89,11%	Annual
<b>General Sanctions &amp; Embargos training</b>	2023	89,45%	90,73%	Annual
<b>Conflicts of interests</b>	2023	91,54%	84,39%	Annual
<b>Special Mechanisms</b>	2023	89,59%	90,29%	Every 2 years
<b>Conflicts of interests</b>	2024	Ongoing	Ongoing	Annual
<b>AML and Sanctions &amp; Embargoes</b>	2024	Ongoing	Ongoing	Annual
<b>Deontology and Duty of Discretion</b>	2024	To start (planned December '24)	To start (planned December '24)	Annual
<b>Market Abuse</b>	2024	93,00%	87,67%	Every 2 years

Finally, as part of the training program described in previous chapters, members of the Board received training in 2023 and 2024 on key compliance matters, such as AML, risk culture, vendor risk, conduct risk, banker’s oath.

## Management of relationships with suppliers

As an integral component of its business operations, Crelan collaborates with a diverse network of external suppliers, whose contributions are vital to the value chain of Crelan. These suppliers hail from different geographical regions, vary in organizational type and size, and each brings a unique set of complexities. Crelan ensures the integrity of supplier selection and ongoing oversight through strict adherence to its tendering process and the Vendor Risk Framework (VRF). The VRF effectively measures the level of spend and risk criticality associated with each supplier, fortifying Crelan's supply chain integrity.

Crelan’s Procurement Policy is the cornerstone of its approach to managing supply chain risks. It underscores the importance of regulatory compliance, strategic sourcing, and sustainability. By rigorously adhering to EBA guidelines and DORA, Crelan guarantees that its procurement activities not only meet legal requirements but also adhere to the highest industry standards. Within this strategic framework, procurement aligns with Crelan’s core values and differentiates between critical and non-critical goods and services to prioritize and manage risks effectively.

Financial and operational risks are carefully controlled through stringent financial protocols, including the

"No Purchase Order no Pay" policy, which underscores the necessity of formal budget approvals prior to any procurement activity. This policy is complemented by a governance structure featuring key committees responsible for overseeing procurement decisions and managing vendor relationships, thus bolstering transparency and ensuring accountability.

Acknowledging the significance of information security, Crelan employs standardized contracting templates with obligatory data protection clauses. This practice ensures a consistent commitment to privacy and security across all vendor agreements.

In recognition of the potential reputational and sustainability risks, Crelan integrates ESG criteria into its vendor evaluation and selection process. This integration reflects Crelan’s dedication to ethical procurement practices and the selection of partners who accommodate environmental, social, and governance objectives. The procurement department is entrusted with ensuring vendors live up to these ethical standards, supporting contract owners in their engagement with compliant providers who champion sustainable practices.

Crelan's procurement department has pledged to develop a Sustainable Procurement Strategy, emphasizing the importance of fostering sustainable practices among its partners. This strategy was validated by the ExCo of Crelan at the end of 2024.

In line with this mission, Crelan has developed an ESG Framework to minimize risks associated with its third-party base. This journey started in 2023, with a pilot initiated on several major RFPs, when Crelan integrated preliminary ESG criteria through a first ESG questionnaire for the selection of the providers. This successful pilot resulted in 2024 in the settlement of a

Sustainable Procurement Strategy in line with the ESG ambitions of the company.

The strategy is built on three pillars, which are tailored to address the double materiality impact on the company.

- The first pillar involves strengthening due diligence in the selection of business partners, with a focus on anti-money laundering (AML), climate, and human rights considerations. This includes assessing the ESG rating of the tender and allocating 10% of the global evaluation to this criterion.
- The second pillar entails implementing ESG contracting obligations and a supplier code of conduct, which includes provisions for a whistle-blowing process.
- The third pillar focuses on demonstrating monitoring and mastery of supplier risks through the use of metrics and indicators.

This policy applies with specific treatment to sourcing:

- For all purchases with a double materiality impact (including ESG impact and VRF criticality): these purchases must undergo an assessment process, which includes the gathering of the ESG rating of the supplier, scoring for a weight of 10% of the ESG rating in the case of a request for proposal (RFP), the implementation of standard ESG clauses and a Code of Conduct in the contract, as well as active monitoring through an ESG rating check on a yearly basis.
- For all purchases with VRF critical impact: the policy requires the gathering of the ESG rating of the supplier, scoring for a weight of 10% of the ESG rating in case of RFP.

The Procurement department acknowledges four purchase commodities with an ESG double materiality impact: Energy, Fleet, Offshore Consultancy, and Data Center with cloud-based solutions. These will be subject to the aforementioned ESG assessment and scoring processes as part of the procurement procedure.

- In this manner, Crelan aims to develop a sustainable procurement strategy by implementing the following measures: The setup of an ESG scoring for each supplier, calculated based on their own ESG maturity
- Integration of ESG performance requirements in the sourcing of Product/Service, depending on the type of service/product to be delivered; and

The integration of the ESG dimension in the general VRF “Vendor Risk Framework” of Crelan that tiers and manages the supplier risks within the whole organization according to the regulations and ambitions of the Crelan’ company.

In term of planning, the sustainable strategy will be roll-out by priority and iterative waves that will enable a feedback loop, process enhancement and strategy

finetunes according to the market evolution (focusing first on critical purchases). Operational systems in place for suppliers’ selection are being updated and automatized to reflect the new strategy and enable its implementation; an RFP will be launched on the market in Q4 2024 in order to select the best Crelan’s partner to supply the ESG scoring, and track it in a digitalized way through the procurement digital platform (Ivalua).

The efficiency of the process will be monitored via the definition of dedicated metrics and targets (see *Metrics and targets*).



## 4. Metrics and targets

### Targets and metrics on business conduct and bribery (Incidents of corruption or bribery)

As previously mentioned, Crelan proactively addresses the issue of corruption and bribery across various domains through its compliance framework. This approach reflects that bribery and corruption are not the primary risk factors for Crelan since there are no incidents. Furthermore, the absence of any incidents underscores the effectiveness of Crelan's current measures, mitigating the need for a specific action plan in this regard. Existing measures (such as the AML policy) ensure that these issues are addressed.

Crelan has put in place a number of metrics aiming at monitoring that the framework and policies described in this chapter are effectively implemented, and that cases of unethical behavior can be identified and addressed.

On top of the individual cases and ex-ante procedures in place per type of topic, Crelan defined a "Risk & Compliance culture – KPI dashboard" that is monitored on a quarterly basis and reported to the Risk & Compliance Committee and ultimately the Board of Directors. Each indicator is associated to a limit, corresponding to a level of alert or early warning. The following metrics are captured in the dashboard (figures associated with Risk Indicators are not reported in this report for confidentiality metrics, similar to other chapters):

- Percentage of audit recommendation which are overdue (which are afterwards monitored and followed up by the Internal Audit department)
- Percentage of overdue action plans for very high and high operational risks
- Yearly percentage of validated first line Quality Control Evaluation.
- Percentage of compliance controls not executed.
- Percentage of staff with overdue mandatory training.
- Number of breaches of the integrity policy.
- Number of whistleblowing reports pointing to concerns in Crelan.
- Percentage of variable remuneration directly dependent on risk & compliance.

In its role of second-line of defense, the Compliance function also conducts periodic controls on the adequate implementation of the Compliance Charter. On a quarterly basis, the outcome of these controls is reported to the management and supervisory bodies. On an annual basis, a report is produced towards the supervisory bodies reflecting the assessment on the status of the Compliance function. Finally, periodic reporting to the authorities is also in place.

### Metrics on convictions for violation of anti-corruption and anti-bribery laws

The following table provides a summary of the number of convictions for violation of anti-corruption and anti-bribery laws.

	2024	2023
Number of convictions for violation of anti-corruption and anti-bribery laws	0	0
Amount of fines for violation of anti-corruption and anti-bribery laws (€)	0 €	0 €

As shown in the table, Crelan did not experience any case or fine in the course of 2024, highlighting the robustness of the framework in place.

### Targets and metrics on suppliers' selection

A specific metric has been defined in order to monitor the efficient implementation of the new sustainable sourcing strategy and attached to a target. The metric consists of the percentage of critical suppliers on which an ESG scoring check has been performed. A target of 50% was defined for 2025.

An aerial photograph of a multi-lane highway. The road is dark asphalt with white dashed lane markings. Three cars are visible: a white car in the top lane, a white car in the middle lane, and a dark car in the bottom lane. The highway is flanked by concrete barriers and has some white chevron markings on the right side. A large green graphic overlay, consisting of two overlapping shapes, is positioned on the left side of the image. The word "Appendixes" is written in white, bold, sans-serif font on the larger green shape.

# Appendixes

## Appendix 1

# List of applicable disclosure requirements

ESRS Reference	Disclosure Requirement	Other ESG Regulation	Chapter in the report
<b>General</b>			
BP	BP-1: General basis for preparation of the sustainability statements		ESRS 2: General disclosures
	BP-2: Disclosures in relation to specific circumstances		ESRS 2: General disclosures
ESRS 2	GOV-1 G1: The role of the administrative, supervisory and management bodies		ESRS 2: General disclosures
ESRS 2	GOV-2: Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies		ESRS 2: General disclosures
	GOV-3: Integration of sustainability-related performance in incentive schemes		ESRS 2: General disclosures
	GOV-4: Statement on due diligence		ESRS 2: General disclosures
	GOV-5: Risk management and internal controls over sustainability reporting		ESRS 2: General disclosures
	SBM-1: Strategy, business model and value chain - general		ESRS 2: General disclosures
	SBM-2: Interests and views of stakeholders		ESRS 2: General disclosures
	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business mode		ESRS 2: General disclosures
	IRO-1: Description of the process to identify and assess material impacts, risks and opportunities		ESRS 2: General disclosures

<b>Environmental</b>			
ESRS 2	GOV-3: Integration of sustainability-related performance in incentive schemes		Chapter A.1: Climate Change
ESRS 2	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model		ESRS 2: General disclosures
ESRS 2	IRO-1: Description of the processes to identify and assess material climate-related impacts, risks and opportunities		ESRS 2: General disclosures
E1	E1-1: Transition plan on climate change mitigation		Chapter A.1: Climate Change
	E1-2: Policies related to climate change mitigation and adaptation		Chapter A.1: Climate Change
	E1-3: Actions and resources in relation to climate change policies		Chapter A.1: Climate Change
	E1-4: Targets related to climate change mitigation and adaptation		Chapter A.1: Climate Change
	E1-5: Energy consumption and mix		Chapter A.1: Climate Change
	E1-6: Gross Scopes 1, 2, 3 and Total GHG emissions		Chapter A.1: Climate Change
	E1-9: Anticipated financial effects from material physical and transition risks and potential climate-related opportunities		Chapter A.1: Climate Change
	Minimum disclosure requirement	EU Taxonomy	Chapter A.1: Climate Change
<b>Social</b>			
ESRS 2	SBM-2: Interests and views of stakeholders		ESRS 2: General disclosures
ESRS 2	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model		ESRS 2: General disclosures
S1	S1-1: Policies related to own workforce		Chapter B.1: Own workforce
	S1-2: Processes for engaging with own workforce and workers' representatives about impacts		Chapter B.1: Own workforce
	S1-3: Processes to remediate negative impacts and channels for own workforce to raise concerns		Chapter B.1: Own workforce
	S1-4: Taking action on material impacts on own workforce,		Chapter B.1: Own workforce
	S1-5: Targets related to managing material negative impacts, advancing positive impacts, and managing material risks		Chapter B.1: Own workforce
	S1-6: Characteristics of the undertaking's employees		Chapter B.1: Own workforce

	S1-7: Characteristics of non-employees in the undertaking's own workforce		Chapter B.1: Own workforce, phased-in
	S1-8: Collective bargaining coverage and social dialogue		Chapter B.1: Own workforce
	S1-9: Diversity metrics		Chapter B.1: Own workforce
	S1-10: Adequate wages		Chapter B.1: Own workforce
	S1-11: Social protection		Chapter B.1: Own workforce
	S1-12: Persons with disabilities		Chapter B.1: Own workforce, phased-in
	S1-13: Training and skills development metrics		Chapter B.1: Own workforce
	S1-14: Health and safety metrics		Chapter B.1: Own workforce
	S1-15: Work-life balance metrics		Chapter B.1: Own workforce, phased-in
	S1-16: Remuneration metrics (pay gap and total remuneration)		Chapter B.1: Own workforce
	S1-17: Incidents, complaints and severe human rights impacts		Chapter B.1: Own workforce
S4	SBM-3: Material impacts, risks and opportunities and their interaction with strategy and business model		ESRS 2: General disclosures
	S4-1: Policies related to consumers and end-users		Chapter B.2: Consumers and End-users
	S4-2: Processes for engaging with consumers and end-users about impacts		Chapter B.2: Consumers and End-users
	S4-3: Processes to remediate negative impacts and channels for consumers and end-users to raise concerns		Chapter B.2: Consumers and End-users
	S4-4: Taking action on material impacts on consumers and end users, and approaches to mitigating material risks and pursuing material opportunities		Chapter B.2: Consumers and End-users
	S4-5: Targets related to managing material negative impacts, advancing positive impacts and managing material risks and opportunities		Chapter B.2: Consumers and End-users

Governance			
ESRS 2	GOV-1 G1: The role of the administrative, supervisory and management bodies		Chapter C.1: Business Conduct
ESRS 2	IRO 1- G1: Description of the processes to identify and assess material impacts, risks and opportunities		Chapter C.1: Business Conduct
G1	G1-1: Corporate culture and business conduct policies		Chapter C.1: Business Conduct
	G1-2: Management of relationships with suppliers		Chapter C.1: Business Conduct
	G1-3: Prevention and detection of corruption or bribery		Chapter C.1: Business Conduct
	G1-4: Confirmed incidents of corruption or bribery		Chapter C.1: Business Conduct
	G1-5: Political influence and lobbying activities		Not material
	G1-6: Payment practices		Not material



## Appendix 2

# List of impacts, risks, opportunities (IRO's)

	Layer of activity	IRO type	OO/VC	IRO description
E1 - Climate	Own operations	Positive impacts	OO	Positive impact on climate change mitigation through Crelan's initiatives taken to reduce its own carbon footprint.
		Negative impacts	OO	Negative impact of Crelan through the everyday energy use contributing to direct and indirect GHG emissions of Crelan's operations on scope 1, 2 and 3.
	Individual banking	Negative impacts	VC	Negative impact on climate change mitigation through the financing of investments and/or proposing of financial investments products to clients which are not aligned with climate change ambitions.
		Risks	VC	Financial risk (credit) caused by transition risks drivers associated with both the mortgage (financing of mortgages backed by residential real estate collateral at risk of transition) and the SME portfolio's (collateral at risk of transition and/or inability of clients to operate in a transition scenario).
		Risks	VC	Financial risks (credit) caused on exposure to clients which are exposed to physical risks (disruption of activity, asset damage).
		Opportunities	VC	Opportunities of increased revenues/market shares (and reduce climate related risks) by financing (through information provision (ref. Setle) and product and pricing efforts) the acquisition of RRE with good EPC score or the execution of renovations, as well as energy efficient cars.
	Individual & professional banking	Opportunities	VC	Opportunity of revenue streams linked to the production of new loans aiming at supporting individuals/SMEs to make their assets climate resilient.

E1 - Climate	Wealth / AM	Positive impacts	VC	Positive impact on climate change mitigation through Crelan's initiatives taken to reduce the carbon footprint of its financed emissions.
		Positive impacts	VC	Positive impact of Crelan on improving resilience/adaptation of society to climate change by supporting client investors to redirect their capital towards investment products which have a material positive impact on our society to adapt and be resilient to climate change.
		Negative impacts	VC	Negative impact of Crelan on resilience/adaptation of society to climate change by offering (even unintentionally) client investors investment products which have a material negative impact on our society to adapt and be resilient to climate change.
S1 – Own workforce	Own operations	Positive impacts	OO	Positive impact on well-being of employees through well-being programs impacting mental/physical health and work-life balance
		Positive impacts	OO	Positive impact on social dialogue and working conditions through constructive collaboration with worker's councils and unions and employees' consultation to identify and monitor employees' concerns and needs.
		Positive impacts	OO	Positive impact through training and skills development for employees of all levels.
		Positive impacts	OO	Positive impact on diversity in the workforce (gender, age, abilities).
		Risks	OO	Risk that (key) staff becomes unavailable due to being under stress / overload for a longer period of time leading to operational and continuity issues.
G1 – Business conduct	Own operations	Positive impacts	OO	Positive impact on the ESG accomplishments through linking the variable remuneration of EXCOM to the ESG targets.
		Positive impacts	OO	'Potential positive impact of Crelan on ESG engagement of business partners through implementing ESG considerations when selecting business partners.
		Positive impacts	OO	Positive impact of Crelan by integrating ESG values in the corporate culture of Crelan through centralization, communication and alignment on all internal ESG policies.
		Positive impacts	OO	Positive impact of Crelan through enhancing society's ethics and transparency via a strong integrity policy which is strictly applied
		Risks	OO	Risk for Crelan to not (timely) apply legal and regulatory obligations.
	All layers	Negative impacts	OO/ VC	Negative impact on clients as a result of not properly managed conflict of interests

S4 - consumers and end users	<b>Own operations</b>	Risks / Negative impacts	OO	Business risk/ reputational / operational risk related to cyber security attacks affecting Crelan’s ability to deliver services to its clients (losing access to their banking services).
	<b>Individual banking</b>	Opportunities	VC	Opportunity to increase revenues through (controlled) production of loans to individual borrowers which would have difficulties accessing funding elsewhere, ensuring that the Crelan Group (by the means of Europabank) can provide a comprehensive offering to its clients (hence increase its client base)
	<b>Professional banking</b>	Positive impacts	VC	Positive impact of Crelan's strategic focus on proximity towards its clients, enabling both an access of Crelan services to all clients depending on their needs and a knowledge of the clients (through the relationship with local agents).
	<b>Individual banking &amp; Professional banking Wealth / AM</b>	Positive impacts	VC	Positive impact to clients by offering fair advice and transparent information, enabled thanks to the proximity model in place at Crelan and embedded in Crelan’s strategy (through a.o. large network of agents).
		Risks/ Negative impacts	VC	Business risk/reputational / operational risk for Crelan resulting from inappropriate use of customer data caused by either internal or external factors.
	<b>All layers</b>	Risks	OO/ VC	Risk of Crelan not playing its role/not walking the talk/ not executing in line with its strategy (difference with “what is said vs what is done”) and/or competitors being more successful in that role, which would result in an outflow of co-operators or clients to these competitors, resulting in business risk (/ reputational risk). This includes Crelan not being sufficiently active in communicating on the actions taken / the products offered.
		Positive impacts	OO/ VC	Positive impact of Crelan’s via the design and access to products to improve inclusion, in particular for customers belonging to categories at risk of financial exclusion
Cooperative banking	<b>All layers</b>	Opportunities	OO/ VC	Opportunity for Crelan to attract and fidelise co-operators through sharing benefits with cooperators and through a strong cooperator value proposition that offers additional services, advantageous products and extra benefits.
		Opportunities	OO/ VC	Opportunities to strengthen the cooperative by increasing member participation through assembly general, CrelanCo Foundation committees and polls and by enhancing member engagement through CrelanCo Connect and an engaging cooperative communication.
		Positive impacts	OO/ VC	Positive impact of Crelan’s cooperative DNA to be meaningful for society, by acting local and by being close to its clients and the community through its proximity strategy, through sponsorships, through support for education and through CrelanCo foundation

Financing SME transition	<b>Professional banking</b>	Positive impacts	OO/ VC	Positive impact of Crelan by supporting research and education in agriculture innovation research, short chain and knowledge transfer to stakeholders (agents).
		Positive impacts	OO/ VC	Positive impact of financing SME's which activities contribute to the economic development/well-being of local communities.
		Negative impacts	OO/ VC	(Potential) negative impact of Crelan by financing SMEs investments without criteria on biodiversity and ecosystems and/or which have a material negative impact on biodiversity and ecosystems.
		Opportunities	VC	Opportunity to create a preferred segment (Kredietpolitiek) for companies that are active in the implementation of environmental improvements (isolation, heat pumps...)
		Opportunities	VC	Opportunity of increase in revenues/market shares through loans to SMEs participating in the economic growth of local communities.

Financing SME transition	<b>Professional banking</b>	Positive impacts	OO/ VC	Positive impact of Crelan by supporting research and education in agriculture innovation research, short chain and knowledge transfer to stakeholders (agents).
		Positive impacts	OO/ VC	Positive impact of financing SME's which activities contribute to the economic development/well-being of local communities.
		Negative impacts	OO/ VC	(Potential) negative impact of Crelan by financing SMEs investments without criteria on biodiversity and ecosystems and/or which have a material negative impact on biodiversity and ecosystems.
		Opportunities	VC	Opportunity to create a preferred segment (Kredietpolitiek) for companies that are active in the implementation of environmental improvements (isolation, heat pumps...)
		Opportunities	VC	Opportunity of increase in revenues/market shares through loans to SMEs participating in the economic growth of local communities.

## Appendix 3

# EU Taxonomy indicators

- 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation
- 1. Assets for the calculation of GAR
- 2. GAR sector information
- 3. GAR KPI stock
- 4. GAR KPI flow
- 5. KPI off-balance sheet exposures

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

Material KPI	Green Asset Ratio (GAR) Tick	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)
		11.339.540	0.03%	0.03%	38,67%	0,7%	1,02%
<b>AGRI</b>							
<b>AGRI</b> Total environmentally sustainable activities		9.389.481.359	0.23%	0.23%	N/A	N/A	N/A
Trading book*			N/A	N/A			
Loans*			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 32.5a(1) of the CRR  
 \*\* Fees and commissions income from services other than lending and AUM  
 \*\*\* % of assets covered by the KPI over banks' total assets  
 \*\*\*\* based on the Turnover KPI of the counterparty  
 \*\*\*\*\* based on the Turnover KPI of the counterparty  
 Note 1: Across the reporting templates, cells shaded in black should not be reported.  
 Note 2: Fees and Commissions (sheet 6) and Trading Book (sheet 7) KPIs shall only apply starting 2026. SMEs' inclusion in these KPIs will only apply subject to a positive result of an impact assessment.



1.Assets for the calculation of GAR (turnover) - PART 2

EUR	88. Disclosure reference date: 1	89. Climate Change Mitigation (CCM)	90. Climate Change Adaptation (CCA)	91. Water and marine resources (WTR)	92. Circular economy (CE)	93. Pollution (PO)	94. Biodiversity and ecosystems (BIO)	95. TOTAL (CCM + CCA + WTR + CE + PPC + BIO)	96. Of which towards taxonomy-relevant sectors (taxonomy-eligible)	97. Of which environmentally sustainable (taxonomy-eligible)	98. Of which environmentally sustainable (taxonomy-eligible)	99. Of which enabling (taxonomy-eligible)	100. Of which transitional (taxonomy-eligible)
	101. Total (gross) carrying amount	102. Of which environmentally sustainable (taxonomy-eligible)	103. Of which environmentally sustainable (taxonomy-eligible)	104. Of which environmentally sustainable (taxonomy-eligible)	105. Of which environmentally sustainable (taxonomy-eligible)	106. Of which environmentally sustainable (taxonomy-eligible)	107. Of which environmentally sustainable (taxonomy-eligible)	108. Of which environmentally sustainable (taxonomy-eligible)	109. Of which environmentally sustainable (taxonomy-eligible)	110. Of which environmentally sustainable (taxonomy-eligible)	111. Of which environmentally sustainable (taxonomy-eligible)	112. Of which environmentally sustainable (taxonomy-eligible)	113. Of which environmentally sustainable (taxonomy-eligible)
1	Loans and advances, debt securities and equity instruments not HTI	43,936,152,739,06	42,562,425,763,22					42,562,416,253,22					
2	Financial undertakings	1,713,652,491,95	16,035,802,62					16,035,802,62					
3	Credit institutions	674,325,959,13	16,035,802,62					16,035,802,62					
4	Debt securities, including LOP	47,627,175,13	2,593,655,05					2,593,655,05					
5	Equity instruments	608,972,682,82											
6	Of which investment funds	155,529,081,46											
7	Loans and advances	14,311,652,81											
8	Debt securities, including LOP	10,412,571,65											
9	Equity instruments	111,414,229,09											
10	Of which insurance undertakings	42,510,336,09											
11	Of which insurance undertakings	42,510,336,09											
12	Of which insurance undertakings	151,672,330,81											
13	Non-financial undertakings	151,672,330,81											
14	Debt securities, including LOP	37,782,440,47											
15	Equity instruments	113,889,890,34											
16	Of which loans collateralised by residential immovable property	27,856,389,685,00											
17	Of which building renovation loans	6,653,081,85,00											
18	Local government instruments	610,546,245,07											
19	Household financing												
20	Of which covered by mortgage possession, residential and commercial	9,500,00											
21	Assets excluded from the calculation	10,041,575,02,725											
22	Financial and non-financial undertakings	41,62,788,681,83											
23	Of which subject to NFRD disclosure obligations	41,62,788,681,83											
24	Loans and advances	0,00											
25	Debt securities, including LOP	0,00											
26	Equity instruments	0,00											
27	Of which building renovation loans	38,25,92											
28	Of which subject to NFRD disclosure obligations	38,25,92											
29	Equity instruments	0,00											
30	Of which subject to NFRD disclosure obligations	38,25,92											
31	Loans and advances	222,653,244,75											
32	Debt securities, including LOP	104,529,172,64											
33	Equity instruments	104,529,172,64											
34	Of which demand interbank loans	48,517,093,483,98											
35	Other categories of assets (e.g. Goodwill, commodities etc.)	5,461,171,130,78											
36	Assets not covered for GAR calculation	53,997,729,736											
37	Of which subject to NFRD disclosure obligations	5,470,887,83,770											
38	Central banks	53,987,987,32,768											
39	Central banks exposure	53,987,987,32,768											
40	Trading book												
41	Financial guarantees	53,987,987,32,768											
42	Of which subject to NFRD disclosure obligations	53,987,987,32,768											
43	Financial guarantees												
44	Of which debt securities												
45	Of which equity instruments												

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates (NFC), including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans only) and non-trading financial assets mandatorily at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateral obtained by credit institutions by taking possession in exchange of cancellation of debts.

2. The following accounting categories of financial assets should be considered as: financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateral obtained by credit institutions by taking possession in exchange of cancellation of debts.

3. The following accounting categories of financial assets should be considered as: financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, and real estate collateral obtained by credit institutions by taking possession in exchange of cancellation of debts.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure limitations.

1.Assets for the calculation of GAR (CapEx) - PART 1

EUR	a Reference reference	b Total gross carrying amount	c Climate Change Mitigation (CCM) Of which towards taxonomy relevant sectors (taxonomy aligned)	d Of which environmentally sustainable (taxonomy-aligned)	e Of which Use of Proceeds transitional/enabling	f Of which environmentally sustainable (taxonomy-aligned)	g Climate Change Adaptation (CCA) Of which towards taxonomy relevant sectors (taxonomy eligible)	h Of which environmentally sustainable (taxonomy-aligned)	i Of which environmentally sustainable (taxonomy-aligned)	j Of which environmentally sustainable (taxonomy-aligned)	k Water and marine resources (WTR) Of which towards taxonomy relevant sectors (taxonomy eligible)	l Of which environmentally sustainable (taxonomy-aligned)	m Of which environmentally sustainable (taxonomy-aligned)	n Circular economy (CE) Of which towards taxonomy relevant sectors (taxonomy-aligned)	o Of which environmentally sustainable (taxonomy-aligned)	p Of which environmentally sustainable (taxonomy-aligned)	q Of which environmentally sustainable (taxonomy-aligned)	r Of which environmentally sustainable (taxonomy-aligned)	s Pollution (PQC) Of which towards taxonomy relevant sectors (taxonomy-aligned)	t Of which environmentally sustainable (taxonomy-aligned)	u Of which environmentally sustainable (taxonomy-aligned)	v Of which environmentally sustainable (taxonomy-aligned)	w Of which environmentally sustainable (taxonomy-aligned)	x Of which environmentally sustainable (taxonomy-aligned)	y Of which environmentally sustainable (taxonomy-aligned)	z Of which environmentally sustainable (taxonomy-aligned)	aa TOTAL (CCM + CCA + WTR + CE + PQC + BIO)	ab Of which Use of Proceeds transitional/enabling	ac Of which Use of Proceeds transitional/enabling	ad Of which Use of Proceeds transitional/enabling	ae Of which Use of Proceeds transitional/enabling	af Of which Use of Proceeds transitional/enabling
1	GAR - Covered assets in both numerator and denominator and equity instruments not HT eligible for GAR calculation	144,265,726,570.18	13,510,743.47	9,007,129.50	56,918.75	95,047.88	879,349.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	396,699,347.81	900,712,950	569,187,746	950,747.88		
2	Equity instruments	15,588,974,038.71	13,510,743.47	9,007,129.50	56,918.75	95,047.88	879,349.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,087,633,038	900,712,950	569,187,746	950,747.88	
3	Credit institutions	6,067,456,833	13,510,743.47	9,007,129.50	56,918.75	95,047.88	879,349.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,087,633,038	900,712,950	569,187,746	950,747.88	
4	Loans and advances	7,891,847,498.18	11,005,739.63	894,616.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	
5	Loans and advances including LOP	883,859,200.60	72,616,127.08	9,007,129.50	56,918.75	95,047.88	879,349.58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	837,429,951.06	900,712,950	569,187,746	950,747.88	
6	Other financial instruments	2,090,595,691.48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7	Of which investment firms	1,321,286,093.92	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8	Of which insurance companies	1,321,286,093.92	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9	Of which securitisation vehicles	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10	Debt securities, including LOP	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11	Equity instruments	14,267,956.70	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12	Debt securities, including LOP	3,032,443.37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13	Loans and advances	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14	Debt securities, including LOP	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Equity instruments	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16	Debt securities, including LOP	2,138,532.17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17	Loans and advances	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18	Debt securities, including LOP	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Non-financial undertakings	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	Loans and advances	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	Loans and advances	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	Equity instruments	0.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	Equity instruments	42,464,345,381.95	39,568,567,147.13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	39,568,567,147.13	0	0	0	0
24	Households	38,060,524,707.07	35,015,023,354.13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,015,023,354.13	0	0	0	0
25	Of which loans collateralised by	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
26	Of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Of which motor vehicle loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Of which other financial instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Household financing	655,624,416.00	517,517,605.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	517,517,605.00	0	0	0	0
30	Other financial instruments	214,098,140	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
31	Assets not covered for GAR calculation (covered in the denominator)	9,500.00	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
32	Assets not covered for GAR calculation (covered in the denominator)	4,877,891,928.26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
33	Financial and Non-financial SMEs and MFCS (other than SMEs)	4,556,588,156.35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
34	SMEs and MFCS (other than SMEs) no subject to NFRD disclosure	4,556,588,156.35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
35	Loans and advances	4,556,588,156.35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
36	Of which loans collateralised by	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
37	Of which building renovation loans	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
39	Non-Financial counterparties not subject to NFRD disclosure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
40	Non-Financial counterparties not subject to NFRD disclosure	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
41	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
42	Debt securities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
43	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
44	On demand interbank loans	121,155,589.83	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
45	On demand interbank loans	121,155,589.83	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
46	Cash and cash-related assets																															

1.Assets for the calculation of GAR (CapEx) - PART 2

EUR	DR	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)	Of which towards taxonomy relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-eligible)	Of which Use of Proceeds enabling	Of which Use of Proceeds transitional	Of which Use of Proceeds enabling
EUR	DR	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)	Of which towards taxonomy relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-eligible)	Of which Use of Proceeds enabling	Of which Use of Proceeds transitional	Of which Use of Proceeds enabling
EUR	DR	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)	Of which towards taxonomy relevant sectors (taxonomy-eligible)	Of which environmentally sustainable (taxonomy-eligible)	Of which Use of Proceeds enabling	Of which Use of Proceeds transitional	Of which Use of Proceeds enabling
1	Loans and advances, debt securities and equity instruments not HTI	43,936,425,753.22											
2	Financial undertakings	16,035,802.62											
3	Credit institutions	6,943,959.13											
4	Debt securities, including LOP	47,627,175.13											
5	Equity instruments	0.00											
6	Of which investment funds	151,593,081.46											
7	Loans and advances	14,311,650.81											
8	Debt securities, including LOP	0.00											
9	Of which management companies	111,414,229.09											
10	Equity instruments	0.00											
11	Of which insurance undertakings	42,510,356.09											
12	Of which investment funds	0.00											
13	Equity instruments	0.00											
14	Of which investment funds	0.00											
15	Equity instruments	0.00											
16	Of which insurance undertakings	0.00											
17	Of which investment funds	0.00											
18	Equity instruments	0.00											
19	Of which investment funds	0.00											
20	Non-financial undertakings	151,674,310.81											
21	Of which investment funds	0.00											
22	Debt securities, including LOP	0.00											
23	Equity instruments	0.00											
24	Of which investment funds	0.00											
25	Of which loans collateralised by residential immovable property	37,827,404,471.77											
26	Of which building renovation loans	0.00											
27	Of which building renovation loans	0.00											
28	Local government financing	0.00											
29	Of which building renovation loans	0.00											
30	Of which building renovation loans	0.00											
31	Collateral obtained by taking possession: residential and commercial real estate	8,500.00											
32	Assets excluded from the numerator for GAR calculation	10,041,575,037.25											
33	Financial and non-financial undertakings												
34	Of which investment funds												
35	Of which investment funds												
36	Of which investment funds												
37	Of which investment funds												
38	Of which investment funds												
39	Equity instruments												
40	Non-EU country counterparties												
41	Loans and advances												
42	Debt securities												
43	Equity instruments												
44	Derivatives												
45	On demand interbank loans												
46	Other categories of assets (e.g. Goodwill, commodities etc.)												
47	Assets not covered for GAR calculation	53,927,727,726.31											
48	Central government securities												
49	Central bank exposures												
50	Trading book												
51	Central bank exposures												
52	Trading book												
53	Of which debt securities	63,387,687,337.68											
54	Financial guarantees												
55	Of which debt securities												
56	Of which debt securities												
57	Of which equity instruments												

1. This template shall include information for loans and advances, debt securities and equity instruments in the banking book, towards financial corporates, non-financial corporates, including SMEs, households (including residential real estate, house renovation loans and motor vehicle loans) and non-trading financial assets (including, but not limited to, derivatives, structured products, etc.). Financial assets should be considered at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets (including, but not limited to, derivatives, structured products, etc.).

2. The following accounting categories of financial assets should be considered: financial assets at fair value through other comprehensive income, investments in subsidiaries, joint ventures and associates, financial assets designated at fair value through profit or loss and non-trading financial assets (including, but not limited to, derivatives, structured products, etc.).

3. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure limitations.

4. For motor vehicle loans, institutions shall only include those exposures generated after the date of application of the disclosure limitations.



2. GAR sector information - PART 2

51	2041 Manufacture of soap and detergents, preparations for hairdressing, preparations for the toilet	0,00	0
52	2042 Manufacture of preparations for the toilet	0,00	0
53	2110 Manufacture of basic plastics in primary forms	0,00	0
54	2211 Manufacture of glass bottles, jars, flasks, tubing, and other articles of glass	0,00	0
55	2212 Manufacture of glass of other kinds	0,00	0
56	2445 Other non-ferrous metal casting	0,00	0
57	2453 Casting of light metals	0,00	0
58	2510 Manufacture of metal structures and parts of structures	0,00	0
59	2512 Manufacture of metal windows and doors	0,00	0
60	2520 Manufacture of metal containers, metal cans, metal drums, metal kegs, metal boxes, metal trunks, metal suitcases, metal vanity cases, metal toolboxes, metal toolkits, metal toolboxes, metal toolkits, metal toolboxes, metal toolkits	0,00	0
61	2550 Forging, pressing, drawing, extruding, rolling, forming of metal powder, metal cladding, metal coating of metals	0,00	0
62	2552 Machining of metal	0,00	0
63	2553 Machining of other fabricated metal products	0,00	0
64	2600 Manufacture of other fabricated metal products	0,00	0
65	2732 Manufacture of other electronic and electric equipment	0,00	0
66	2740 Manufacture of electric lighting equipment	0,00	0
67	2812 Manufacture of fluid power equipment	0,00	0
68	2813 Manufacture of other pumps and other parts and accessories for motor vehicles	0,00	0
69	2830 Manufacture of agricultural and forestry machinery and other special-purpose motor vehicles	0,00	0
70	2910 Manufacture of motor vehicles	0,00	0
71	2920 Manufacture of motor vehicles, other than motor vehicles	0,00	0
72	2932 Manufacture of other parts and accessories for motor vehicles	0,00	0
73	3092 Manufacture of carriages and mail coaches	0,00	0
74	3099 Manufacture of other transport equipment	0,00	0
75	3102 Manufacture of jewelry and related imitation jewelry and related articles	0,00	0
76	3113 Manufacture of imitation jewelry and related articles	0,00	0
77	3120 Manufacture of medical and dental instruments and supplies	0,00	0
78	3320 Installation of industrial machinery and equipment	0,00	0
79	3511 Production of electricity	0,00	0
80	3700 Sewerage	0,00	0
81	3811 Collection of non-hazardous waste and disposal of hazardous waste	0,00	0
82	3920 Waste management services	0,00	0
83	4120 Construction of residential buildings	0,00	0
84	4211 Construction of utility projects for fluids	0,00	0
85	4220 Construction of utility projects for electricity and other energy	0,00	0
86	4320 Construction of telecommunications projects	0,00	0
87	4330 Construction of other projects	0,00	0
88	4340 Demolition	0,00	0
89	4350 Electrical installation	0,00	0
90	4360 Plumbing, heat and air conditioning installation	0,00	0
91	4370 Other construction	0,00	0
92	4380 Painting	0,00	0
93	4390 Joinery installation	0,00	0
94	4400 Floor and wall covering	0,00	0





















4. GAR KPI flow (CapEx)

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template  
 2. Credit institutions shall duplicate this template for revenue based and capital based disclosures

EUR	Gar Carrying Amount	Climate Change Mitigation (CCM)	Climate Change Adaptation (CCA)	Water and marine resources (WTR)	Circular economy (CE)	Pollution (PPC)	Biodiversity and Ecosystems (BIO)	aa	bb	bc	bd	be	bf	
		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 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)	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)	Of which Use of Proceeds	Of which Enabling	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 Transitional	Of which Enabling
	GAR - Covered assets (net of provisions for impairment and other adjustments)							47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
1	Loans and advances, debt securities and other financial instruments not eligible for GAR calculation	6798531235	0	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
2	Loans and advances, debt securities and other financial instruments eligible for GAR calculation	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
3	Credit institutions	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
4	Loans and advances	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
5	Use of proceeds, including	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
6	Use of proceeds, including	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267
7	Other financial instruments	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Loans and advances	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
10	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Use of proceeds, including	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
14	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
17	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
25	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
26	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
28	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
30	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
31	Use of proceeds, including	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Total GAR assets	6798531235	47453619	0	0	0	0	47453619	1005575925	6798531235	2553175538	0	2553175538	1269896267

**4. GAR KPI flow (turnover)**

1. Institution shall disclose in this template the GAR KPIs on flow of loans calculated (new loans on a net basis) based on the data disclosed in template 1, on covered assets, and by applying the formulas proposed in this template

2. Credit institutions shall duplicate this template for revenue based and capital based disclosures

%	Disclosure reference data 1		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	Of which Use of Proceeds	Of which enabling	Proportion of new assets covered										
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p						q	r	s	t	u	v	w	x	y	z
	Climate Change Mitigation (CCM)		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 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 covered assets funding taxonomy relevant sectors (Taxonomy eligible)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	Climate Change Adaptation (CCA)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)		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)		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	Water and marine resources (WTR)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)		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)		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	Circular economy (CE)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)		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)		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	Pollution (PPC)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)		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)		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	Biodiversity and Ecosystems (BIO)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy eligible)		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)		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)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		Of which Use of Proceeds		Of which enabling		Proportion of new assets covered								
	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-aligned)		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)		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 enabling		Proportion of new assets covered								
	GARP - Covered assets in both numerator and denominator: debt securities and equity instruments not HTF eligible for GAR calculation		#DIV/0!																0.00%		0.00%		0.00%								
1	denominator		#DIV/0!																0.00%		0.00%		0.00%								
2	numerator		29.35%																29.35%		0.00%		0.00%								
3	Credit institutions		29.35%																29.35%		0.00%		0.00%								
4	Loans and advances		#DIV/0!																0.00%		0.00%		0.00%								
5	Guarantees		29.35%																29.35%		0.00%		0.00%								
6	Loans and advances		29.35%																29.35%		0.00%		0.00%								
7	Other financial corporations																		0.00%		0.00%		0.00%								
8	of which: investment firms																		0.00%		0.00%		0.00%								
9	of which: investment firms																		0.00%		0.00%		0.00%								
10	Debt securities, including LGP																		0.00%		0.00%		0.00%								
11	Equity instruments																		0.00%		0.00%		0.00%								
12	of which: insurance companies																		0.00%		0.00%		0.00%								
13	Loans and advances																		0.00%		0.00%		0.00%								
14	Debt securities, including LGP																		0.00%		0.00%		0.00%								
15	of which: insurance undertakings																		0.00%		0.00%		0.00%								
16	Loans and advances																		0.00%		0.00%		0.00%								
17	Debt securities, including LGP																		0.00%		0.00%		0.00%								
18	of which: insurance undertakings																		0.00%		0.00%		0.00%								
19	Non-financial undertakings																		0.00%		0.00%		0.00%								
20	Loans and advances																		0.00%		0.00%		0.00%								
21	of which: insurance undertakings																		0.00%		0.00%		0.00%								
22	Guarantees																		0.00%		0.00%		0.00%								
23	Loans and advances																		0.00%		0.00%		0.00%								
24	Households																		0.00%		0.00%		0.00%								
25	of which: collateral raised by residential		100.00%																100.00%		0.00%		0.00%								
26	of which: building renovation loans		0.00%																0.00%		0.00%		0.00%								
27	of which: motor vehicle loans		100.00%																100.00%		0.00%		0.00%								
28	Housing finance																		0.00%		0.00%		0.00%								
29	of which: mortgage financing																		0.00%		0.00%		0.00%								
30	Other local government financing																		0.00%		0.00%		0.00%								
31	of which: financing of public sector: residential and commercial properties																		0.00%		0.00%		0.00%								
32	TOTAL GAR assets																		0.00%		0.00%		0.00%								







## Appendix 4

# Glossary of terms

Term	Definition
<b>ABB</b>	Axa Bank Belgium
<b>ABC Policy</b>	Anti-bribery and Corruption Policy
<b>AML/CFT</b>	Anti-Money Laundering/Combating the Financing of Terrorism
<b>C&amp;E Risks</b>	Climate and environmental risks
<b>CFC</b>	Capital and Funding Committee
<b>CLA</b>	Collective Labour Agreements
<b>CRA</b>	Compliance Risk Assessment
<b>Crelan Circle</b>	Senior executives who manage Crelan
<b>CRREM</b>	Carbon Risk Real Estate Monitor
<b>CRRIII/CRDVI</b>	Capital Requirements Regulation and Directive
<b>CRS</b>	Common Reporting Standard
<b>CSRD</b>	Corporate Sustainability Reporting Directive
<b>CST</b>	Climate Stress Test
<b>CTP</b>	Capacity to pay
<b>DEI</b>	Diversity, Equity, and Inclusion
<b>DMA</b>	Double Materiality Assessment
<b>DNSH</b>	Do Not Significantly Harm (criteria to consider as part of EU Taxonomy)
<b>DORA</b>	Digital Operational Resilience Act
<b>DPO</b>	Data Protection Officer
<b>EBA</b>	European Banking Authority
<b>ECB</b>	European Central Bank
<b>EFRAG</b>	European Financial Reporting Advisory Group (in charge of developing the ESRS standards)
<b>EPC</b>	Energy Performance Certificate
<b>ESG</b>	Environmental, Social, and Governance
<b>ExCo</b>	Executive Committee
<b>GDPR</b>	General Data Protection Regulation
<b>GHG</b>	Greenhouse Gases

<b>ICAAP/ILAAP</b>	Internal Capital Adequacy Assessment Process/Internal Liquidity Adequacy Assessment Process
<b>ILO</b>	International Labour Organization
<b>IRO</b>	Impact, Risk, Opportunity
<b>KPI</b>	Key Performance Indicator
<b>KRI</b>	Key Risk Indicator.
<b>L&amp;D</b>	Learning & Development
<b>LGD</b>	Loss Given Default
<b>NAPC</b>	New Activities and Products Committee
<b>NGFS</b>	Network for Greening the Financial System - NGFS is a group of central banks and financial supervisors committed to promoting sustainable and green finance.
<b>NPAP</b>	New Product Approval Process
<b>PCAF</b>	Partnership for Carbon Accounting Financials
<b>PLOA</b>	Professional Loan on Installment
<b>RCC</b>	Risk and Compliance Committee
<b>RFP</b>	Request for Proposal - An RFP is a business document that announces an opportunity and requests responses from specific vendors
<b>RRE</b>	Residential Real Estate
<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>SME</b>	Small and Medium-sized Enterprises
<b>TLTRO</b>	The targeted longer-term refinancing operations (TLTROs) are Eurosystem operations that provide financing to credit institutions.
<b>VRF</b>	Vendor Risk Framework

# 2024 Consolidated Financial Statements



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

## Consolidated balance sheet

Assets (in EUR)	Note	31/12/2024	31/12/2023
Cash, cash balances at central banks and other demand deposits	4.1.	5,506,502,551	5,566,112,903
Financial assets held for trading	4.2.	50,633,925	9,716,707
Financial assets mandatorily at fair value through profit or loss	4.3.	5,021,024	6,526,593
Financial assets designated at fair value through profit or loss	4.3.	0	0
Financial assets at fair value through other comprehensive income	4.3.	192,150,748	172,661,185
Financial assets at amortised cost		51,180,835,378	49,611,915,035
<i>Debt securities</i>	4.3.	1,676,200,500	600,006,711
<i>Loans and receivables (including finance leases)</i>	4.4.	49,504,634,878	49,011,908,324
Derivatives used for hedging	4.14.	61,490,127	223,665,533
Changes in fair value of hedged items in fair value hedge of portfolio interest rate risk	4.15.	-1,545,889,387	-2,006,576,306
Property, plant and equipment	4.5.	89,613,050	84,691,819
Goodwill and intangible assets	4.6.	46,519,327	41,675,353
Investments in subsidiaries, joint ventures and associates		12,686,000	11,282,364
Tax assets	4.7.	25,597,054	70,334,761
Other assets	4.8.	177,801,935	195,981,383
<b>Total Assets</b>		<b>55,802,961,732</b>	<b>53,987,987,330</b>
Liabilities (in EUR)	Note	31/12/2024	31/12/2023
Financial liabilities held for trading	4.2.	25,094,677	22,299,112
Financial liabilities designated at fair value through profit or loss	4.11.2.	245,191,620	295,405,427
Financial liabilities at amortised cost		52,133,266,915	50,540,241,806
<i>Deposits from Credit institutions</i>	4.11.1.1.	288,312,880	1,164,677,515
<i>Deposits other than from Credit Institutions</i>	4.11.1.1.	44,311,535,648	42,390,668,879
<i>Debt securities including bonds</i>	4.11.1.2.	6,659,927,289	6,377,702,359
<i>Subordinated liabilities</i>	4.11.1.3.	508,602,470	205,245,661
<i>Other financial liabilities</i>	4.11.1.4.	364,888,628	401,947,392
Derivatives – Hedge accounting	4.14.	6,615,971	16,879,274
Fair value changes of the hedged items in portfolio hedge of interest rate risk	4.15.	56,754,502	15,252,824
Provisions	4.12.	252,543,177	298,681,649
Tax liabilities	4.7.	31,986,164	66,319,932
Other liabilities	4.8.	201,207,903	222,841,273
<b>Total Liabilities</b>		<b>52,952,660,929</b>	<b>51,477,921,297</b>
Equity (in EUR)	Note	31/12/2024	31/12/2023
Capital		1,138,290,597	940,638,816
<i>Paid up capital</i>	4.17.	1,138,290,597	940,638,816
<i>Unpaid capital which has been called up</i>		0	0
Share premium		0	0
Equity instruments issued other than capital	4.17.	244,670,115	244,559,551
Other comprehensive income (OCI)		-2,187,060	-4,099,980
Items that will not be reclassified to profit and loss		-6,937,867	-6,506,047
<i>Actuarial gains or loss on defined benefit pension plans</i>	4.17.	-9,616,150	-13,301,963
<i>Fair value changes of equity instruments measured at fair value through other comprehensive income</i>	4.17.	-2,500,631	-1,454,118
<i>Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk</i>	4.17.	5,178,914	8,250,034
Items that may be reclassified to profit or loss		4,750,807	2,406,067
<i>Fair value changes of debt instruments measured at fair value through other comprehensive income</i>	4.17.	4,750,807	2,406,067
Reserves (including retained earnings)	4.17.	1,277,258,962	1,121,950,890
Income from current year	4.17.	192,268,189	207,016,756
Minority interests		0	0
<b>Total Equity</b>		<b>2,850,300,803</b>	<b>2,510,066,033</b>
<b>Total Equity and total Liabilities</b>		<b>55,802,961,732</b>	<b>53,987,987,330</b>

## Consolidated statement of the comprehensive income

Consolidated Statement of profit or loss (in EUR)	Note	31/12/2024	31/12/2023
<b>CONTINUING OPERATIONS</b>			
<b>TOTAL OPERATING INCOME, NET</b>		<b>910,515,674</b>	<b>1,039,908,667</b>
Interest income	5.1.	2,505,428,185	1,875,802,386
Interest expenses	5.1.	-1,682,110,162	-888,125,423
Dividend income	5.3.	572,367	303,195
Fee and commission income	5.2.	276,485,642	255,329,513
Fee and commission expenses	5.2.	-242,890,187	-242,726,483
Gains or (-) losses on financial assets and liabilities not measured at fair value through profit or loss, net	5.4.	4,894,694	-15,520,013
Gains or (-) losses on financial assets and liabilities held for trading, net	5.5.	1,217,656	27,998,989
Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net		-4,855,108	-8,240,807
Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net		17,745	123,257
Gains or (-) losses from hedge accounting, net	5.5.	7,527,267	3,816,929
Exchange differences [gain or (-) loss], net	5.5.	2,996,147	2,193,931
Gains or (-) losses on derecognition of assets other than held for sale, net	5.7.	366,918	9,648
Other operating income	5.8.	41,096,351	29,112,104
Other operating expenses	5.8.	-231,841	-168,559
<b>Administrative Expenses</b>		<b>-634,481,559</b>	<b>-589,979,264</b>
Staff Expenses	5.9.1.	-203,477,608	-193,880,227
Other administrative Expenses	5.9.2.	-431,003,951	-396,099,037
Cash contributions to resolution funds and deposit guarantee schemes	5.9.3.	-32,570,036	-47,047,875
<b>Depreciation</b>		<b>-22,902,485</b>	<b>-23,708,644</b>
Property, Plant and Equipment	4.5.	-16,797,034	-17,385,528
Intangible assets (other than goodwill)	4.6.	-6,105,451	-6,323,116
<b>Modification gains or (-) losses, net</b>		<b>61,525</b>	<b>147,659</b>
Provisions	4.12.	40,903,295	-52,410,495
<b>Impairment</b>	5.10.	<b>-21,089,933</b>	<b>-50,643,669</b>
Impairment on financial assets not measured at fair value through profit or loss		-21,089,933	-50,643,669
<i>Financial assets at fair value through other comprehensive income</i>		0	0
<i>Financial assets at amortised cost</i>		-21,089,933	-50,643,669
Impairment on Property, plant and equipment		0	0
<b>Negative goodwill recognised in profit or loss</b>		<b>0</b>	<b>0</b>
<b>Profit or (-) loss from non-current assets and disposal groups classified as held for sale</b>		<b>0</b>	<b>0</b>
<b>TOTAL PROFIT OR (-) LOSS BEFORE TAX AND MINORITY INTEREST FROM CONTINUING OPERATIONS</b>		<b>240,436,481</b>	<b>276,266,379</b>
Tax expense or (-) income related to profit or loss from continuing operations	5.11.	-48,168,292	-69,249,623
<i>Current taxes</i>		-36,095,566	-79,558,925
<i>Deferred taxes</i>		-12,072,726	10,309,302
<b>NET PROFIT OR (-) LOSS</b>		<b>192,268,189</b>	<b>207,016,756</b>
<b>Statement of comprehensive income</b>			
Comprehensive income that may be reclassified to profit or loss		-726,380	-504,839
<i>Revaluation of financial assets at fair value through other comprehensive income</i>		-3,071,120	-673,118
<i>Income tax related to items transferable to profit or (-) loss</i>		2,344,740	168,279
Comprehensive income that will not be reclassified to profit or loss		2,639,300	-9,379,906
<i>Actuarial gains (losses) on defined benefit pension plans</i>		3,685,814	820,891
<i>Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk</i>		0	-1,420,255
<i>Fair value changes of equity instruments measured at fair value with other comprehensive income</i>		0	-11,433,759
<i>Income tax on items that will not be reclassified</i>		-1,046,514	2,653,217
<b>Total comprehensive income (net)</b>		<b>1,912,920</b>	<b>-9,884,745</b>
<b>Total profit or loss and comprehensive income for the year</b>		<b>194,181,109</b>	<b>197,132,011</b>

## Consolidated cash report

	31/12/2024	31/12/2023
	In EUR	In EUR
<b>OPERATING ACTIVITIES</b>		
Not profit or (-) loss	192,268,109	207,016,758
<u>Adjustments to reconcile net profit or loss to net cash provided by operating activities:</u>	<b>46,950,635</b>	<b>41,250,635</b>
(Current and deferred tax income, recognised in income statement)	0	0
Current and deferred tax expenses, recognised in income statement	48,168,291	69,249,623
Unrealised foreign currency gains and losses	0	0
FV through P&L	-1,217,656	-27,998,988
<b>INVESTING AND FINANCING</b>	<b>1,685,486</b>	<b>128,166,451</b>
Depreciation	21,498,848	25,112,287
Impairment	21,089,933	50,643,669
Provisions net	-40,903,295	52,410,495
Net gain (loss) on sale of property, plant and equipment	0	0
<u>Other adjustments</u>	<b>-399,821</b>	<b>-6,817,332</b>
<b>Cash flows from operating profits before changes in operating assets and liabilities</b>	<b>240,504,489</b>	<b>369,616,512</b>
<u>Decrease (increase) in working capital (excl. cash &amp; cash equivalents):</u>	<b>-680,313,955</b>	<b>-1,805,067,230</b>
<u>Decrease (increase) in operating assets (excl. cash &amp; cash equivalents):</u>	<b>-1,469,580,956</b>	<b>-694,210,868</b>
Decrease (increase) in balances with central banks	0.00	0.00
Decrease (increase) in financial assets at amortised cost	-1,589,948,753	-913,647,463
Decrease (increase) in financial assets at fair value through other comprehensive income	-17,144,823	68,982,827
Decrease (increase) in financial assets held for trading	-40,917,219	2,035,011
Decrease (increase) in financial assets designated at fair value through profit or loss	1,505,569	-31,639
Decrease (increase) in non-trading financial assets mandatorily at fair value through profit or loss	0	0
Decrease (increase) in asset-derivatives, hedge accounting	162,175,406	101,853,049
Decrease (increase) in other assets (definition balance sheet)	14,748,864	46,597,347
<u>Increase (decrease) in operating liabilities (excl. cash &amp; cash equivalents):</u>	<b>789,267,001</b>	<b>-1,110,856,362</b>
Increase (decrease) in deposits from credit institutions	-876,364,635	-223,478,545
Increase (decrease) in deposits (other than credit institutions)	1,924,717,456	-220,783,893
Increase (decrease) in debt certificates (including bonds)	282,224,930	427,643,881
Increase (decrease) in financial liabilities held for trading	4,013,221	13,879,459
Increase (decrease) in financial liabilities designated at fair value through profit or loss	-50,213,806	-80,785,357
Increase (decrease) in liability-derivatives, hedge accounting	-429,448,545	-1,077,309,885
Increase (decrease) in other financial liabilities	-40,909,450	77,588,473
Increase (decrease) in other liabilities (definition balance sheet)	-24,752,170	-27,610,495
	<b>-439,809,466</b>	<b>-1,435,450,718</b>
<b>Income taxes (paid) refunded</b>	<b>-36,339,578</b>	<b>-86,435,461</b>
<b>Net cash flow from operating activities</b>	<b>-476,149,044</b>	<b>-1,521,886,179</b>
<b>INVESTING ACTIVITIES</b>		
	In EUR	In EUR
(Cash payments to acquire tangible assets)	-21,718,265	-17,464,865
Cash receipts from the sale of tangible assets	0	0
(Cash payments to acquire intangible assets)	-10,949,426	-879,893
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
<b>Net cash flow from investing activities</b>	<b>-32,667,691</b>	<b>-18,344,758</b>
<b>FINANCING ACTIVITIES</b>		
	In EUR	In EUR
(Dividends paid)	-38,682,207	-35,510,599
(Paid coupon on AT1)	-13,120,000	-13,120,000
Cash proceeds from the issuance of subordinated liabilities	303,356,809	-3,801,933
(Cash repayments of subordinated liabilities)	0	0
Cash repayments from issuance of shares or other equity instruments	-29,376,815	-23,527,028
Cash proceeds from issuing shares or other equity instruments	227,028,597	51,867,377
(Other cash payments from financing activities)	0	0
<b>Net cash flow from financing activities</b>	<b>449,206,384</b>	<b>-24,092,183</b>
Effect of exchange rate changes on cash and cash equivalents	0	0
	<b>31/12/2024</b>	<b>31/12/2023</b>
	In EUR	In EUR
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>-59,610,351</b>	<b>-1,564,323,120</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>6,666,112,903</b>	<b>7,130,436,024</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>6,606,502,552</b>	<b>5,566,112,904</b>
<u>Components of cash and cash equivalents:</u>	0	0
On hand (cash)	89,101,506	104,941,773
Cash and balances with central banks	5,296,245,456	5,380,646,337
Financial assets at amortised cost	121,155,590	80,524,794
Financial assets at fair value through other comprehensive income	0	0
<b>Total cash and cash equivalents at end of the period</b>	<b>6,606,502,552</b>	<b>5,566,112,904</b>
<i>Of which: amount of cash and cash equivalents held by the enterprise, but not available for use by the group</i>	467,251,149	445,838,138
Undrawn borrowing facilities (with breakdown if material)	0	0
<u>Supplemental disclosures of operating cash flow information:</u>	0	0
Interest income received	2,505,428,183	1,875,802,385
Dividend income received	572,367	303,195
Interest expense paid	1,682,110,161	888,125,424

## Consolidated statement of equity adjustments

	Capital	Equity instruments issued other than capital	Other Comprehensive Income (OCI)	Reserves (including retained earnings)	Income from current year	Total
Opening balance at 1 January 2024	940,638,816	244,559,551	-4,099,980	1,121,950,890	207,016,756	2,510,066,033
Issuance of Ordinary Shares	197,651,781	0	0	0	0	197,651,781
Dividends	0	0	0	-51,802,207	0	-51,802,207
Other increase or (-) decrease in equity	0	110,564	0	93,523	0	204,087
Transfers among components of equity	0	0	0	207,016,756	-207,016,756	0
Total profit or loss and comprehensive income for the year	0	0	1,912,020	0	192,268,189	194,181,109
Closing balance at 31 December 2024	1,138,290,597	244,670,115	-2,187,060	1,277,258,962	192,268,189	2,850,300,803

	Capital	Equity instruments issued other than capital	Other Comprehensive Income (OCI)	Reserves (including retained earnings)	Income from current year	Total
Opening balance at 1 January 2023	895,456,452	244,400,430	4,655,594	367,314,442	682,192,266	2,194,019,192
Issuance of Ordinary Shares	16,842,015	0	0	0	0	16,842,015
Dividends	0	0	0	-39,834,643	0	-39,834,643
Other increase or (-) decrease in equity	0	771,508	0	682,191,903	-682,192,266	771,145
Total profit or loss and comprehensive income for the year	0	0	1,129,169	0	158,199,554	159,328,723
Closing balance at 31 December 2023	912,298,467	245,171,946	5,784,763	1,009,671,702	158,199,554	2,331,126,432

## Abbreviations and acronyms

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

<b>EPC</b>	: Energy Performance Certificate
<b>ERM</b>	: External Risk Management
<b>ESG</b>	: Environmental, Social and Governance
<b>ESTER</b>	: European Short Term Rate
<b>EUR</b>	: Euro
<b>FATCA</b>	: Foreign Account Tax Compliance
<b>FSMA</b>	: Financial Services and Markets Authority
<b>FTE</b>	: Full Time Equivalent
<b>FVOCI</b>	: Fair Value through Other Comprehensive Income
<b>FVPL</b>	: Fair Value through Profit and Loss
<b>GDP</b>	: Gross Domestic Product
<b>GDPR</b>	: General Data Protection Regulation
<b>GMRA</b>	: Global Repurchase Master Agreement
<b>GRC</b>	: Governance, Risk, and Compliance
<b>HPI</b>	: House Price Index
<b>HQLA</b>	: High Quality Liquid Asset
<b>HTC</b>	: Hold-to-Collect
<b>IAS</b>	: International Accounting Standards
<b>IBNR</b>	: Incurred But Not Reported
<b>ICAAP</b>	: Internal Capital Adequacy Assessment Process
<b>IFRIC</b>	: International Financial Reporting Interpretations Committee
<b>IFRS</b>	: International Financial Reporting Standards
<b>ILS</b>	: Internal Liquidity Stress
<b>IPC</b>	: Irrevocable Payment Commitment
<b>IRB</b>	: Internal Ratings Based
	Interest Rate Risks for the Banking Book
<b>IRS</b>	: Interest Rate Swap
<b>ISDA</b>	: International Swap and Derivatives Association
<b>ISMS</b>	: Information Security Management System
<b>JST</b>	: Joint Supervisory Teams
<b>KPI</b>	: Key Performance Indicator
<b>KRI</b>	: Key Risk Indicator
<b>LCH</b>	: London Clearing House
<b>LCR</b>	: Liquidity Coverage Ratio
<b>LGD</b>	: Loss Given Default
<b>LL</b>	: Lease Liabilities
<b>LLCS</b>	: Limited Liability Cooperative Society
<b>LRC</b>	: Lending Risk committee
<b>MBS</b>	: Mortgage-Backed Securities
<b>MES</b>	: Macro-Economic Scenarios
<b>MIFID</b>	: Markets in Financial Instruments Directive
<b>MREL</b>	: Minimum Requirement for Own Funds and Eligible Liabilities
<b>MRO</b>	: Main Refinancing Operation
<b>MtM</b>	: Mark to Market
<b>NBB</b>	: National Bank of Belgium
<b>NII</b>	: Net Interest Income
<b>NIS</b>	: Network and Information Security

<b>NPL</b>	: Non-Performing Loans
<b>NSFR</b>	: Net Stable Funding ratio
<b>OCI</b>	: Other Comprehensive Income
<b>OCR</b>	: Overall Capital Requirements
<b>OECD</b>	: Organisation for Economic Co-operation and Development
<b>OFR</b>	: Own Fund Requirements
<b>OLO</b>	: Obligation Lineaire Obligaties (Linear Obligation)
<b>OR</b>	: Operational Risk
<b>ORM</b>	: Operational Risk Management
<b>O-SII</b>	: Other Systemically Important Institution
<b>OTC</b>	: Over-The-Counter
<b>PD</b>	: Probability of Default
<b>PIT</b>	: Point-In-Time
<b>PLC</b>	: Public Limited Company
<b>POCI</b>	: Purchased or Originated Credit-Impaired
<b>PUC</b>	: Projected Unit Credit
<b>QRR</b>	: Quarterly Risk Report
<b>RAF</b>	: Risk Appetite Framework
<b>REPO</b>	: Sale and Repurchase Agreement
<b>RMSA</b>	: Risk & Monitoring Self-Assessment
<b>RoU</b>	: Right-of-Use
<b>RP</b>	: Risk Presentation
<b>RWA</b>	: Risk-Weighted Asset
<b>SCF</b>	: Société de Crédit Foncier
<b>SEC-IRBA</b>	: Securitisation – Internal Ratings-Based Approach
<b>SI</b>	: Solvency Indicator
<b>SICR</b>	: Significant Increase in Credit Risk
<b>SME</b>	: Small or Medium Enterprise
<b>SNP</b>	: Senior Non Preferred
<b>SPPI</b>	: Solely Payments of Principal and Interest
<b>SREP</b>	: Supervisory Review and Evaluation Process
<b>SRT</b>	: Significant Risk Transfer
<b>SSRB</b>	: Sectoral Systemic Risk Buffer
<b>STA</b>	: Standardised Approach
<b>STeLF</b>	: Short-Term Liquidity Framework
<b>TLOF</b>	: Total Liabilities and Own Funds
<b>TLTRO</b>	: Targeted Longer-Term Refinancing Operation
<b>TREA</b>	: Target based on Risk Weighted Assets
<b>TRIM</b>	: Targeted Review of Internal Models
<b>USD</b>	: US Dollar
<b>VaR</b>	: Value-at-Risk

## 1.

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

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

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

The total balance sheet increased by EUR 1,815.0 million during 2024. On the asset side, the largest increases in 2024 were in the following items: Securities portfolio (+ EUR 1,076.2 million), Loans and receivables (+ EUR 492.7 million) and increase in changes in fair value of hedged items in fair value hedge of portfolio interest rate risk (+ EUR 460.7 million). These increases are due, on the one hand, to the additional investments in the securities portfolio, change in the fair value of hedged positions due to the change in market value due to developments in the financial markets and, on the other hand, good production of loans for assets measured at amortised cost, which exceeded repayments in 2024. In 2024, new loans totalled EUR 6.1 billion, mainly in the retail segment. Cash and cash balances at central banks, the other major asset item, remained stable at EUR 5.5 billion.

Tax assets decreased by EUR 45 million compared to 2023.

The liabilities side consists of 98.5% of liabilities at amortised cost. Most of this amount (83.7% of total assets) relates to customer deposits.

Financial liabilities designated at fair value through profit or loss decreased by EUR 50 million in 2024 due to maturing EMTNs (European Medium Term Notes). No new issues were made in 2024.

Financial liabilities at amortised cost increased by EUR 1,593.0 million. Deposits from credit institutions decreased by EUR 876 million in 2024 while other deposits increased by EUR 1,920.9 million. We see a significant increase in savings and term accounts. The significant evolution in 'Debt securities including bonds' includes the issuance of Senior Non-Preferred Bond by Crelan for EUR 750 million and the decrease in the outstanding amount of Covered Bonds in 2024 by EUR 403 million. In 2024, subordinated debt increased by EUR 303 million due to the issuance of a new subordinated loan.

Provisions decreased by EUR 46 million compared to 2023. Provisions related to personnel (Jubilee, pension plan, IAS19, etc.) decreased by EUR 11 million. In addition, other provisions also decreased by EUR 33 million. A major explanation for this decrease is a reversal on the provision made for the transformation of the agent network. Finally, provisions for liabilities and guarantees given decreased by EUR 2 million.

Tax liabilities decreased by EUR 34.3 million compared to 2023.

Equity increased due to the issue of additional cooperative shares (net increase of EUR 198 million) and net profit of EUR 192 million. IFRS-wise, the coupons paid on the AT1 were deducted from equity and, thanks to the strong net profit, a dividend is allocated to cooperative shareholders of EUR 43.8 million.

Profit in 2024 is EUR 192.3 million.

The CRD capital ratio is 35.3% at the end of 2024, compared to 30.8% at the end of 2023. The Tier 1 ratio is 29.7% at the end of 2024 compared to 28.4% at the end of 2023.

## General notes in relation to the evolution of the income statement

### Net Banking Income

**Financial income and expenses** decreased overall by **EUR 157 million** compared to 2023. This decrease is mainly due to higher funding costs and ECB monetary reserve measures. Additional SNP and T2 instruments were issued to meet MREL requirements. These are additional capital buffers that make the bank even more robust and thus provide additional protection for savers. The additional buffers also helped result in a positive rating evolution. In contrast, the evolution of commercial margin contributed positively to net banking income which is explained by higher volumes of deposits and the impact of the interest rate environment.

Furthermore, also in 2023, part of the treasury result was due to the rise in short-term interest rates, which is now not repeated in the longer term.

Fee income increased by EUR 20 million mainly for the 'invest' segment and this linked to higher portfolio fees. In terms of payments, there are also the good figures in the context of credit card activity at Europabank. In addition, part of the increase compared to 2023 can be explained by a one-off loss in 2023 of EUR 19.4 million due to the sale of Crelan's bond portfolio.

### Administrative costs and commissions

**Administrative costs (including depreciation) and commissions** together remained quasi stable compared to 2023 at EUR 877 million but there are some offsetting effects.

For administrative costs, on the one hand, we have an increase in **personnel costs** of EUR 9 million, mainly due to the effect of wage indexations. On the other hand, we also have an overall increase in **general operating expenses** of EUR 11 million. The main items here are: higher ECB costs (EUR +2.4 million), extra costs for facilities (EUR +5 million) (eg postage costs) and extra costs for payment transactions (EUR +2.5 million).

This increase was more than offset by a decrease in **banking taxes** (EUR -27 million) as the SRF (single resolution fund) did not make any additional collections as the target (1% market covered deposits) was already achieved. Furthermore, the DGS (deposit guarantee fund) bill was also lower due to a lower balance sheet base at the bank given the temporary government bond outflow in 2023.

In contrast, the **commission amount** paid to agents increased by EUR 8 million against 2023 despite lower net banking income. The 2024 result is difficult to compare with 2023 as a new fee scale has applied to all agents, both ex-AXA Bank Belgium and Crelan agents, since 1 January 2024.

The cost income ratio (CIR) rose back to 73.6% in 2024 compared to 66.7% in 2023 which was an exceptional year in this respect.

### Costs of credit risk and other provisions

The **cost of credit risk** (defined as the total amount of IFRS impairments for the reporting year) **decreased by EUR 30 million** in 2024. This decrease for **cost of credit risk** can mainly be explained by exceptionally higher figures in 2023. The higher-than-average figures in 2023 were due to negative impacts explained by previously non-recurring elements such as the adjustment in provisioning methodology for long-defaulted loans, an increase in macro-economic management overlays linked to the energy crisis, and a harmonisation of the IFRS 9 models and the

definition of default between AXA Bank Belgium and Crelan. As these non-recurring elements did not occur in 2024, the observed 2024 cost of credit risk is again in line with historical figures.

For the **other provisions** the decrease of EUR 21 million are mainly explained by the reversal of provisions related to integration costs of AXA Bank Belgium in Crelan (e.g. agent network transformation) and the reversal of provisions related to fraud and phishing.

## General result

The **operating result** thus fell from **EUR 288 million to EUR 260 million**. The main underlying elements are: the EUR 121 million drop in financial and operating income, partially offset by a EUR 54 million drop in credit risk costs and provisions and also the EUR 42 million drop in taxes given the lower result before income taxes.

If we then also add some specific elements such as integration costs, provisions and hedging results (taking into account the tax effect), the net result thus finally lands at EUR 192 million or EUR 15 million less than in 2023. These specific elements that still have a positive impact versus 2023 are mainly due to reversals of provisions for transformation costs (EUR 22.8 million).

## 2.

# General information

## 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, Royal Street SPV, Crelan Finance (NL) B.V., Crelan Home Loan SCF and CASPR SPRL.

## 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.

## Main activities

The Crelan Group now has 4,327 employees (2023: 4,455 employees), 727 points of sale (2023: 792 points of sale), 1,706,191 customers (2023: 1,798,373 customers) and 296,751 shareholders (2023: 283,629 shareholders).

Crelan NV is a medium-sized Belgian retail bank and has 296,751 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 Crelan Finance (NL) B.V. and Crelan Home Loan 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. In 2024, the legal and operational merger of Crelan SA and AXA Bank Belgium was realised.

## 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 296,751 shareholders, farmers and private customers. The operational management of CrelanCo CV is implemented by the executive board of Crelan NV.

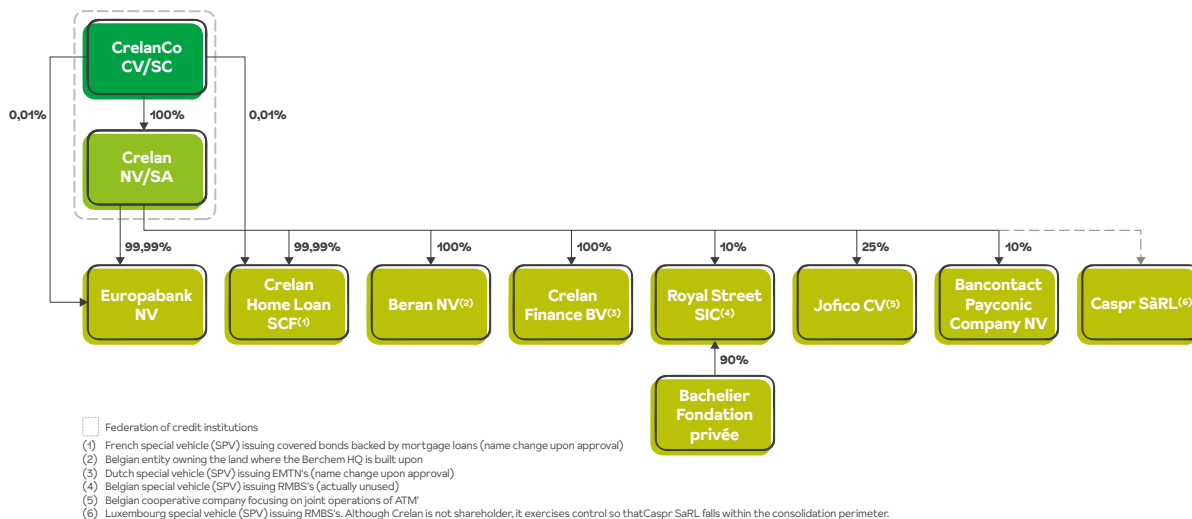
Since halfway through 2015, the authorised cooperative bank CrelanCo CV holds 100% of the total number of shares and rights to vote in Crelan NV. On 31 December 2021, the cooperative bank CrelanCo CV is also the full owner of AXA Bank Belgium.

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, Royal Street SPV, Crelan Finance (NL) B.V., Crelan Home Loan SCF en CASPR sprl.

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.



## Geographic location

The Crelan Group focuses its commercial activities only on the Belgian market. The entities in France, the Netherlands and Luxembourg cover financial and risk management support activities.

## Employees of the Group

At the end of December 2024, the Group had 4,327 employees of which 1,719 employees and 2,608 self-employed agents and employees of self-employed agents when compared to 4,455 employees at the end of 2023 (1,713 employees and 2,743 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).

## Events after the balance sheet date

### Dividend

The Board of Directors will propose that CrelanCo CV allocates a dividend of 4.25% for an overall amount of EUR 43.8 million (2024: EUR 38.7 million) during the General Meeting of Shareholders to be held on 24 April 2025. This dividend provides an attractive return within the current climate of low interest rates.

### Important events after balance sheet date

As of 1 January 2025, the HR conventions in place at both Crelan and the former AXA Bank Belgium have been harmonised and aligned, creating a transparent and market-compliant HR policy.

2025 is also the year when Crelan launches its transformation roadmap with the objective of continuously improving and strengthening the bank in all its aspects so that it is future-proof and continues to meet the needs and expectations of its customers and banking agents.

On 14 January, Crelan completed the sale of its headquarters in Anderlecht. This means that from then on Crelan will no longer be the owner, but will become the tenant of the building. This has no direct impact on Crelan employees.

The new owner of the building is GML Estate NV, a specialist in residential and industrial real estate development and has done so since 1990, both in Belgium, France and Switzerland.

Crelan also intends to sell its offices in Gembloux and a move to the new rental premises in Wavre is planned for the second quarter of 2025.

In line with its liquidity plan, Crelan also issued a new covered bond in early April.

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 2024 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 28 March 2025, 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 24 April 2025 for adoption.

## New Standards, Interpretations and Amendments becoming effective at January 1st 2024

- **Amendments to IAS 1 Presentation of Financial Statements:** Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
  - The amendments clarify the criteria for determining whether a liability should be classified as current or non-current and also improved the information to be delivered if the entity has a right to defer settlement of its liability for at least 12 months is subject to compliance with a covenants.
  - Given that group members are mainly credit institutions for which a presentation between current or non-current is not really relevant, the amendments to IAS 1 Presentation of Financial Statements for determining a liability as current or non-current have no impact.
- **Amendments to IFRS 16 Leases:** Lease Liability in a Sale and Leaseback
  - The amendments specify the requirements relating to subsequent measurement for Sale and Leaseback transactions.
  - The Group has not been involved in such Sale and Leaseback transactions, consequently these amendments 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
  - 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.

## Standards and interpretations published, but not yet applicable for the annual period beginning on 1 January 2024

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

- **Amendments to IAS21 The effects of changes in foreign exchange rates:** lack of exchangeability (applicable for annual periods beginning on or after 1 January 2025)
- **Annual improvements to IFRS Accounting standards** (applicable for annual periods beginning on or after 1 January 2026):
  - Transaction price (amendment to IFRS 9 Financial instruments)
  - Introduction & credit risk disclosures (amendment to the implementation guidance of IFRS7 Financial instruments: disclosures)
  - Hedge accounting by a first-time adopter (amendment to IFRS1 First-time adoption of IFRS)
  - Gain or loss on derecognition of financial instruments (amendment to IFRS7 Financial instruments: disclosures)
  - Disclosure of deferred difference between fair value and transaction price (amendment to the implementation guidance of IFRS7)
  - Determination of a 'de facto agent' (amendment to IFRS10 Consolidated financial statements)
  - Derecognition of lease liabilities (amendment to IFRS9 Financial instruments)
  - Cost method (amendment to IAS7 Cash flow statement)
- **Amendments to IFRS 9 and IFRS 7 Financial instruments: classification and measurement of financial instruments** (applicable for annual periods beginning on or after 1 January 2026)
- **Amendments to IFRS 9 and IFRS 7 Financial instruments: power purchase agreements** (applicable for annual periods beginning on or after 1 January 2026)
- **New standard IFRS 18 Presentation & disclosure in financial statements** (applicable for annual periods beginning on or after 1 January 2027)
- **New standard IFRS 19 Subsidiaries without public accountability:** disclosures (applicable for annual periods beginning on or after 1 January 2027)

With regard to the amendments to IFRS 9 and IFRS 7, these amendments will mainly enable us to apply an appropriate assessment to financial assets whose contractual cash flows contain elements derived from the sustainability indicators (the so-called 'ESG' characteristics). The necessary information regarding these instruments and the assessment applied must also be included in the notes to the financial statements.

In addition, given the purpose of the new IFRS 18 standard, which will replace the current IAS1 standard, it will mainly have an impact on the way in which the Crelan Group's annual accounts are presented (by adding (sub)totals, (dis) aggregation of information, insertion of new categories) and more information will be added with regard to the indicators and the way in which management assesses the group's performance.

The other Standards, improvements and Amendments are not expected to have a significant impact on the group's annual accounts.

## 4.

# Notes regarding the balance sheet

## 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 2024 and 2023:

(in EUR)	31/12/2024	31/12/2023
Cash	89,101,506	104,941,772
Cash balances at central banks	5,296,245,455	5,380,646,337
Other demand deposits	121,155,590	80,524,794
<b>Total Cash, cash balances at central banks and other demand deposits</b>	<b>5,506,502,551</b>	<b>5,566,112,903</b>

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”.

## Financial assets and liabilities held for trading

(in EUR)	31/12/2024	31/12/2023
<b>Assets</b>		
Derivatives held for trading	49,556,548	8,987,711
Debt securities	1,077,377	728,996
<b>Total Financial assets held for trading</b>	<b>50,633,925</b>	<b>9,716,707</b>
<b>Liabilities</b>		
Derivatives held for trading	25,094,677	22,299,112
Debt securities	0	0
<b>Total Financial liabilities held for trading</b>	<b>25,094,677</b>	<b>22,299,112</b>

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

## Investment portfolio

Given the acquisition of AXA Bank Belgium as at 31 December 2021, the policy principles of AXA Bank Belgium differ from those applied at the Crelan Group. The disclosures below are split into, on the one hand, the Crelan Group excluding AXA Bank Belgium, and, on the other hand, AXA Bank Belgium for the 2023 financial year. As AXA Bank Belgium is legally and operationally merged with Crelan SA in June 2024, this split is no longer relevant for the 2024 financial year.

The tables below show the compilation of the securities portfolio as on 31 December 2024 and 31 December 2023 :

(in EUR)	2024			
	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	1,389,440,099	178,143,927	0	0
Bonds and other fixed income securities	286,760,401	0	0	0
Shares and other non-fixed income securities	0	0	5,021,024	0
Financial fixed assets	0	14,006,821	0	0
<b>Total</b>	<b>1,676,200,500</b>	<b>192,150,748</b>	<b>5,021,024</b>	<b>0</b>

(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	0	0	0	0
- Crelan	489,745,257	0	0	0
- Axa Bank Belgium	63,463,274	159,087,534	0	0
Bonds and other fixed income securities	0	0	0	0
- Crelan	0	0	0	0
- Axa Banque Belgium	46,798,180	0	0	0
Shares and other non-fixed income securities	0	0	0	0
- Crelan	0	0	6,526,593	0
- Axa Bank Belgium	0	38,463	0	0
Financial fixed assets	0	0	0	0
- Crelan	0	13,426,959	0	0
- Axa Bank Belgium	0	108,229	0	0
<b>Total</b>	<b>600,006,711</b>	<b>172,661,185</b>	<b>6,526,593</b>	<b>0</b>

## Crelan Group

The portfolios are classified based on the IFRS 9 guidelines for the classification and measurement of financial assets. The category of classification is based on the business model and the test of payments of principal and interest (SPPI - test, i.e. 'solely payments of principal and interest'). Based on the business model documented by the Group's financial strategy, the portfolio is almost entirely allocated to the HTC ('Hold-to-Collect') category, measured at amortised cost. The Crelan business consists of investing in low-risk assets and then hold them to maturity.

A part of the bond portfolio is measured at fair value through other comprehensive income (OCI) if it meets the following conditions and it is not designated as measured at fair value through profit or loss :

- the holding of the financial asset fits into the business model whose objective is to hold financial assets in order to obtain both contractual cash flows and to sell the financial assets ("held for cash flow receipt and for sale")

the contractual terms of the asset give rise to contractual cash flows consisting solely of repayment of capital and interest on the amount outstanding, at specific dates.

This valuation category is used for the portion of the bond portfolio held for liquidity purposes, balance sheet management and risk versus yield optimisation. In 2024, the exposure to this category concerns mainly short-term government securities with a maturity of less than one year - in addition to investments in the private equity fund portfolio and a limited number of participations.

Finally, real estate certificates and a limited investment in a bond and equity fund were compulsorily catalogued as FVPL ('Fair Value through Profit and Loss'), since not in line with SPPI's criteria.

The table below shows the evolution of the consolidated financial portfolio during the course of the 2024 and 2023 accounting periods :

(in EUR)	2024			
	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	600,006,711	172,661,185	6,526,593	0
Acquisitions	1,158,002,345	176,782,031	0	0
Sales and maturities	-85,470,823	-159,040,974	-1,520,452	0
Changes in fair value				
- via result	38,469	0	-85,539	0
- via equity	0	1,393,324	0	0
Changes in provisions (stage 1)	-28,892	0	0	0
Use and reversal of impairment losses (stage 3)	0	0	0	0
Exchange rate fluctuations	0	0	0	0
Other movements	3,652,690	355,182	100,422	0
<b>Closing balance</b>	<b>1,676,200,500</b>	<b>192,150,748</b>	<b>5,021,024</b>	<b>0</b>

(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
<b>Closing balance</b>	<b>600,006,711</b>	<b>172,661,185</b>	<b>6,526,593</b>	<b>0</b>

## Creilan Group

No debt securities were sold during 2024. The maturing securities (EUR 244.5 million) were reinvested in similar securities and a total of over EUR 1.09 billion of additional debt securities were purchased. The large majority (about 78%) of the new purchases were invested in Belgian and Flemish government paper. The remainder was invested in very high-quality covered bonds.

In addition to the above guidelines, IFRS 9 also includes requirements for a provisioning model in which 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 decreased by EUR 28,892 at the end of 2024.

Macro-hedging is applied to part of the financial portfolio. The interest rate risk on a portfolio of bonds with similar characteristics is hedged using a portfolio of interest rate swap agreements. Changes in the fair value of the bond portfolio attributable to the hedged risk gives rise to an adjustment of the carrying amount of these bonds against the income statement. Changes in the fair value of the portfolio of hedging instruments gives rise to an opposite movement in the income statement. Any inefficiencies in the hedging relationship remain in result under the heading "Fair value adjustments in hedge accounting".

Certain fixed-income securities of the investment portfolio are individually hedged by means of an interest rate swap to offset the portion of the fair value fluctuation of the securities due to interest rate changes ("micro hedging"). Only interest rate risk is hedged. It usually constitutes the largest part of the overall fair value fluctuation. The other unhedged risks are mainly credit spreads and liquidity. The individual hedge ratio

corresponds to the ratio between the notional amount of the interest rate swap and the notional amount of the hedged security. In case the efficiency of this fair value hedge can be demonstrated, the change in value of the hedged instrument resulting from the evolution of the interest rate of the fixed-rate security is recognised in result. For all new purchases of long-term bonds in 2024, the interest rate risk was hedged via “micro hedging”.

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.

## Loans and receivables

### Loans and receivables

The loans and receivables have been split up as follows:

(in EUR)	31/12/2024				
	Stage 1	Stage 2	Stage 3	POCI's	Total
<b>Total Outstanding</b>	<b>45,171,796,679</b>	<b>3,880,692,870</b>	<b>529,755,708</b>	<b>147,485,050</b>	<b>49,729,730,307</b>
Interbank loans	776,997,797	0	0	0	776,997,797
Home loans	34,858,792,642	2,957,769,967	269,466,261	108,517,732	38,194,546,602
Retail loans	825,582,037	103,589,109	60,328,513	184,665	989,684,324
Agricultural loans	1,919,344,828	151,600,057	50,473,777	0	2,121,418,662
Corporate loans	4,138,881,883	515,591,022	100,428,836	34,360,301	4,789,262,042
Instalment loans	1,955,824,839	121,520,050	19,423,369	2,365,682	2,099,133,940
Cash collateral deposited	1,573,554	0	0	0	1,573,554
Other loans and advances	694,799,099	30,622,665	29,634,952	2,056,670	757,113,386
<b>Impairment losses</b>	<b>-41,205,884</b>	<b>-39,415,180</b>	<b>-124,822,312</b>	<b>-19,652,053</b>	<b>-225,095,429</b>
Interbank loans	-18,911	0	0	0	-18,911
Home loans	-5,474,476	-22,102,920	-28,924,499	-13,190,202	-69,692,097
Retail loans	-7,150,097	-2,176,278	-15,300,273	-23,830	-24,650,478
Agricultural loans	-11,299,205	-1,386,445	-21,378,272	0	-34,063,922
Corporate loans	-8,568,101	-7,771,760	-34,932,189	-5,824,065	-57,096,115
Instalment loans	-6,034,898	-4,384,578	-7,113,061	-594,941	-18,127,478
Cash collateral deposited	0	0	0	0	0
Other loans and advances	-2,660,196	-1,593,199	-17,174,018	-19,015	-21,446,428
<b>Total Loans and receivables</b>	<b>45,130,590,795</b>	<b>3,841,277,690</b>	<b>404,933,396</b>	<b>127,832,997</b>	<b>49,504,634,878</b>

(in EUR)	31/12/2023				
	Stage 1	Stage 2	Stage 3	POCI's	Total
<b>Total circulation</b>	<b>44,724,284,419</b>	<b>3,931,818,058</b>	<b>399,502,216</b>	<b>166,740,749</b>	<b>49,222,345,442</b>
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 advances Crelan	471,596,051	30,246,260	24,043,537	0	525,885,848
Other loans and advances Axa Bank Belgium	197,516,980	9,695,667	2,925,513	2,444,940	212,583,100
<b>Impairment losses</b>	<b>-49,468,483</b>	<b>-44,851,730</b>	<b>-105,148,210</b>	<b>-10,968,695</b>	<b>-210,437,118</b>
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 advances Crelan	-4,148,799	-1,153,090	-14,079,943	0	-19,381,832
Other loans and advances Axa Bank Belgium	-76,784	-311,729	-1,068,799	-270,644	-1,727,956
<b>Total Loans and receivables</b>	<b>44,674,815,936</b>	<b>3,886,966,328</b>	<b>294,354,006</b>	<b>155,772,054</b>	<b>49,011,908,324</b>

The total loan portfolio increases further in 2024 to EUR 49.7 billion (+ EUR 507.3 million).

Despite the difficult conditions on the retail market (home loans and loans on instalments), the Crelan Group also managed to record an increase by 1.4%. Home loans grew by EUR 326 million and instalment loans by EUR 234 million.

The healthy outstanding loans increase for almost all loan categories.

Overall, the quality of the loan portfolio has remained stable. There is an increase in loans in Stage 3, which is attributable to the operational merger of AXA Bank Belgium into Crelan where the Stage 3 definition was slightly different from the definition at AXA Bank Belgium. Impairments remained at a similar level confirming that the intrinsic quality of the loan portfolio remained unchanged at a high level.

The tables below show the breakdown on 31 December 2024 and 31 December 2023 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 an impairment and impaired loans and receivables.

(in EUR)	31/12/2024	31/12/2023
<b>Healthy circulation</b>	<b>48,331,035,759</b>	<b>46,674,537,795</b>
<b>Expired</b>	<b>802,244,412</b>	<b>2,071,045,164</b>
<b>Loans and receivables in default</b>	<b>596,450,136</b>	<b>476,762,483</b>
<b>Total</b>	<b>49,729,730,307</b>	<b>49,222,345,442</b>
<b>Impairments incurred</b>	<b>-225,095,429</b>	<b>-210,437,118</b>
<b>Total loans and receivables</b>	<b>49,504,634,878</b>	<b>49,011,908,324</b>

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

(in EUR)	31/12/2024
<b>Loans and receivables - healthy outstandings</b>	
- Interbank loans	776,997,797
- Housing loans	37,669,672,516
- Retail loans	587,616,261
- Agricultural loans	2,069,391,293
- Business loans	4,563,463,552
- Instalment loans	2,049,113,716
- Deposited cash collateral	1,573,554
- Other loans and advances	613,207,070
<b>Total healthy outstandings</b>	<b>48,331,035,759</b>
Impairments	-71,091,885
<b>Total healthy loans and receivables</b>	<b>48,259,943,874</b>

(in EUR)	31/12/2023
<b>Loans and receivables - healthy outstandings</b>	
- 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
<b>Total healthy outstandings</b>	<b>46,674,537,795</b>
Impairments	-82,424,200
<b>Total healthy loans and receivables</b>	<b>46,592,113,595</b>

The loans with payment arrears regarding which no individual impairment has (yet) been recorded can be detailed as follows as on 31 December 2024 and 2023 :

(in EUR)	Loans in default	31/12/2024	
		<= 30 days	> 30 days
- Interbank loans		0	0
- Housing loans		85,263,686	122,214,773
- Retail loans		298,765,825	42,789,049
- Agricultural loans		4,100	1,549,492
- Business loans		86,770,813	22,303,606
- Instalment loans		21,719,133	7,606,232
- Deposited cash collateral		0	0
- Other loans and advances		105,743,555	7,514,148
<b>Total Loans in default</b>		<b>598,267,112</b>	<b>203,977,300</b>
Impairments		-5,457,097	-4,516,377
<b>Total Loans and receivables in default</b>		<b>592,810,015</b>	<b>199,460,923</b>

(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
<b>Total Loans in default</b>	<b>1,958,287,149</b>	<b>112,758,015</b>
Impairments	-9,624,105	-3,008,034
<b>Total Loans and receivables in default</b>	<b>1,948,663,044</b>	<b>109,749,981</b>

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

(in EUR)	31/12/2024	
	Impaired loans and receivables	
	Gross	Impairment
- Interbank loans	0	0
- Housing loans	317,395,627	-41,924,616
- Retail loans	60,513,189	-15,324,101
- Agricultural loans	50,473,777	-21,378,272
- Business loans	116,724,071	-40,529,012
- Instalment loans	20,694,859	-7,682,117
- Deposited cash collateral	0	0
- Other loans and advances	30,648,613	-17,191,952
<b>Total Impaired loans and receivables</b>	<b>596,450,136</b>	<b>-144,030,070</b>

(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
<b>Total Impaired loans and receivables</b>	<b>476,762,483</b>	<b>-115,380,779</b>

Impairments at Stage 3 are made when there are objective indications that the client cannot (or can no longer) meet its payment obligations. Objective indications include, for example, payment delays and initiation of bankruptcy proceedings. Impairments reflect the loss the Group expects to incur. This amount is determined as being the client's maximum credit risk less the fair value of collateral and other guarantees received.

If a counterparty defaults after repeated attempts by the Group to reach an amicable settlement, the collateral and guarantees received are extinguished. When all normal efforts to recover the claim have been exhausted, the outstanding balance is written off.

The table below shows the changes of the impairment:

	Opening balance 01/01/2024	Additions	Recovery and Depreciation	Others	Closing balance 31/12/2024
<b>Interbank loans Crelan</b>	<b>7.551</b>	<b>0</b>	<b>0</b>	<b>11.359</b>	<b>18.911</b>
Stage 1	7.551	0	0	11.359	18.911
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
POCI	0	0	0	0	0
<b>Interbank loans Axa Bank Belgium</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Stage 1	0	0	0	0	0
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
POCI	0	0	0	0	0
<b>Home loans Crelan</b>	<b>25.778.096</b>	<b>3.841.298</b>	<b>-1.042.016</b>	<b>41.114.719</b>	<b>69.692.097</b>
Stage 1	3.426.724	192.781	-21.567	1.876.538	5.474.476
Stage 2	9.595.813	977.496	-347.504	11.877.115	22.102.920
Stage 3	12.755.559	2.671.021	-672.944	14.170.864	28.924.459
POCI	0	0	0	13.190.202	13.190.202
<b>Home loans Axa Bank Belgium</b>	<b>36.986.380</b>	<b>0</b>	<b>0</b>	<b>-36.986.380</b>	<b>0</b>
Stage 1	5.093.531	0	0	-5.093.531	0
Stage 2	15.193.571	0	0	-15.193.571	0
Stage 3	9.330.865	0	0	-9.330.865	0
POCI	7.368.413	0	0	-7.368.413	0
<b>Retail loans</b>	<b>17.228.358</b>	<b>8.976.578</b>	<b>-1.908.754</b>	<b>354.296</b>	<b>24.650.478</b>
Stage 1	6.661.289	499.773	-3.460	-7.505	7.150.097
Stage 2	1.606.232	584.018	-4.780	-9.191	2.176.278
Stage 3	8.960.837	7.892.787	-1.900.514	347.163	15.300.273
POCI	0	0	0	23.830	23.830
<b>Agricultural loans</b>	<b>37.158.555</b>	<b>1.237.161</b>	<b>-1.083.321</b>	<b>-3.248.473</b>	<b>34.063.922</b>
Stage 1	13.829.748	119.610	-17.876	-2.632.278	11.299.205
Stage 2	1.268.187	347.605	-47.872	-181.475	1.386.445
Stage 3	22.060.620	769.946	-1.017.574	-434.720	21.378.272
POCI	0	0	0	0	0
<b>Corporate loans</b>	<b>36.429.734</b>	<b>5.051.021</b>	<b>-3.870.744</b>	<b>19.486.104</b>	<b>57.096.116</b>
Stage 1	7.787.473	-1.496.070	-66.429	2.343.127	8.568.101
Stage 2	2.203.966	973.074	-90.472	4.685.193	7.771.760
Stage 3	26.438.295	5.574.017	-3.713.843	6.633.719	34.932.189
POCI	0	0	0	5.824.065	5.824.065
<b>Instalment loans Crelan</b>	<b>2.784.338</b>	<b>877.555</b>	<b>-771.147</b>	<b>15.236.731</b>	<b>18.127.478</b>
Stage 1	701.228	112.330	-157.045	5.378.385	6.034.898
Stage 2	189.089	319.734	-208.771	4.084.526	4.384.578
Stage 3	1.894.021	445.490	-405.330	5.178.879	7.113.061
POCI	0	0	0	594.941	594.941
<b>Instalment loans Axa Bank Belgium</b>	<b>13.376.422</b>	<b>0</b>	<b>0</b>	<b>-13.376.422</b>	<b>0</b>
Stage 1	4.946.179	0	0	-4.946.179	0
Stage 2	5.916.785	0	0	-5.916.785	0
Stage 3	2.284.288	0	0	-2.284.288	0
POCI	229.170	0	0	-229.170	0
<b>Cash collateral deposited</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Stage 1	0	0	0	0	0
Stage 2	0	0	0	0	0
Stage 3	0	0	0	0	0
POCI	0	0	0	0	0
<b>Term loans Axa Bank Belgium</b>	<b>19.577.896</b>	<b>0</b>	<b>0</b>	<b>-19.577.896</b>	<b>0</b>
Stage 1	2.789.177	0	0	-2.789.177	0
Stage 2	7.413.268	0	0	-7.413.268	0
Stage 3	6.274.983	0	0	-6.274.983	0
POCI	3.100.468	0	0	-3.100.468	0
<b>Other loans and advances Crelan</b>	<b>19.381.832</b>	<b>2.257.981</b>	<b>-1.787.289</b>	<b>1.593.905</b>	<b>21.446.429</b>
Stage 1	4.148.799	-1.476.380	-10.560	-1.652	2.660.197
Stage 2	1.153.090	454.025	-40.292	26.375	1.593.198
Stage 3	14.079.943	3.280.336	-1.736.437	1.550.177	17.174.019
POCI	0	0	0	19.015	19.015
<b>Other loans and advances Axa Bank Belgium</b>	<b>1.727.956</b>	<b>0</b>	<b>0</b>	<b>-1.727.956</b>	<b>0</b>
Stage 1	76.784	0	0	-76.784	0
Stage 2	311.729	0	0	-311.729	0
Stage 3	1.068.799	0	0	-1.068.799	0
POCI	270.644	0	0	-270.644	0
<b>Total</b>	<b>210.437.118</b>	<b>22.241.594</b>	<b>-10.463.270</b>	<b>2.879.987</b>	<b>225.095.429</b>
Stage 1	49.488.483	-2.047.956	-276.937	-5.937.706	41.205.884
Stage 2	44.851.780	3.655.952	-739.691	-8.352.811	39.415.180
Stage 3	105.148.210	20.633.598	-5.446.642	8.487.146	124.822.312
POCI	10.988.695	0	0	8.683.358	19.652.053

## Forbearance

Exposures subject to forbearance measures (i.e. “forbearance”) are defined by the EBA (“European Banking Authority”) as contracts where, due to financial difficulties, the client can or will no longer be able to meet its obligations and credit institutions apply measures to alleviate a borrower’s financial difficulties. This can be done, for example, by:

- Adjusting the term or terms of the contract so that the customer can repay his debt
- A full or partial refinancing of the contract

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

(in EUR)	31/12/2024								
	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	0	0	0	0	0	0	0	0	0
Home loans	330,133,223	98,226,175	0	-1,250,531	-7,666,319	0	316,124,509	90,422,380	0
Retail loans	13,424,147	7,410,017	0	-155,127	-1,171,832	0	19,194,608	6,948,754	0
Agricultural loans	24,548,835	27,857,854	0	-108,867	-12,500,483	0	23,372,440	15,155,274	0
Corporate loans	42,525,329	39,987,282	0	-505,373	-10,946,729	0	39,914,623	28,662,617	0
Instalment loans	1,382,384	737,946	0	-10,269	-308,310	0	0	0	0
Cash collateral deposited	0	0	0	0	0	0	0	0	0
Other Loans and advances	635,196	516,020	0	-23,422	-111,551	0	333,495	368,897	0
<b>Total Forborne Loans and Receivables</b>	<b>412,649,114</b>	<b>174,735,294</b>	<b>0</b>	<b>-2,053,589</b>	<b>-32,705,224</b>	<b>0</b>	<b>398,939,675</b>	<b>141,557,922</b>	<b>0</b>

(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 advances Crelan	625,692	531,332	0	-16,528	-116,012	0	384,416	361,611	0
Other Loans and advances Axa Bank Belgium	0	0	0	0	0	0	0	0	0
<b>Total Forborne Loans and Receivables</b>	<b>503,508,145</b>	<b>178,742,895</b>	<b>0</b>	<b>-3,219,836</b>	<b>-34,690,312</b>	<b>0</b>	<b>485,831,025</b>	<b>141,264,759</b>	<b>0</b>

There was an increase from 2020 to 2022 given the coronavirus and energy crisis. From 2023, the impact of this declined and there was already a decline in the number of forbearance customers. Given the 2-year observation period for these loans, the impact in 2023 was still limited. Now in 2024, we still see a significant decline in the number of forbearance customers which was in line with expectations for the individuals.

This decline in the residential segment is due to the many payment deferrals given here in the past following the energy crisis. All individuals with such payment deferrals were automatically considered forbore. Very many of these forbore customers have now paid correctly for 2 years so their observation period has expired.

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 payment difficulties;
- At least 1 year has elapsed since taking forbearance measures;

When both conditions are met and the depreciation is reversed, the contract is placed under a trial period for 2 years called the observation period. This means that if the contract is more than 30 days in arrears for an amount of more than EUR 50, an impairment is again established.

Loans and receivables are no longer considered forborne or under forbearance when the following cumulative conditions are met :

- No impairment has been recorded on all outstanding debts of the debtor in the last 2 years;
- The debtor has no outstanding debt to the bank with a payment delay of more than 30 days and an amount of more than EUR 50.

## Performing and non-performing exposures

Both performing and non-performing exposures increased in 2024. The non-performing exposures portfolio accounts for 1.20% of the total portfolio (was 0.98% in 2023).

There is no intrinsic deterioration in the quality of the loan portfolio but the increase is due to the migration from AXA Bank Belgium to Crelan where the definition of non-performing was interpreted more broadly at Crelan.

### Per exposure type

The composition of performance and non-performance exposures on 31 December 2024 and 31 December 2023 is as follows:

(in EUR)	31/12/2024				
	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	776,997,797	0	0	0	0
Home loans	37,754,936,637	122,214,773	265,795,303	36,898,162	14,701,727
Retail loans	886,382,086	42,789,049	42,876,025	17,028,679	608,485
Agricultural loans	2,069,395,393	1,549,492	41,654,752	5,483,234	3,335,791
Corporate loans	4,650,233,930	22,303,606	86,236,894	23,293,616	7,193,996
Instalment loans	2,070,832,849	7,606,233	15,811,385	3,210,016	1,673,457
Cash collateral deposited	1,573,554	0	0	0	0
Other Loans and advances	718,950,614	7,514,148	22,681,310	7,454,105	513,209
<b>Total Performing and non-performing according to days past due</b>	<b>48,929,302,860</b>	<b>203,977,301</b>	<b>475,055,669</b>	<b>93,367,812</b>	<b>28,026,665</b>

(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	0
Interbank loans Axa Bank Belgium	543,337,359	0	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	0
Term loans Axa Bank Belgium	2,531,177,576	4,561,357	33,667,295	9,284,452	721,623	
Other loans and advances Crelan	490,961,514	5,467,871	21,944,736	6,987,870	523,858	
Other loans and advances Axa Bank Belgium	207,721,654	476,876	3,089,813	687,481	607,277	
<b>Total Performing and non-performing according to days past due</b>	<b>48,627,412,017</b>	<b>112,758,015</b>	<b>360,876,238</b>	<b>91,812,043</b>	<b>29,487,129</b>	

## Per stage

Below, we give the presentation of performance and non-performance exposures per Stage in 2024:

(in EUR)	31/12/2024							
	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
		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	
<b>Total circulation</b>								
Interbank loans	776,997,797	0	0	-18,911	0	0	0	0
Home loans	34,858,792,642	2,957,769,967	60,588,366	-5,474,476	-22,102,920	-190,085	36,366,590,270	0
Retail loans	830,954,250	98,216,885	0	-7,150,095	-2,176,278	0	870,320,741	0
Agricultural loans	1,919,344,828	151,600,057	0	-11,299,205	-1,386,445	0	1,674,995,419	0
Corporate loans	4,138,881,883	515,591,023	18,065,066	-8,568,100	-7,771,760	-227,242	3,933,614,736	0
Instalment loans	1,955,824,839	121,520,050	1,094,193	-6,034,898	-4,384,578	-25,884	0	0
Cash collateral deposited	1,573,554	0	0	0	0	0	0	0
Other Loans and advances	694,799,100	30,622,664	1,042,998	-2,660,198	-1,593,199	-1,081	230,987,195	0
<b>Total Performing by stages</b>	<b>45,177,168,893</b>	<b>3,875,320,646</b>	<b>80,790,623</b>	<b>-41,205,883</b>	<b>-39,415,180</b>	<b>-444,292</b>	<b>43,076,508,361</b>	

(in EUR)	31/12/2024							
	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
		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	
<b>Total circulation</b>								
Interbank loans	0	0	0	0	0	0	0	0
Home loans	0	269,466,261	47,929,366	0	-28,924,499	-13,000,117	262,057,466	0
Retail loans	0	60,328,524	184,665	0	-15,300,275	-23,830	45,431,339	0
Agricultural loans	0	50,473,777	0	0	-21,378,272	0	27,058,961	0
Corporate loans	0	100,428,835	16,295,235	0	-34,932,190	-5,596,823	68,544,201	0
Instalment loans	0	19,423,369	1,271,489	0	-7,113,061	-569,057	0	0
Cash collateral deposited	0	0	0	0	0	0	0	0
Other Loans and advances	0	29,634,952	1,013,672	0	-17,174,016	-17,934	6,731,381	0
<b>Total Non-performing by stages</b>	<b>0</b>	<b>529,755,718</b>	<b>66,694,427</b>	<b>0</b>	<b>-124,822,313</b>	<b>-19,207,761</b>	<b>409,823,348</b>	

Below, we give the presentation of performing and non-performing 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	
	of which Stage 1	of which Stage 2	POCI's	of which Stage 1	of which Stage 2	POCI's		
<b>Total circulation</b>								
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 advances Crelan	471,596,051	30,246,258	0	-4,148,799	-1,153,090	0	175,223,740	
Other loans and advances Axa Bank Belgium	197,516,979	9,695,667	985,885	-76,784	-311,729	-25,621	20,146,065	
<b>Total Performing by stages</b>	<b>44,724,284,418</b>	<b>3,931,818,056</b>	<b>89,480,485</b>	<b>-49,468,484</b>	<b>-44,851,730</b>	<b>-736,126</b>	<b>43,391,623,874</b>	

(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	
	of which Stage 2	of which Stage 3	POCI's	of which Stage 2	of which Stage 3	POCI's		
<b>Total circulation</b>								
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 advances Crelan	0	24,043,538	0	0	-14,079,943	0	4,355,847	
Other loans and advances Axa Bank Belgium	0	2,925,513	1,459,058	0	-1,068,798	-245,023	1,559,847	
<b>Total Non-performing by stages</b>	<b>0</b>	<b>399,502,218</b>	<b>77,260,264</b>	<b>0</b>	<b>-105,148,208</b>	<b>-10,232,569</b>	<b>327,095,056</b>	

## Tangible fixed assets

The composition of the tangible fixed assets as on 31 December 2024 and 31 December 2023 is as follows:

(in EUR)	2024					
	Owner-occupied land and building	IT equipment	Office equipment	Other equipment	IFRS 16	Total
<b>Opening balance 1 January 2024</b>	54,090,171	5,556,181	2,087,631	15,356,150	7,601,685	84,691,819
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
<b>Total net carrying amount</b>	<b>54,090,171</b>	<b>5,556,181</b>	<b>2,087,631</b>	<b>15,356,150</b>	<b>7,601,685</b>	<b>84,691,819</b>
<b>Variations 2024</b>	0	0	0	0	0	0
Acquisitions	443,996	3,422,640	818,291	14,376,677	3,040,880	22,102,484
Disposals	0	0	0	94,045	0	94,045
Depreciation	6,085,094	2,610,166	602,099	5,442,884	2,056,812	16,797,056
Reversals due to write-offs	-1,223	0	0	-274,334	0	-275,557
Other	21	-27	-122	-13,151	-1,316	-14,595
<b>Closing balance 31 December 2024</b>	<b>48,447,871</b>	<b>6,368,628</b>	<b>2,303,701</b>	<b>23,908,413</b>	<b>8,584,437</b>	<b>89,613,050</b>
<b>Closing balance 31 December 2024</b>						
Acquisition price	128,196,802	47,206,641	16,427,378	64,185,494	18,032,692	274,049,008
Accumulated depreciation	79,748,932	40,838,013	14,123,677	40,277,081	9,448,255	184,435,958
<b>Total Net carrying amount</b>	<b>48,447,871</b>	<b>6,368,628</b>	<b>2,303,701</b>	<b>23,908,413</b>	<b>8,584,437</b>	<b>89,613,050</b>

(in EUR)	2023					
	Owner-occupied land and building	IT equipment	Office equipment	Other equipment	IFRS 16	Total
<b>Opening balance 1 January 2023</b>	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
<b>Total net carrying amount</b>	<b>55,007,931</b>	<b>6,814,957</b>	<b>2,103,692</b>	<b>13,201,782</b>	<b>7,484,120</b>	<b>84,612,482</b>
<b>Variations 2023</b>						
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
<b>Closing balance 31 December 2023</b>	<b>54,090,171</b>	<b>5,556,182</b>	<b>2,087,631</b>	<b>15,356,150</b>	<b>7,601,685</b>	<b>84,691,819</b>
<b>Closing balance 31 December 2023</b>						
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
<b>Total Net carrying amount</b>	<b>54,090,171</b>	<b>5,556,181</b>	<b>2,087,631</b>	<b>15,356,150</b>	<b>7,601,685</b>	<b>84,691,819</b>

Rights of use accounted for under IFRS 16 were classified as property, plant and equipment. For clarity, we have separated the movements related to leasing from the other property, plant and equipment and placed them under the same column regardless of their nature. The IFRS 16 column includes all leasing assets notably cars and ATMs.

More details regarding the different movements are described in section 4.9. (IFRS 16).

As can be seen in the table, there are no major changes in this column.

## Goodwill and other intangible fixed assets

The composition of the goodwill and intangible fixed assets as on 31 December 2024 and 31 December 2023 is as follows:

(in EUR)	Goodwill	Internally developed software	Acquired software	Other intangible assets	Total
<b>Opening balance 1 January 2024</b>	23,642,059	13,497,399	4,535,893	0	41,675,352
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	61,677,021
<b>Total net carrying amount</b>	<b>23,642,059</b>	<b>13,497,399</b>	<b>4,535,893</b>	<b>0</b>	<b>41,675,352</b>
<b>Variations 2024</b>					
Additions					
- from separate acquisition/from internal development	0	8,299,377	4,252,663	0	12,552,040
- from business combinations	0	0	0	0	0
Disposals	0	7,022,960	5,680,165	0	12,703,125
Depreciation	0	3,962,156	2,143,296	0	6,105,451
Reversals due to write-offs	0	5,126,743	5,973,768	0	11,100,511
Other	0	0	0	0	0
<b>Closing balance 31 décembre 2024</b>	<b>23,642,059</b>	<b>15,938,404</b>	<b>6,938,864</b>	<b>0</b>	<b>46,519,327</b>
<b>Closing balance 31 décembre 2024</b>					
Acquisition price	23,642,059	39,591,440	39,967,788	0	103,201,287
Accumulated depreciation	0	23,653,037	33,028,924	0	56,681,961
<b>Total Net carrying amount</b>	<b>23,642,059</b>	<b>15,938,404</b>	<b>6,938,864</b>	<b>0</b>	<b>46,519,327</b>

(in EUR)	Goodwill	Internally developed software	Acquired software	Other intangible assets	Total
<b>Opening balance 1 janvier 2023</b>	23,642,059	20,674,826	2,801,692	0	47,118,577
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
<b>Total net carrying amount</b>	<b>23,642,059</b>	<b>20,674,826</b>	<b>2,801,692</b>	<b>0</b>	<b>47,118,577</b>
<b>Variations 2023</b>					
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
<b>Closing balance 31 décembre 2023</b>	<b>23,642,059</b>	<b>13,497,401</b>	<b>4,535,893</b>	<b>0</b>	<b>41,675,353</b>
<b>Closing balance 31 décembre 2023</b>					
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
<b>Total Net carrying amount</b>	<b>23,642,059</b>	<b>13,497,399</b>	<b>4,535,893</b>	<b>0</b>	<b>41,675,352</b>

With the exception of Goodwill, all intangible assets have limited economic lives. Unlike intangible assets, Goodwill is not amortised but is subjected to an annual impairment test as a result of the application of IAS 36. If the carrying amount of the related entity exceeds its estimated recoverable amount, an impairment is recognised in the income statement.

Currently, only the goodwill of EUR 23.6 million arising from the acquisition of Europabank NV is included under this heading. No impairment indicators were observed in 2024.

## 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 2024 and 2023. Deferred tax assets and liabilities are allocated per legal entity of the Group.

(in EUR)	31/12/2024	31/12/2023
<b>Current taxes</b>		
Assets	15,374,038	10,880,929
Liabilities	30,338,224	26,083,737
<b>Total current taxes</b>	<b>-14,964,186</b>	<b>-15,202,808</b>
<b>Deferred taxes</b>		
Assets	10,223,015	59,453,832
Liabilities	1,647,940	40,236,196
<b>Total deferred taxes</b>	<b>8,575,075</b>	<b>19,217,636</b>

The table below gives the composition of deferred tax assets and liabilities on the balance sheet as on 31 December 2024 and 2023:

(in EUR)	31/12/2024	31/12/2023
<b>Recognised in the income statement</b>	<b>1,965,474</b>	<b>7,634,687</b>
<i>Impact of definitively taxed income (DTI)</i>	4,257,583	18,690,235
<i>Other</i>	-2,292,109	-11,055,548
<b>Recognised in the revaluation reserves</b>	<b>6,609,601</b>	<b>11,582,949</b>
<i>Investment portfolio adjustment</i>	3,404,204	1,706,781
<i>Employee benefits</i>	3,205,397	9,876,168
<b>Total deferred taxes</b>	<b>8,575,075</b>	<b>19,217,636</b>

Since 2018, the conditions for using definitively taxed income and losses carried forward have been tightened. From then on, only 70% of these tax credits are eligible for deduction each year and this on income exceeding EUR 1 million. Deferred taxes are only recognised if they can be offset against future profits.

The evolution of deferred tax assets and liabilities in 2024 and 2023 can be represented as follows:

(in EUR)	2024	2023
<b>Opening balance</b>	<b>19,217,637</b>	<b>3,996,347</b>
<b>Recognised in result for the year</b>	<b>-5,669,213</b>	<b>10,420,154</b>
<i>Impact of definitively taxed income (DTI)</i>	-14,432,652	5,538,042
<i>Other</i>	8,763,439	4,882,112
<b>Recognised in the revaluation reserves</b>	<b>-4,973,349</b>	<b>4,801,136</b>
<i>Adjustment of investment portfolio</i>	1,697,423	4,970,429
<i>Employee benefits</i>	-6,670,772	-169,293
<b>Closing balance</b>	<b>8,575,075</b>	<b>19,217,637</b>

As on 31 December 2024 and 2023, the deferred tax assets below were not included on the balance sheet due to uncertainty about the future taxable profit.

These were largely used up after the merger. A DTA of EUR 4.3 million was recorded for the remaining balance.

(in EUR)	31/12/2024	31/12/2023
Impairments	0	0
Provisions	0	0
Tax losses	0	13,135,689
Unrecognised impact of definitively taxed income (FDI)	0	39,131,561
Notional interest	0	0
<b>Total Deferred tax assets not recognised in the balance sheet</b>	<b>0</b>	<b>52,267,250</b>

## Other assets and liabilities

The composition of the other assets on 31 December 2024 and 31 December 2023 is as follows:

(in EUR)	31/12/2024	31/12/2023
Employee benefits	369,797	210,083
Prepaid charges	4,667,607	8,523,036
Accrued income	40,487,854	42,163,031
Precious metals, goods and commodities	315,657	341,338
Other advances	4,600,246	12,685,683
Taxes to be recovered	0	0
Other	127,360,775	132,058,212
<b>Total other assets</b>	<b>177,801,936</b>	<b>195,981,383</b>

The composition of the other liabilities on 31 December 2024 and 31 December 2023 is as follows:

(in EUR)	31/12/2024	31/12/2023
Defined benefit plans	0	5,142
Other employee benefits	26,573,276	11,860,704
Social security charges	10,670,202	22,756,816
Accrued charges	111,332,215	129,921,593
Income received in advance	59,502	4,984,410
Tax liabilities	15,970,610	8,936,313
Other liabilities	36,602,099	44,376,295
<b>Total Other liabilities</b>	<b>201,207,904</b>	<b>222,841,273</b>

The total amount of other assets has a decrease of EUR 18.2 million in 2024.

The total amount of other liabilities decreased by EUR 21.6 million in 2024.

## IFRS 16

The IFRS 16 standard was introduced on 1 January 2019 to improve financial reporting on leases.

Lessees must now recognise such agreements in the balance sheet through recognition of a right-to-use asset (assets - split into “Property, plant and equipment”) on the one hand and a lease liability (liabilities – “Other financial liabilities”) on the other. There are two exceptions to this : on the one hand, short-term leases are excluded (less than 12 months) and 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 specified duration but often include the option to extend the contract. The entity decides whether or not to extend the contract based on all available information. If the contract is likely to be extended, this extends the duration ; the opposite case is of course also possible.

### Impact on the balance sheet

Under IFRS 16, we recognise the right-to-use and the lease liability in the balance sheet which therefore causes an increase in both assets and liabilities with each new contract. Possibly, the carrying amount of the right-to-use decreases faster than the carrying amount of the lease liability if the amortisation period is shorter than the repayment period.

The Group has identified two main classes of assets subject to lease liability:

- Company vehicles;
- ATMs.

For each of these assets, Crelan also had to determine the implicit interest rate to be applied to finance these contracts :

- Company vehicles: interest rate on a 5-year car loan (+/- 2.9%);
- Money distributors (i.e. “ATMs”): interest rate on 7-year professional loans (+/- 3.3%).

Below we provide the details of the evolution of the right-of-use asset as on 31 December 2024 :

(in EUR)	2024				
	Opening balance	Additions	Amortization	Impairment	Closing balance
<b>Crelan</b>	4,645,096	8,715,834	-3,293,762	0	10,067,168
Buildings	0	0	0	0	0
Cars	2,729,968	7,029,141	-1,990,859	0	7,768,250
ATM	1,915,127	1,686,693	-1,302,903	0	2,298,917
<b>Europabank</b>	7,601,685	3,040,880	-2,056,812	-1,316	8,584,437
Buildings	6,292,414	1,964,901	-1,422,058	0	6,835,257
Cars	1,309,271	1,075,979	-634,754	-1,316	1,749,180
ATM	0	0	0	0	0
<b>Total</b>	<b>12,246,781</b>	<b>11,756,714</b>	<b>-5,350,574</b>	<b>-1,316</b>	<b>18,651,605</b>

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

(in EUR)	2023				
	Opening balance	Additions	Amortization	Impairment	Closing balance
<b>Crelan</b>	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
<b>Europabank</b>	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
<b>Total</b>	<b>12,076,859</b>	<b>2,615,341</b>	<b>-2,445,419</b>	<b>0</b>	<b>12,246,781</b>

Below we provide the details of the evolution of the lease liabilities as on 31 December 2024 :

(in EUR)	2024		
	Crelan	Europabank	Total
Opening balance	4,939,710	7,403,594	12,343,304
Additions	12,780,240	3,040,880	15,821,120
Withdrawals	0	-1,315	-1,315
Lease payments	-8,537,778	-2,216,526	-10,754,304
Interest	1,182,834	-102,548	1,080,286
<b>Closing balance</b>	<b>10,365,007</b>	<b>8,124,085</b>	<b>18,489,092</b>

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

(in EUR)	2023		
	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
<b>Closing balance</b>	<b>4,939,710</b>	<b>7,403,594</b>	<b>12,343,304</b>

## Impact on the result

Interest on the lease liability is recognised as interest expense, increasing finance costs.

Below we provide the details of the impact on the profit and loss account on 31 December 2024 and 31 December 2023 :

(in EUR)	2024	2023
Depreciation on right of use	-5,350,574	-2,445,420
Interest on lease obligations	-1,080,287	-1,350,124
Lease payments	10,754,304	7,178,101
Difference in addition ROU and LL	-4,064,406	-3,530,504
<b>Total</b>	<b>259,037</b>	<b>-147,947</b>

Below we provide the details of the impact on cash flows on 31 December 2024 and 2023 :

(in EUR)	2024	2023
<b>Total outgoing leasing cash flows</b>	<b>-6,321,252</b>	<b>-7,178,101</b>

Crelan also leases part of the building in Berchem. As almost all risks and rewards of ownership of the building remain with Crelan, this is considered as an operating lease.

(in EUR)	CRELAN
<b>For the lessor - residual maturity</b>	
< 1 year	1,909,310
> 1 year ≤ 5 years	5,864,346
> 5 years	2,096,909
<b>TOTAL NOMINAL AMOUNT</b>	<b>9,870,565</b>

That amount includes both rent and rental charges.

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

## 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 Pillar II model rules designed to address tax challenges arising from the digitalisation of the global economy.

This legislation became effective for the Group’s financial year commencing 1 January 2024. The Group falls within the scope of the 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 tax returns, country-by-country reporting and financial statements for the constituent entities in the Group. Based on the assessment, it was concluded that the Group complies 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) and this in respect of the financial years ending 31 December 2026. No material changes to the Group structure are expected in 2025 that would change this assessment, but of course Crelan will closely monitor any development in the legislation and interpretation of Pillar II to assess the potential impact on the Group’s tax situation. Consequently, this legislation also had no impact on the calculations of the current tax results for the 2024 financial year.

The Group still falls back on the mandatory temporary exception of paragraph 4A of IAS12 ‘Income Taxes’, as a result of which there will be no recognition and disclosure regarding deferred tax assets and deferred tax liabilities.

## Financial liabilities

### Financial liabilities measured at amortised cost

#### Deposits

The composition of the deposits on 31 December 2024 and 2023 is as follows :

(in EUR)	31/12/2024	31/12/2023
<b>Deposits of credit institutions</b>	<b>288,312,880</b>	<b>1,164,677,515</b>
- deposits of central banks	0	884,075,729
- sight deposits	1,565,014	1,219,004
- time deposits	83,459,368	72,243,597
- financial liabilities related to transferred financial assets (repos)	203,288,498	207,139,185
<b>Deposits (other than from credit institutions)</b>	<b>44,311,535,649</b>	<b>42,390,668,879</b>
- deposits at sight	8,703,806,318	9,180,031,199
- time deposits	8,034,235,437	6,932,758,680
- savings deposits	27,304,187,644	26,070,928,534
- other deposits	269,306,250	206,950,466
<b>Total deposits</b>	<b>44,599,848,529</b>	<b>43,555,346,394</b>

(in EUR)	31/12/2024	31/12/2023
Guarantee deposits under the CSA	720,561,698	583,993,935

Deposits from credit institutions fell sharply.

At the end of 2023, AXA Bank Belgium’s notional amount of EUR 866 million was still outstanding. All TLTRO loans were repaid in 2024.

Overall, deposits other than from credit institutions increased.

Customer deposits increased due to funds released in respect of the State Note issued in September 2023, which expired in 2024.

The decrease in sight deposits is explained by the increase in time deposits and savings deposits. This shift is due to the increase in interest rates on the latter products.

The table below summarises the repo transactions of the Group:

31/12/2024	Financial assets held for trading	Debt securities at amortised cost	Loans and receivables
(in EUR)			
Carrying amount of the assets transferred	0	742,387,417	0
Carrying amount of the associated liability for netting	0	710,197,031	0
Netting	0	-506,908,532	0
Carrying amount of the associated liability after netting	0	203,288,498	0

31/12/2023	Financial assets held for trading	Debt securities at amortised cost	Loans and receivables
(in EUR)			
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

## Debts embodied in debt certificates including bonds and debentures

The debts embodied in debt securities are made up as follows as on 31 December 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
Savings bonds	143,165,895	259,207,619
Certificates of deposit	0	0
Covered Bonds	4,248,220,272	4,650,284,404
Credit Linked Notes	32,581,910	37,566,617
Senior Non Preferred	2,235,959,212	1,430,643,719
<b>Total debt securities</b>	<b>6,659,927,289</b>	<b>6,377,702,359</b>

Cash bonds are also falling in 2024. These products are no longer attractively priced.

Macro hedging is applied to part of the savings bonds portfolio. For more information on this subject, please refer to note 4.14.

Covered Bonds decreased by EUR 402 million.

In 2024, Senior Non-preferred Notes were issued for EUR 750 million.

## Subordinated liabilities

Subordinated liabilities consist solely of subordinated certificates for customers and the issue of securities to increase the Tier 2 capital of the bank.

The remaining maturity as on 31 December 2024 and 2023 can be detailed as follows :

(in EUR)	31/12/2024	31/12/2023
Maturity		
Current year	0	0
Current year +1	0	5,677,122
Current year +2	0	0
Current year +3	0	0
Current year +4	0	0
Beyond current year +4	508,602,470	199,568,539
<b>Total subordinated debt</b>	<b>508,602,470</b>	<b>205,245,661</b>

In 2024, subordinated debt increased by EUR 303 million due to the issuance of a new subordinated loan.

## Other financial liabilities

The other financial liabilities can be detailed as follows:

(in EUR)	31/12/2024	31/12/2023
IFRS16	18,489,092	12,343,304
Suspense accounts	346,399,536	389,604,088
<b>Total other financial liabilities</b>	<b>364,888,628</b>	<b>401,947,392</b>

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

## Targeted longer-term refinancing operations (TLTRO) loans

As indicated above, the TLTRO loans were repaid in 2024.

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

EMTNs (European Medium Term Notes) are included under this heading. These are issued by Crelan Finance (NL) B.V., a subsidiary of Crelan, with the exception of 1 issue issued directly by the bank itself. Crelan opted to measure the EMTNs as at fair value through profit or loss and therefore valued those issues in the balance sheet at fair value. However, changes in own credit risk (DVA) were recognised in other comprehensive income (OCI) from the 2017 financial year. The OCI reserve was written off at closing date when IFRS 3 was applied.

## Provisions

The provisions can be detailed as follows per type for 2024 and 2023 :

31/12/2024	Restructuring	Pensions and other post-employment defined benefit obligations	Pending legal issues and tax litigation	Loan and guarantee commitments	Other provisions	Total
(in EUR)						
Opening balance	36,880,533	63,459,017	31,681,351	3,482,570	163,178,178	298,681,649
Additions	4,151,251	577,895	249,288	688,081	159,853	5,826,368
Amounts used	-2,172,477	-1,447,979	-2,531,432	0	-51,627	-6,203,515
Unused amounts reversed during the year	-14,839,054	-7,021,072	-10,855,469	-33,703	-8,048,632	-40,797,930
Other movements	821,710	-3,594,841	-2,453,438	-2,501,560	2,764,733	-4,963,396
Closing balance	24,841,963	51,973,020	16,090,300	1,635,388	158,002,505	252,543,177

31/12/2023	Restructuring	Pensions and other post-employment defined benefit obligations	Pending legal issues and tax litigation	Loan and guarantee commitments	Other provisions	Total
(in EUR)						
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

A reorganisation provision was made in 2023 to restructure the office network. The transformation of the office network is a process that takes several years. In 2024, significant progress was already made in this transformation leading to the provision being able to be adjusted downwards by 17 million.

Under the sub-heading “Pensions and other post-employment benefit obligations”, a decrease in the provision of EUR 11.5 million was recorded between December 2023 and December 2024, due to changes in the data for pension plans and related provisions and this in line with IAS 19.

Ongoing legal disputes relate to various legal matters and claims. The amount of each provision is calculated individually on a case-by-case basis by the legal department or by the human resources department in the case of a claim involving an employee. The variation of EUR -15.6 million concerns both new and changes to existing cases. Most of these cases relate to legal disputes with agents and external organisations.

The item “Loan and guarantee commitments” relates to provisions made under IFRS 9 on contingent liabilities and guarantees under more related to credit lines and current accounts. In 2024, we see a decrease of EUR -1.8 million here.

The heading “Other provisions” shows a decrease of EUR -5.2 million in 2024, due to the reversal of various provisions.

Crelan uses Covered bonds as its financing method. Covered bonds are a widely known financing method where 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 Crelan Home Loan SCF, a French subsidiary of Crelan. Neither the customers nor Crelan obtain any tax benefit from this structure, which is moreover 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 2024 by leading external tax experts.

## Employee benefits

### Crelan (and Europabank) employee benefits

Liabilities under defined benefit plans are recognised in the “Provisions” section. Crelan NV has two “defined benefit plans” covering employees of the former Crédit Agricole and the former Centea. Europabank NV has set up a Belgian defined contribution plan.

Since 2012, it is no longer of interest to enter into defined benefit plans. These are funded by group insurance contracts or individual pension commitments concluded with Belgian insurers. The financing method chosen by the employer provides for an annual allocation to the financing fund. This fund takes into account assumptions of wage increases, inflation, discount rate, retirement age and staff turnover, while respecting the statutory minimum funding.

At retirement age, employees receive a certain amount of capital, calculated on the basis of annual remuneration and seniority.

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

Crelan and Europabank have four “defined contribution plans”, one for former Crédit Agricole employees who joined since 2008, two for former Centea employees, who joined before 1999 and one for Europabank NV. In addition, former Crédit Agricole employees enrolled in defined benefit plans are transferred to defined contribution plans if they remain active beyond retirement age. The subsidiary Europabank NV also has its own defined contribution plan for all its employees. All these pension plans are financed by group insurance, with the insurer guaranteeing a minimum return.

Belgian defined contribution plans were subject to a statutory minimum return of 3.25% on employer contributions and 3.75% on personal contributions that had to be guaranteed by the employer. This guaranteed rate of return could be changed by royal decree. In this case, the new returns were expected to be applied to past accrued contributions and future contributions. Given the limited risk, these pension plans were considered defined contribution plans and treated as such under IAS 19.

Belgian pension legislation was amended on 1 January 2016 : the minimum return to be guaranteed by the employer varies depending on the performance of the OLO 10 years, with a minimum of 1.75% and a maximum of 3.75%. For contributions paid from 2016 onwards, the guaranteed minimum return is 1.75%. As of 1 January 2025 this will be 2.50% for new contributions paid as of that date.

For pension plans financed by group insurance contracts under which the insurer guarantees a contractual interest rate, the rate of 3.25% or 3.75% continues to apply to accumulated contributions as at 31 December 2015, until the date of retirement of the active employee. De facto, these Belgian defined contribution plans are therefore classified as defined benefit plans under IAS 19 from 2016 onwards.

As from 2016, the Group performs the full calculation of liabilities for defined contribution plans in accordance with IAS 19. The gross liabilities for these defined benefit rights are measured using the Projected Unit Credit<sup>1</sup> method.

The present value of the gross defined benefit obligation is then compared with the fair value of the investments (pension fund or qualifying insurance contract). A provision is made for any possible shortfall. Taking into account the pension costs attributable to the year of service that are recognised in profit or loss, the changes relating to actuarial assumptions are recognised through other comprehensive income.

The measurement at fair value of invested assets (through pension funds or qualifying insurance contracts) under defined contribution plans is based on the application of paragraph 115<sup>2</sup> of IAS 19, taking into account the standard risk of insurance institutions (see below). Defined benefit plans are measured on the basis of fair value guidance (IFRS 13), using the method where assets are equal to the present value of future cash flows, taking into account the risk of default.

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).

To determine the fair value of assets, the risk of default is estimated :

- For the fair value of assets remaining within the limits of the mathematical reserves, the risk of default is equated with the risk of default of corporate bonds rated AA. Therefore, the discount rate used to determine the present value is identical to the discount rate used to calculate the DBO (i.e. “Defined Benefit Obligation” - gross pension liability).
- For the fair value of assets that exceed the mathematical reserves, an additional standard risk is taken into account, which is included in the discount rate as follows : the added risk premium is equal to the yields on AA-rated corporate bonds minus the yield of financial institutions with the rating of the relevant insurance companies.

This method therefore takes into account the risk of the insurance company not fulfilling its obligations, i.e. not being able to achieve its contractually agreed guaranteed return.

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

(in EUR)	31/12/2024		31/12/2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Opening balance	56,024,895	65,638,629	55,174,511	59,511,228
Current service cost	1,979,519	3,098,052	1,994,138	2,648,226
Financial cost	1,826,683	2,038,856	2,045,274	2,234,462
Plan participants' contributions	142,480	1,137,091	161,051	1,045,869
Income tax	0	0	-509,710	-433,147
Actuarial differences - experience adjustments	25,599	-346,379	961,403	0
Actuarial differences - demographic assumptions	0	0	-602,871	0
Actuarial differences - financial assumptions	-1,882,985	-1,043,905	2,133,584	3,242,786
Benefits paid	-3,116,088	-12,686,844	-5,332,485	-2,610,795
Acquisition/sale	0	0	0	0
Current service cost - reductions	0	0	0	0
Termination benefits	0	0	0	0
Reclassifications from defined contribution plans	0	0	0	0
Business combinations	0	191,450	0	0
Different methodology	-1,384,854	-4,133,807	0	0
<b>Closing balance</b>	<b>53,615,250</b>	<b>53,893,141</b>	<b>56,024,895</b>	<b>65,638,629</b>

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

(in EUR)	31/12/2024		31/12/2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Opening balance	53,552,888	64,124,982	53,523,515	58,215,396
Interest income on plan assets	0	0	2,117,349	2,244,985
Return on plan assets above/(below) discount rate	-94,820	-89,787	-2,427,486	2,310,004
Employer contributions	2,233,476	3,748,949	4,279,749	3,352,671
Contributions from plan members	142,480	1,137,091	161,051	1,045,869
Capping assets	0	0	1,740,906	0
Acquisition/sale	0	0	0	0
Benefits paid	-3,116,088	-12,686,844	-5,332,486	-2,610,796
Taxes	0	0	-509,710	-433,147
Reclassifications from defined contribution plans	0	0	0	0
Business combinations	0	113,910	0	0
Different methodology	-4,284,121	-3,375,149	0	0
<b>Closing balance</b>	<b>48,433,815</b>	<b>52,973,151</b>	<b>53,552,888</b>	<b>64,124,982</b>

Assets do not include financial instruments issued by the Group, investment property or assets used by the Group. All assets are invested in group insurance contracts that provide a contractual interest rate guaranteed by the insurer (Branch 21 contracts).

The table below details the reconciliation between the present value of gross liabilities and the fair value of assets related to Belgian defined benefit and defined contribution plans, as well as the assets and liabilities that appear on the balance sheet :

(in EUR)	31/12/2024		31/12/2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Present value of the Defined benefit obligation	53,615,250	53,893,141	56,024,895	65,638,628
Fair value of plan assets	-48,433,815	-52,973,151	-53,552,888	-64,124,981
<b>Net liability for defined benefit plans</b>	<b>5,181,435</b>	<b>919,990</b>	<b>2,472,007</b>	<b>1,513,647</b>
<b>Amounts recognised in the balance sheet</b>				
Liabilities for firm commitment plans	5,181,435	919,990	2,472,007	1,513,647
Assets for defined benefit plans	0	0	0	0
<b>Net liability for defined benefit plans</b>	<b>5,181,435</b>	<b>919,990</b>	<b>2,472,007</b>	<b>1,513,647</b>

The table below shows the total expenses recognised in other comprehensive income (income statement as well as the other components of comprehensive income) during the year :

(in EUR)	31/12/2024		31/12/2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Current service cost	1,979,519	3,098,052	1,994,138	2,648,226
Interest cost	1,826,683	2,038,856	2,045,274	2,234,462
Prior period service cost - reductions	0	0	0	0
Capping assets	0	0	0	0
Termination benefit	0	0	0	0
Interest income on plan assets	-1,717,154	-1,933,105	-2,117,349	-2,244,985
<b>Total expense recognised in profit or loss</b>	<b>2,089,049</b>	<b>3,203,802</b>	<b>1,922,063</b>	<b>2,637,703</b>
Revaluation reserves recognised in equity	2,853,855	-48,510	4,919,602	932,782
Capping assets	0	0	0	0
<b>Total expense recognised in other comprehensive income</b>	<b>4,942,904</b>	<b>3,155,292</b>	<b>6,841,665</b>	<b>3,570,485</b>

The main actuarial assumptions relating to Belgian defined benefit and defined contribution plans are shown in the table below :

	2024		2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Discount rate	3.25%-3.50%	3.15%-3.60%	3.15% - 3.24%	3.20% - 3.24%
Expected salary increases in percent	3.15%	3.15%	3.15%	3.15%
Expected inflation	2.15%	2.15%	2.15%	2.15%

The key actuarial assumptions used to determine the total expense recognised in the income statement during the year are shown in the table below:

	2024		2023	
	Defined benefit pension plans	Ex-defined contribution pension plans	Defined benefit pension plans	Ex-defined contribution pension plans
Discount rate	3.15%-3.24%	3.20%-3.24%	3.76%- 3.87%	3.64% - 3.91%
Expected salary increases in percent	3.15%	3.15%	3.30%	3.30%
Expected inflation	2.15%	2.15%	2.30%	2.30%

The discount rate used to determine the value of pension plan liabilities is different for ex-Centea, Crelan NV and for the Belgian defined benefit and Belgian defined contribution plans. In Crelan NV's defined benefit plan, there are (relatively) older employees. The ex-Centea Defined Benefit Plan was only implemented in 2009 and applies to all those who joined the company after 1998. As the average period to be funded is longer for ex-Centea than for

Crelan NV, the discount rate used to calculate the Defined Benefit Obligation is higher for ex-Centea than for Crelan NV. The same statement applies to Belgian defined contribution plans.

## Employee benefits Ex-AXA Bank Belgium

Since 31 December 2021, AXA Bank Belgium has been part of the Crelan Group. An operational and legal merger between AXA Bank Belgium and Crelan took place in 2024. Personnel statutes were harmonised and became effective on 1 January 2025. In this section, there is additional disclosure regarding the employee benefits of ex-AXA Bank Belgium.

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

(in EUR)	31/12/2024	31/12/2023
	Defined benefit pension plans	Defined benefit pension plans
Opening balance	148,759,996	151,286,020
Pension costs	4,678,389	4,753,908
Interest on actuarial debt	4,790,768	5,660,530
Employee contributions	354,570	352,359
Actuarial gains (losses) due to experience-based changes	-352,732	-4,376,300
Actuarial gains and losses due to changes in demographic assumptions	0	0
Actuarial gains and losses due to changes in financial assumptions	-2,116,524	4,161,760
Benefits paid	-9,049,242	-12,934,306
Benefits paid directly by the employer	-103,468	-143,975
Change of methodology	-4,584,379	0
<b>Closing balance</b>	<b>142,377,379</b>	<b>148,759,996</b>

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

(in EUR)	31/12/2024	31/12/2023
	Defined benefit pension plans	Defined benefit pension plans
Opening balance	92,449,589	88,066,613
Implied return on individual assets	3,053,357	3,251,744
Actual return on individual assets, excluding implicit return on individual assets	173,155	4,922,956
Employer contributions	13,962,425	8,934,198
Employee contributions	354,570	352,359
Benefits paid	-9,152,710	-13,078,281
Change of methodology	0	0
<b>Closing balance</b>	<b>100,840,387</b>	<b>92,449,589</b>

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)	31/12/2024	31/12/2023
	Defined benefit pension plans	Defined benefit pension plans
Net position (excluding individual assets)	-142,377,379	-148,759,996
Fair value of individual assets at end of period	100,840,387	92,449,589
<b>Net economic financing (including individual assets)</b>	<b>-41,536,992</b>	<b>-56,310,407</b>

At ex-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)	31/12/2024	31/12/2023
	Defined benefit pension plans	Defined benefit pension plans
Pension costs	5,032,959	5,106,267
Employee contributions	-354,570	-352,359
Interest on actuarial debt	4,790,768	5,660,530
Implied return on plan assets / individual asset items	-3,053,357	-3,251,744
<b>Total expense recognised in profit or loss</b>	<b>6,415,800</b>	<b>7,162,694</b>
Revaluation reserves recognised in equity	-7,226,790	-5,137,496
<b>Total expense recognised in other comprehensive income</b>	<b>-810,990</b>	<b>2,025,198</b>

## Derivatives and accounting processing

A derivative is a financial instrument whose value is derived from the value of an underlying asset (e.g. interest rate, exchange rate, share price, index, etc.), which requires a limited initial investment and whose settlement occurs at a later date.

The Group only holds derivatives in connection with hedging transactions, to which hedge accounting may or may not be applied. The following types of derivatives are used within the Group :

- An **Interest rate swap** is an agreement where two parties agree to exchange interest payments periodically.
- A **cap** is an interest rate option that limits the maximum interest rate for the buyer of the cap to a predetermined level and over different 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. Both payer swaptions, where the owner has the right to enter into a swap where the owner pays the fixed rate and receives the floating rate, and receiver swaptions, where the owner has the right to enter into a swap where the owner receives the fixed rate and pays the floating rate, are used. The payer swaptions are done under a hedging relationship to hedge the inherent caps in floating-rate mortgage loans. The receiver swaptions are entered into to hedge the economic risk created by the potential early repayment of mortgage loans.
- This includes the possibility of receiving the value of the swap in cash at the time of exercise (cash settlement vs physical settlement).

The Group only applies a fair value hedge, which covers the risk of variation in the fair value of an asset or liability. In doing so, The Group uses both micro and macro hedging strategies.

With regard to fair value hedging of the interest rate risk of a portfolio of financial assets or liabilities, four portfolios were put together at Crelan NV, each of which is hedged separately with a portfolio of interest rate swaps, the first three in macro fair value hedge and the last in micro fair value hedge :

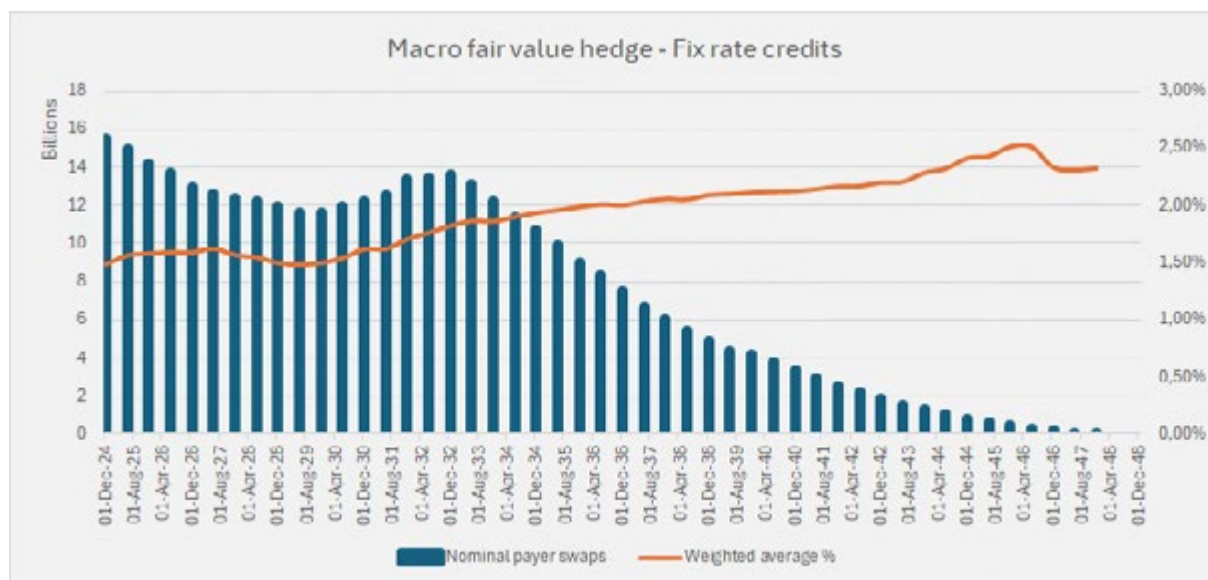
- Asset portfolio consisting of consumer loans, mortgage loans and investment loans
- Investment portfolio

- Portfolio of liabilities consisting of treasury bills, term accounts and own issues
- Portfolio of covered bonds issued

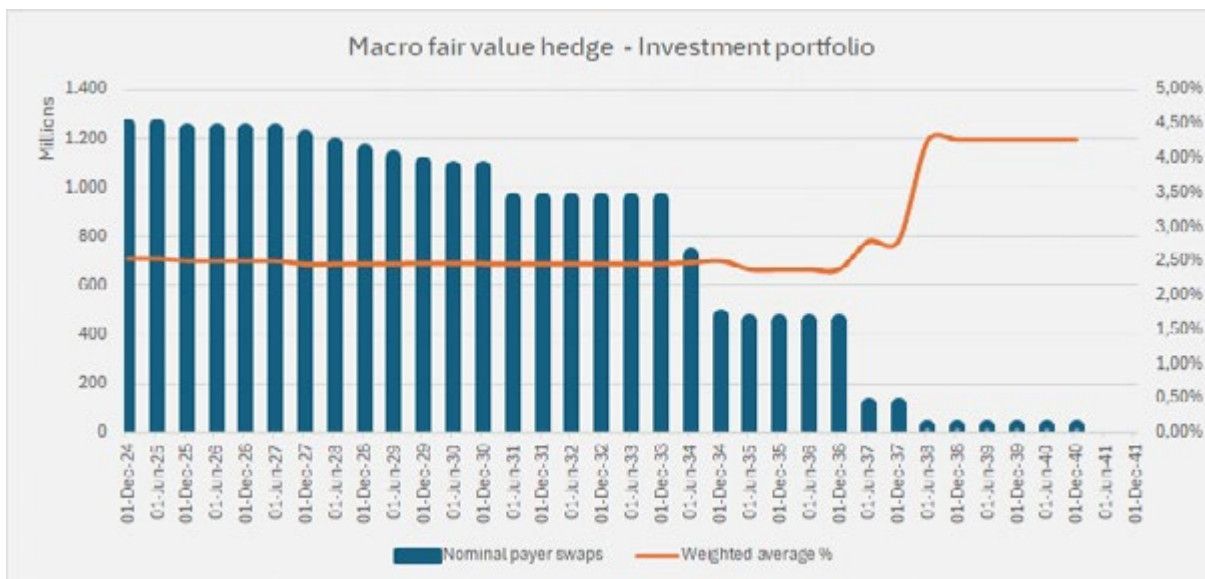
Macro hedging involves hedging the interest rate risk of a portfolio with similar characteristics using a portfolio of interest rate swap agreements. Micro hedging involves hedging the interest rate risk of an asset or liability using one or more interest rate swap agreements with identical characteristics. Changes in the fair value of the underlying portfolio, attributable to the hedged risk, give rise to an adjustment of the carrying amount of the underlying portfolio to the income statement for those items measured at amortised cost and a reclassification from other comprehensive income to income statement for those items measured at fair value through profit or loss in other comprehensive income.

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

Asset portfolio consisting of consumer loans, mortgage loans and investment loans :



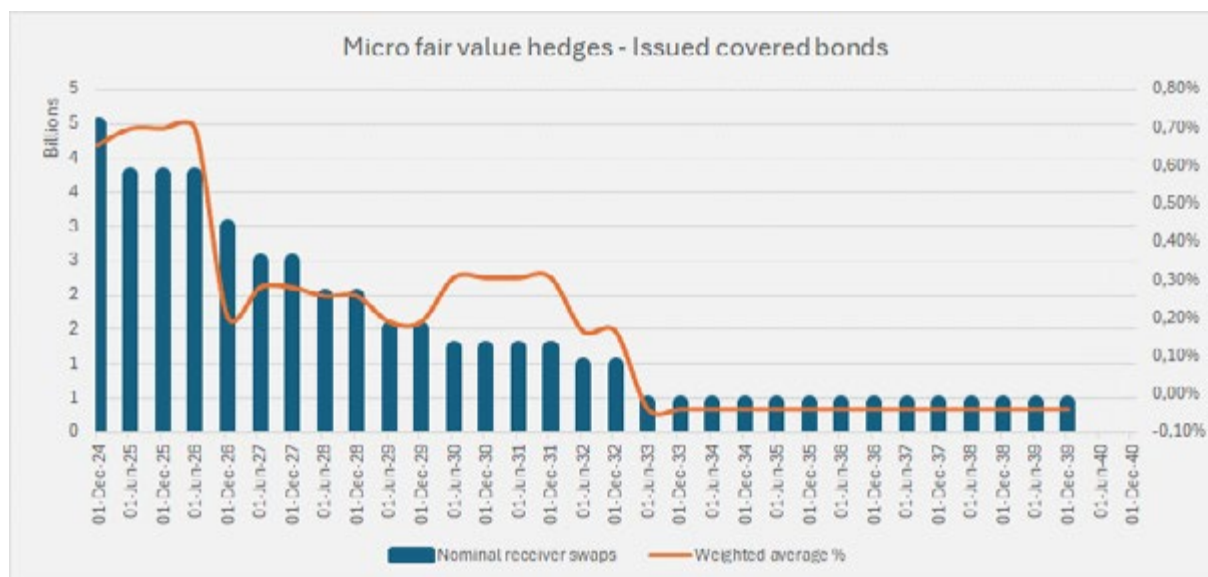
Investment portfolio



Portfolio of liabilities consisting of treasury bills, term accounts and own issues



## Portfolio of covered bonds issued



As regards the items measured at amortised cost, the changes in the balance sheet are recognised in the section ‘Changes in fair value of the hedged items in fair value hedge of the interest rate risk of a portfolio’ on the asset or liability side of the balance sheet (depending on the side on which the hedged portfolio is located : active or passive).

The changes in the income statement and also any ineffectiveness of the hedging relationship are included in the section “Fair value adjustments in hedge accounting (hedge accounting)”.

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

The actual effectiveness of hedging transactions is determined on a monthly basis. The Group only enters into hedges that are highly effective at inception and also expected to be highly effective in subsequent periods in offsetting changes in fair value attributable to the hedged risk. The actual effectiveness of hedge transactions is determined on a monthly basis, except in the case of the micro fair value hedge structures as the effectiveness is determined for this on a quarterly basis, based on a linear regression analysis based on 30 observations. The following conditions must be met:  $R^2$  and Adjusted  $R^2 > 0.8$ ;  $[0.8 \leq \text{coefficient} \leq 1.25]$ ; Confidence level  $> 0.95$ . If this is not the case, the hedging relationship is discontinued. This monthly/quarterly effectiveness test is also designed to detect possible overhedging in future time buckets. If this is the case, certain derivatives are removed from the hedging relationship to reduce the observed overhedging. The IRS’ floating leg accounts for 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 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 and swaps resulting from the exercise of swaptions. Indeed, from 2022 onwards, 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 2024 and 2023 :

(in EUR)	31/12/2024		
	Notional	Carrying amount	
		Assets	Liabilities
Fair value hedge (macro-hedging)	48,923,072,707	60,049,220	6,589,684
Fair value hedge (micro-hedging)	4,500,000,000	1,440,907	26,287
<b>Total derivatives used for hedging purposes</b>	<b>53,423,072,707</b>	<b>61,490,127</b>	<b>6,615,971</b>
(in EUR)	31/12/2023		
	Notional	Carrying amount	
		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
<b>Total derivatives used for hedging purposes</b>	<b>46,539,909,442</b>	<b>223,665,533</b>	<b>16,879,275</b>

The following table gives us an overview of the carrying value of the hedged items for 2024 and 2023 :

(in EUR)	31/12/2024			
	Carrying amount			
	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	37,543,706,150	0	0	0
of which debt securities at amortised cost ASSETS	1,378,055,066	0	0	0
of which debt securities OCI ASSETS	0	0	0	0
of which debt securities at amortised cost LIABILITIES	0	0	14,236,480,016	0
<b>Total</b>	<b>38,921,761,216</b>	<b>0</b>	<b>14,236,480,016</b>	<b>0</b>

(in EUR)	31/12/2023			
	Carrying amount			
	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
<b>Total</b>	<b>14,141,752,792</b>	<b>21,353,272,737</b>	<b>0</b>	<b>4,647,802,666</b>

As explained above, the Group hedges its exposures mainly through a fair value hedge. This involves grouping assets with the same characteristics (e.g. maturity/revision date and contract interest rate) into synthetic portfolios. Each of these portfolios is fully hedged by its respective derivatives, with the difference in value resulting mainly from the delta between the benchmarks used, the hedging instrument and the hedged position.

For 2024, the total inefficiency recorded was EUR +7.5 million.

The following table provides an overview of the net result due to hedge accounting inefficiencies :

(in EUR)	31/12/2024			
	Gains Crelan	Losses Crelan	AXA Bank Belgium	Losses AXA Bank Belgium
<b>Fair value hedge of an individual asset or liability</b>	<b>162,120,357</b>	<b>-164,418,900</b>	<b>0</b>	<b>0</b>
- changes in the fair value of the hedged item	56,175,698	-164,418,900	0	0
- changes in fair value of hedging derivatives	105,944,659	0	0	0
<b>Fair value hedge of a portfolio interest rate risk</b>	<b>803,491,018</b>	<b>-793,665,210</b>	<b>0</b>	<b>0</b>
- changes in the fair value of the hedged item	299,911,863	-7,642,506	0	0
- changes in the fair value of hedging derivatives	430,731,550	-780,539,157	0	0
- amortisation and other value adjustments	72,847,605	-5,483,547	0	0
<b>Total gains and losses</b>	<b>965,611,375</b>	<b>-958,084,110</b>	<b>0</b>	<b>0</b>
<b>Net result of administrative treatment of hedging transactions</b>	<b>7,527,265</b>		<b>0</b>	

(in EUR)	31/12/2023			
	Gains Crelan	Losses Crelan	Gains AXA Bank Belgium	Losses AXA Bank Belgium
<b>Fair value hedge of an individual asset or liability</b>	<b>0</b>	<b>0</b>	<b>290,815,893</b>	<b>-295,414,634</b>
- 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
<b>Fair value hedge of a portfolio interest rate risk</b>	<b>246,847,498</b>	<b>-242,336,472</b>	<b>798,574,523</b>	<b>-794,669,879</b>
- 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
<b>Total gains and losses</b>	<b>246,847,498</b>	<b>-242,336,472</b>	<b>1,089,390,416</b>	<b>-1,090,084,513</b>
<b>Net result of administrative treatment of hedging transactions</b>	<b>4,511,026</b>		<b>-694,097</b>	

During the acquisition of Centea NV, Crelan NV was faced with derivatives that could not be documented as a hedge based on IFRS rules (although they are economically linked to a hedge). In addition, the aforementioned swaption operations also increasingly use forward premiums, the value of which is included in the total fair value of the option. A macro hedging strategy is also applied to this part through the use of receiver swaps. These are also recognised at fair value in the balance sheet and as such constitute a natural hedge of the valuation result relating to the forward premium.

These derivatives therefore had to be placed in the trading portfolio ("Financial assets or liabilities held for trading"). These include interest rate swap agreements, caps and swaptions.

The table below shows the composition of financial assets and liabilities held for trading at 31 December 2024 and 2023 and therefore consists entirely of derivatives for which no hedge was documented in accordance with IFRS rules:

(in EUR)	31/12/2024			31/12/2023		
	Consolidated (A + B)	AXA Bank Belgium (A)	Crelan (B)	Consolidated (A + B)	AXA Bank Belgium (A)	Crelan (B)
<b>Assets</b>						
Derivatives held for trading	1,077,377	0	1,077,377	8,758,583	8,758,583	0
Debt securities	50,633,926	0	50,633,926	958,125	728,996	229,129
<b>Total assets held for trading</b>	<b>51,711,303</b>	<b>0</b>	<b>51,711,303</b>	<b>9,716,708</b>	<b>9,487,579</b>	<b>229,129</b>
<b>Liabilities</b>						
Derivatives held for trading	0	0	0	22,100,904	22,100,904	0
Debt securities	25,094,677	0	25,094,677	198,208	0	198,208
<b>Total liabilities held for trading</b>	<b>25,094,677</b>	<b>0</b>	<b>25,094,677</b>	<b>22,299,112</b>	<b>22,100,904</b>	<b>198,208</b>

The table below shows the composition of derivatives held for trading at 31 December 2024 and 2023.

(in EUR)	31/12/2024		
	Notional	Carrying amount	
		Assets	Liabilities
<b>Interest Instruments</b>			
- IRS (interest rate swap contract)	4,704,992,000	43,024,809	1,738,763
- Caps	88,557,766	292,890	89,353
- Swaptions	4,193,000,000	0	8,990,470
<b>Equity Instruments</b>			
- Equity forwards	0	0	0
- Other	285,411,854	4,575,468	10,400,110
<b>Foreign exchange instruments</b>			
- Currency swaps	13,013,474	219,436	2,818,695
- Forward exchange transactions	128,331,933	1,443,946	1,057,287
<b>Total derivatives held for trading</b>	<b>9,413,307,027</b>	<b>49,556,549</b>	<b>25,094,678</b>

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

Below is a table showing the maturity associated with hedge accounting for 2024 :

(in EUR)	<= 3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years <= 10 years	> 10 years	Total
<b>31 December 2024</b>						
Caps	0	0	110,162	10,144,582	199,432	10,454,175
Interest rate swaps	21,725,845	-1,392,336	-7,011,070	141,284,331	439,894,130	594,500,900
Payer Swaption Forward Premium	205,740	824,408	13,053,725	10,286,580	13,998,877	38,369,329
Payer Swaption Spot Premium	77,867	48,336	14,360,828	22,172,862	9,590,398	46,250,291

Below is a table showing the maturity associated with hedge accounting for 2023 :

(in EUR)	<= 3 months	> 3 months <= 1 year	> 1 year <= 5 years	> 5 years <= 10 years	> 10 years	Total
<b>31 December 2023</b>						
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

## Fair value of financial assets and financial liabilities

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

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

Level 1 : quoted prices (unadjusted) in active markets for identical assets and liabilities;

Level 2 : use of parameters other than quoted prices, which are observable for the asset or liability, either directly or indirectly;

Level 3 : use of unobservable parameters, or when an observable input requires an adjustment using an unobservable input and that adjustment results in a significant change in fair value.

Regarding retail activities, instruments are measured at amortised cost.

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

The table below shows the carrying amount and fair value of assets and liabilities recognised in the balance sheet at amortised cost:

(in EUR)	31/12/2024				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Loans and receivables	49,504,634,879	47,617,236,851	0	0	47,617,236,851
<i>Interbank loans Crelan</i>	776,978,887	776,978,887	0	0	776,978,887
<i>Home loans</i>	38,124,854,506	36,567,366,347	0	0	36,567,366,347
<i>Retail loans</i>	965,033,849	922,757,311	0	0	922,757,311
<i>Agricultural loans</i>	2,087,354,740	2,031,441,270	0	0	2,031,441,270
<i>Corporate loans</i>	4,732,165,927	4,549,179,583	0	0	4,549,179,583
<i>Instalment loans Crelan</i>	2,081,006,462	2,053,229,167	0	0	2,053,229,167
<i>Deposited cash collateral</i>	1,573,554	1,573,554	0	0	1,573,554
<i>Other loans and advances</i>	735,666,954	714,710,732	0	0	714,710,732
Securities	1,676,200,502	1,648,364,270	1,624,335,203	24,029,067	0
<i>At amortised cost Crelan</i>	1,676,200,502	1,648,364,270	1,624,335,203	24,029,067	0
<b>Liabilities</b>					
Deposits	44,599,848,529	44,628,178,357	0	0	44,628,178,357
Debt securities	6,659,927,289	6,808,947,077	0	6,669,629,985	139,317,091
Subordinated liabilities	508,602,470	534,218,974	0	534,218,974	0

(in EUR)	31/12/2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3
<b>Assets</b>					
Loans and receivables	49,011,908,324	44,979,274,238	0	0	44,979,274,238
<i>Interbank loans Crelan</i>	35,017,477	35,017,477	0	0	35,017,477
<i>Interbank loans AXA Bank Belgium</i>	543,337,359	543,337,359	0	0	543,337,359
<i>Home loans Crelan</i>	13,442,714,885	12,540,812,227	0	0	12,540,812,227
<i>Home loans AXA Bank Belgium</i>	24,362,120,408	21,735,059,027	0	0	21,735,059,027
<i>Retail loans</i>	975,501,317	891,562,153	0	0	891,562,153
<i>Agricultural loans</i>	2,036,471,497	1,945,407,948	0	0	1,945,407,948
<i>Corporate loans</i>	2,303,960,545	2,194,441,392	0	0	2,194,441,392
<i>Instalment loans Crelan</i>	866,858,625	851,218,567	0	0	851,218,567
<i>Instalment loans AXA Bank Belgium</i>	981,925,861	974,863,452	0	0	974,863,452
<i>Deposited cash collateral</i>	186,806,782	186,806,782	0	0	186,806,782
<i>Term loans AXA Bank Belgium</i>	2,559,834,407	2,374,559,653	0	0	2,374,559,653
<i>Other loans and advances Crelan</i>	506,504,016	494,596,087	0	0	494,596,087
<i>Other loans and advances AXA Bank Belgium</i>	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
<i>At amortised cost Crelan</i>	489,745,257	476,378,168	402,628,202	73,749,967	0
<i>At amortised cost AXA Bank Belgium</i>	110,261,453	105,544,050	105,544,050	0	0
<b>Liabilities</b>					
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

For assets and liabilities that are short-term or repayable on demand, the Group takes the carrying amount as the best approximation. Consequently, for deposits up to one year, the fair value is assumed to be equal to the carrying amount. For other assets and liabilities, fair value is determined on the basis of:

- The evolution of the risk-free interest rate : it involves examining the difference between the historical and current interest rates. As a risk-free rate, the IRS rate is applied to a comparable cash flow structure.
- The evolution of margins on assets and liabilities : here we examine the difference between historical and current margins on different products. The margin is calculated as the interest rate paid by the customer minus the risk-free rate. The weighted average of margins on the production of different products over the past 12 months is taken as the current margin.

To obtain the impact on fair value, the change in margin is multiplied by the outstanding balance and discounted using the risk-free interest rate. The same margin is used for the remaining life of the credit/liability and therefore does not take into account interest rate changes.

Credit cash flows take into account repayable capital, interest, early repayments and the related reinvestment fee;

- cash flows are then adjusted for loans to account for :
  - conditional early repayments by interest-bucket by loan type on a loan-by-loan basis;
  - caps and floors embedded in variable residential loans;
  - expected credit losses.
- finally, the (adjusted) cash flows are discounted based on the OIS curve plus a liquidity spread and a spread covering other (administrative) costs.

## Fair Value measurement (Treasury and Balance Sheet Management)

Crelan uses information from Bloomberg, Markit or provided by reliable intermediaries for determining the fair value of the financial instruments. This information consist in observable prices, of model prices if needed, market parameters such as interest rates in multiple currencies, foreign exchange rates, interest rate volatilities, correlations of different nature and dividend yields. Some input parameters are derived from this information when not directly observable.

The financial instruments can be separated in three categories:

### Financial assets

#### Securities belonging to the investment portfolio

The fair value of securities is calculated based market prices when these are regularly observable and hence representing an active market which is the case for most of the securities belonging to the investment portfolio of Crelan.

Visibility of an active market is generally clear with market information available to the public and investors. There is no clear line or minimum activity threshold that represents 'transactions regularly taking place on the market', such that the level of actual transactions must be assessed while considering frequency and volume. However, low trading volume still represents a price if it is determined in a normal objective environment on an objective basis. The amounts of the transaction are important indicators of the fair value.

A limited number of securities (flexibonds) which are not actively traded on an active market and for which there is consequently no observable prices are valued at cost.

#### Receivables from other bankers

Receivables from other bankers include interbank investments and reverse repo transactions.

Those transactions are recognized at cost.

#### Financial assets held for trading

The estimated fair value represents the discounted amount of future expected cash flows where the most significant observable market data used are a market interest rate, an exchange rate, the price of underlying assets. Other market data such as correlations, benchmarked volatilities or benchmarked dividend yields might eventually be used as well.

## Financial liabilities

### Deposits and borrowings

Deposits, repo transactions and other fixed-yield borrowings are valued at cost.

### Issued Debt Instruments

Issued certificates of deposit are valued at cost.

### Financial liabilities measured at fair value (issued European Medium Term Notes - EMTN)

EMTNs are issued by AXA Belgium Finance, a subsidiary of Crelan, with the exception of one issue directly by the bank itself. Crelan has opted for valuation at fair value through profit or loss and has therefore included these issues in the balance sheet at their market value. As from the year 2017 the changes in the own credit risk (DVA, debit value adjustment) are included in other comprehensive income (OCI).

The estimated fair value represents the discounted amount of future expected cash flows where the most significant observable market data used are a market interest rate, an exchange rate, the price of underlying assets. Other market data such as correlations, benchmarked volatilities or benchmarked dividend yields might eventually be used as well.

## Derivatives transactions

### Plain vanilla interest rate derivatives

These derivatives are interest rate swaps, interest rate caps, swaptions, cross-currency and forex swaps/forex forward for which the fair value is estimated based on observable input parameters such as interest rate curves, interest rates volatilities and forex rates.

Those transactions are used for hedging purpose in macro or micro-hedge relationships or for treasury management.

### Performance swaps

These derivatives are attached to the European Medium Term Notes (EMTN) issues and aim more precisely at hedging the structured pay-off embedded in such transactions. The estimated fair value represents the discounted amount of future expected cash flows where the most significant observable market data used are a market interest rate, an exchange rate, the price of underlying assets. Other market data such as correlations, benchmarked volatilities or benchmarked dividend yields might eventually be used as well.

## “Day One” Results

No day one results were recognised during the 2024 financial year.

The tables below show the classification of the fair value of Level 1, 2 and 3 financial assets and liabilities according to the observability of the parameters used :

Fair value of financial assets 2024				
	Total	Level 1	Level 2	Level 3
<i>At fair value with changes in value recognised in the income statement</i>				
Loans				
<b>TOTAL</b>				
<i>Held for trading</i>				
Debt securities	1,077,377	0	0	1,077,377
Derivatives	49,556,549	0	1,736,836	47,819,713
Other	0	0	0	0
<b>TOTAL</b>	<b>50,633,925</b>	<b>0</b>	<b>1,736,836</b>	<b>48,897,090</b>
<i>At fair value through OCI</i>				
Debt securities	178,143,927	0	178,143,927	0
Funds	0	0	0	0
Other	14,006,821	42,474	414,926	13,549,422
<b>TOTAL</b>	<b>192,150,748</b>	<b>42,474</b>	<b>178,558,853</b>	<b>13,549,422</b>
<i>At fair value through profit or loss</i>				
Debt securities	0	0	0	0
Funds	5,021,024	0	0	5,021,024
Other	0	0	0	0
<b>TOTAL</b>	<b>5,021,024</b>	<b>0</b>	<b>0</b>	<b>5,021,024</b>
<i>At amortised cost</i>				
Debt securities	0	0	0	0
Funds	0	0	0	0
Other	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Hedging derivatives</i>				
Interest Rate Swaps	-33,583,668	0	-33,583,668	0
Swaptions	95,073,796	0	95,073,796	0
Caps	0	0	0	0
<b>TOTAL</b>	<b>61,490,127</b>	<b>0</b>	<b>61,490,127</b>	<b>0</b>
<i>Held for sale</i>				
Land and buildings	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Fair value of financial liabilities 2024				
	Total	Level 1	Level 2	Level 3
<i>Held for trading</i>				
Debt securities	0	0	0	0
Derivatives	25,094,678	0	0	25,094,678
Other	0	0	0	0
<b>TOTAL</b>	<b>25,094,678</b>	<b>0</b>	<b>0</b>	<b>25,094,678</b>
<i>At fair value through profit or loss</i>				
Debt securities	245,191,620	0	31,977,981	213,213,640
<i>Hedging derivatives</i>				
Interest Rate Swaps	6,615,971	0	6,615,971	0
Swaptions	0	0	0	0
Caps	0	0	0	0
<b>TOTAL</b>	<b>6,615,971</b>	<b>0</b>	<b>6,615,971</b>	<b>0</b>

Fair value of financial liabilities 2023				
	Total	Level 1	Level 2	Level 3
<i>At fair value with changes in value recognised in the income statement</i>				
Loans				
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Held for trading</i>				
Debt securities	728,995	0	0	728,995
Derivatives	8,987,712	0	2,895,871	6,091,841
Other	0	0	0	0
<b>TOTAL</b>	<b>9,716,707</b>	<b>0</b>	<b>2,895,871</b>	<b>6,820,836</b>
<i>At fair value through OCI</i>				
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
<b>TOTAL</b>	<b>172,661,185</b>	<b>159,125,792</b>	<b>214,515</b>	<b>13,320,879</b>
<i>At fair value through profit or loss</i>				
Debt securities	0	0	0	0
Funds	6,526,593	1,520,452	0	5,006,141
Other	0	0	0	0
<b>TOTAL</b>	<b>6,526,593</b>	<b>1,520,452</b>	<b>0</b>	<b>5,006,141</b>
<i>At amortised cost</i>				
Debt securities	0	0	0	0
Funds	0	0	0	0
Other	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<i>Hedging derivatives</i>				
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
<b>TOTAL</b>	<b>223,665,533</b>	<b>0</b>	<b>223,665,533</b>	<b>0</b>
<i>Held for sale</i>				
Land and buildings	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Derivatives, except those listed under Level 3, are recognised under Level 2. Their fair value represents the discounted amount of estimated future cash flows for which the key parameters are observable market data such as market interest rates, exchange rates or the price of underlying assets.

As stated above, financial assets and liabilities for which no quoted price is available are valued on the basis of the market assessments of reputable external financial counterparties or via an internal model. These assessments are systematically verified by the financial markets department and the back office. Due to the lack of a market price, 2 bonds are valued based on a model price. For these bonds, bond cash flows are valued based on the spread of liquid bonds of the same issuer.

Due to the nature of the investment, the bonds in the trading portfolio 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 catalogued under fair value through OCI amounting to EUR 13.5 million (level 3).

As regards some issued EMTNs and the related derivatives that mirror the fee structure, their fair value is determined using the “discounted cash flow method”, using as unobservable inputs volatilities based on historical data in this case based on benchmarks such as, for example, the Eurostoxx 50. Both of these are therefore also included under this category.

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

For the assumptions used for Level 3 calculations, no material adjustments were made in 2024, apart from normal market value adjustments.

There were no significant transfers of financial assets or liabilities between levels in 2024.

The table below shows the evolution of Level 3 in 2024 :

31/12/2024	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	728,996	6,091,841	13,273,109	47,770	0	5,006,141
Results						
<i>via achieved results</i>	348,381	41,727,872	0	0	0	14,883
<i>via unrealized results</i>	0	0	276,313	-47,770	0	0
Purchases	0	0	0	0	0	0
Sales	0	0	0	0	0	0
Final maturity date	0	0	0	0	0	0
Transfers in/out Level 3	0	0	0	0	0	0
<b>Closing balance</b>	<b>1,077,377</b>	<b>47,819,713</b>	<b>13,549,422</b>	<b>0</b>	<b>0</b>	<b>5,021,024</b>

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						
<i>via achieved results</i>	66,212	1,544,647	0	0	0	0
<i>via unrealized results</i>	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
<b>Closing balance</b>	<b>728,996</b>	<b>6,091,841</b>	<b>13,273,109</b>	<b>47,770</b>	<b>5,006,141</b>	<b>0</b>

## Offsetting of financial assets and liabilities

To mitigate risks when entering into derivatives and buy-back agreements, an International Swaps and Derivatives Association (ISDA) master contract, a Credit Support Annex (CSA) and a Global Master Repurchase Agreement (GMRA) are concluded with each financial counterparty. These contracts stipulate that in case of default, compensation can be made on all rights and obligations arising from derivatives traded with this counterparty. Risk is further mitigated by the contractual obligation to provide a cash guarantee in case of a negative net market value of the derivatives portfolio. If the net market value is positive, this will result in the receipt of a cash guarantee. In buy-back agreements, the underlying securities serve as collateral in combination with a possible 'margin call'.

In the case of derivatives, a residual risk also remains, as in the event of the default of a counterparty with which derivatives have been concluded, a new counterparty has to be found, with the replacement cost potentially exceeding the cash guarantee.

To further reduce the risk associated with derivatives trading, new transactions have been settled through a central counterparty (Clearing Member) for several years. In this case, it is mainly the counterparty risk that is thus greatly reduced.

IAS32 aims to determine the principles for classifying financial instruments as debt instruments or equity instruments and the circumstances when financial assets and financial liabilities should be offset.

This standard thus provides guidance on netting of financial assets and financial liabilities. It states that a financial asset and a financial liability should be offset, and the net amount should be recognised in the balance sheet only if the entity (IAS32.42):

- has a legally enforceable right to net the amounts withdrawn. This means that the right to offset:
  - must not depend on a future event;
  - must be legally enforceable in each of the following circumstances:
    - during the normal course of the transaction
    - in the event of non-payment

- in case of insolvency or bankruptcy of the entity and all counterparties
- has a clearly demonstrable intention either to settle the liability on a net basis or to realise the asset at the same time as the liability is settled (IAS32.48).

The following table provides an overview of the financial assets and liabilities to which such enforceable contracts apply (e.g. An ISDA agreement or GMRA master agreement providing the above terms). This applies today at Crelan Group for certain derivative transactions as well as agreements for the sale and repurchase of securities. The amounts netted on the balance sheet are shown in the first three columns of figures.

The amounts of agreements that provide for netting in defined situations but do not meet the conditions of IAS32 are disclosed, together with the net amount remaining after deduction of these amounts, in the other columns of figures below.

31/12/2024	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		Net amount after all offsetting effects
				Gross amounts of financial assets/liabilities under master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
(in EUR)						
<b>Financial assets</b>						
Derivatives	2,067,743,145	1,956,696,469	111,046,676	61,781,949	0	49,264,727
- Trading	96,079,470	46,522,922	49,556,549	291,822	0	49,264,727
- Hedging	1,464,755,142	1,403,265,015	61,490,127	61,490,127	0	0
Repo's & reverse repo's	506,908,532	506,908,532	0	0	0	0
<b>Total assets</b>	<b>2,574,651,677</b>	<b>2,463,605,001</b>	<b>111,046,676</b>	<b>61,781,949</b>	<b>0</b>	<b>49,264,727</b>

<b>Financial liabilities</b>						
Derivatives	1,327,164,174	1,295,069,244	32,094,930	384,282	0	31,710,648
- Trading	44,697,076	19,602,399	25,094,677	0	0	25,094,677
- Hedging	775,174,284	768,558,313	6,615,971	0	0	6,615,971
Repo's & reverse repo's	507,292,814	506,908,532	384,282	384,282	0	0
<b>Total liabilities</b>	<b>1,834,456,988</b>	<b>1,801,977,776</b>	<b>32,479,212</b>	<b>768,564</b>	<b>0</b>	<b>31,710,648</b>

31/12/2023	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		Net amount after all offsetting effects
				Gross amounts of financial assets/liabilities under master netting agreement	Amounts of other financial instruments received as collateral, including security deposit	
(in EUR)						
<b>Financial assets</b>						
Derivatives	2,286,740,932	2,054,087,687	232,653,245	16,371,015	123,562,635	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
<b>Total assets</b>	<b>3,480,343,707</b>	<b>3,224,715,165</b>	<b>255,628,544</b>	<b>39,346,313</b>	<b>123,562,635</b>	<b>92,719,595</b>

<b>Financial liabilities</b>						
Derivatives	1,293,268,700	1,254,090,315	39,178,386	16,371,015	19,428,442	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
<b>Total liabilities</b>	<b>3,078,768,085</b>	<b>2,424,717,793</b>	<b>654,050,293</b>	<b>614,863,352</b>	<b>27,498,442</b>	<b>11,688,501</b>

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.

## Equity

The composition of the equity as on 31 December 2024 and 2023 is as follows :

(in EUR)	31/12/2024	31/12/2023
Capital	1,138,290,597	940,638,816
Other equity instruments issued	244,670,115	244,559,551
Fair value changes of debt instruments measured at fair value through other comprehensive income	4,750,807	2,406,067
Changes in fair value of equity instruments measured at fair value through other comprehensive income	-2,500,631	-1,454,118
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	5,178,914	8,250,034
Actuarial gains or loss on defined benefit pension plans	-9,616,150	-13,301,963
Reserves	1,277,258,962	1,121,950,890
Net profit for the year	192,268,189	207,016,756
Minority interests	0	0
<b>Total equity</b>	<b>2,850,300,803</b>	<b>2,510,066,033</b>

The capital increased by EUR 198 million. The reserves increased by EUR 155 million. Earnings fell by EUR 15 million.

The table below shows the evolution of the capital in 2024 and 2023 :

(in EUR)	2024		2023	
	number of shares	capital	number of shares	capital
<b>Opening balance</b>	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
<b>Variations</b>	15,939,660	197,651,782	2,285,512	28,340,349
- entries/exits of co-operators	15,939,660	197,651,782	2,285,512	28,340,349
- other	0	0	0	0
<b>Solde de clôture</b>	<b>91,797,629</b>	<b>1,138,290,598</b>	<b>75,857,969</b>	<b>940,638,816</b>
- registered shares	0	0	0	0
- joint shares	91,797,629	1,138,290,598	75,857,969	940,638,816

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 revaluation of other comprehensive income in the table below relate to the changes in fair value of debt instruments measured at fair value through other comprehensive income. They are unrealised 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
<b>Opening balance 01/01/2024</b>	<b>3,208,089</b>	<b>802,022</b>	<b>2,406,067</b>
Revaluation of assets	3,126,320	781,580	2,344,740
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
<b>Closing balance 31/12/2024</b>	<b>6,334,409</b>	<b>1,583,602</b>	<b>4,750,807</b>

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

## Encumbered assets

The table below provides an overview of the encumbered and non-encumbered assets in 2024 and 2023 :

<b>31/12/2024</b> (in EUR)	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Cash and sight accounts with central banks	102,622,343	5,403,880,208
Financial assets measured at fair value with value adjustments recognised in the income statement	0	5,021,024
Financial assets measured at fair value through unrealized profit or loss (FVOCI)	0	192,150,748
Financial assets measured at amortised cost	6,723,588,007	44,457,247,371
Other assets	0	-1,081,547,968
<b>Total assets</b>	<b>6,826,210,350</b>	<b>48,976,751,384</b>

<b>31/12/2023</b> (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
<b>Total assets</b>	<b>9,709,960,234</b>	<b>44,278,027,096</b>

At the end of 2024, 12.24% of total assets were considered encumbered (2023: 17.99%). The decrease is mainly due to the replacement of collateral-based funding (e.g. ECB funding) with funding that does not require collateral: SNP, T2 ...

Consequently, these assets cannot be used immediately to support future funding.

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

<b>31/12/2024</b>		
(in EUR)	Corresponding or contingent liabilities	Encumbered assets and encumbered guarantees received
Derivatives	31,710,648	336,726,090
Deposits	0	0
Debts evidenced by certificates, including bonds	4,280,802,182	5,392,203,610
Other financial liabilities	0	0
Repos	731,588,498	947,383,164
Other (contingent) liabilities	156,353,395	149,897,486
<b>Total</b>	<b>5,200,454,723</b>	<b>6,826,210,350</b>

<b>31/12/2023</b>		
(in EUR)	Corresponding liabilities 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	701,796,722	723,689,376
<b>Total</b>	<b>6,750,085,397</b>	<b>9,709,960,233</b>

## 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)	31/12/2024	31/12/2023
Cash, cash balances at central banks and other demand deposits	5,506,502,550	5,566,112,903
Financial assets held for trading	50,633,925	9,716,708
Loans and receivables		
- Interbank loans Crelan	776,978,886	35,017,477
- Interbank loans AXA Bank Belgium	0	543,337,359
- Home loans Crelan	38,124,854,505	13,442,714,885
- Home loans AXA Bank Belgium	0	24,362,120,407
- Retail loans	965,033,846	975,501,317
- Agricultural loans	2,087,354,740	2,036,471,497
- Corporate loans	4,732,165,927	2,303,960,545
- Instalment loans Crelan	2,081,006,462	866,858,625
- Instalment loans AXA Bank Belgium	0	981,925,859
- Cash collateral paid	1,573,554	186,806,782
- Term loans AXA Bank Belgium	0	2,559,834,408
- Other loans and advances Crelan	735,666,958	506,504,016
- Other loans and advances AXA Bank Belgium	0	210,855,147
Securities portfolio		
- Government securities	1,567,584,026	712,296,065
- Bonds and other fixed income securities	286,760,401	46,798,180
- Shares and other variable income securities	5,021,024	6,565,056
- Financial fixed assets	14,006,821	13,535,188
Undrawn credit lines	2,300,948,947	1,979,540,607
Bank guarantees	61,849,416	58,106,366
<b>Maximum credit risk</b>	<b>59,297,941,989</b>	<b>57,404,579,397</b>

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.

## 5.

# Notes regarding the income statement

## Interest income and interest charges

The breakdown of the interest income and charges as on 31 December 2024 and 2023 is shown in the table below:

(in EUR)	31/12/2024	31/12/2023
<b>Interest income</b>		
Financial assets held for trading	250,773,120	231,232,034
Financial assets measured at fair value with value adjustments recognised in the income statement	748,884	594,285
Financial assets measured at fair value through unrealized gains and losses (FVOCI)	4,003,055	3,192,595
Loans and receivables measured at amortised cost	1,371,124,924	1,283,688,679
Securities measured at amortised cost	22,266,550	159,113,752
Interest income on financial liabilities	0	3,425,432
Derivatives used for hedging purposes	855,580,743	189,246,832
Other	930,910	5,308,777
<b>Total interest income</b>	<b>2,505,428,185</b>	<b>1,875,802,386</b>
<b>Interest expense</b>		
Financial liabilities held for trading	266,159,137	257,607,480
Deposits	582,385,361	524,202,229
Debt securities (including bonds)	164,956,109	98,283,477
Subordinated debt	18,327,861	7,005,284
Interest expense on financial assets	0	548,001
Derivatives used for hedging purposes	650,186,960	0
Other	94,733	478,952
<b>Total interest expense</b>	<b>1,682,110,162</b>	<b>888,125,423</b>
<b>Net interest income</b>	<b>823,318,024</b>	<b>987,676,963</b>

Interest income and interest expenses decreased overall by EUR 164 million compared to 2023. This decrease is mainly due to higher costs of raising funding through deposits or issuing securities and ECB monetary reserve measures. Additional SNP and T2 instruments were issued to meet MREL requirements. These are additional capital buffers that make the bank even more robust and thus provide additional protection for savers. The additional buffers also helped result in a positive rating evolution. Furthermore, also in 2023, part of the treasury result was due to the rise in short-term interest rates, which is now not repeated in the longer term in 2024.

In contrast, the evolution of commercial margin contributed positively to net banking income which is explained by higher volumes of deposits and the impact of the interest rate environment.

## Income and charges from commissions and benefits

The net income from commissions and fees were as follows on 31 December 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
<b>Securities</b>		
- securities issued	35,387,679	71,319,684
- transfer orders	5,553,846	8,824,094
- other	347,795	2,494,919
<b>Custody, monitoring and management of assets</b>		
- asset management	191,800	207,607
- custody	2,441,546	1,778,933
<b>Credit commitments and financial guarantees</b>	1,796,622	757,410
<b>Payment services</b>	93,030,576	84,904,562
<b>Management fees received</b>	105,746,394	50,974,730
<b>Commissions received from insurance companies</b>	23,542,474	8,213,396
<b>Other financial services</b>	8,446,909	25,854,178
<b>Total fee and commission income</b>	<b>276,485,642</b>	<b>255,329,513</b>
<b>Commissions paid to agents (acquisition costs)</b>	239,097,150	195,655,002
<b>Compensation et règlement</b>	88,841	1,047,821
<b>Other financial services</b>	3,704,197	46,023,660
<b>Total fee and commission expense</b>	<b>242,890,187</b>	<b>242,726,483</b>
<b>Net fee and commission income</b>	<b>33,595,455</b>	<b>12,603,030</b>

Fee income increased by EUR 20 million mainly for the 'invest' segment and this linked to higher portfolio fees. Regarding payments, there are also the good figures in the context of credit card activity at Europabank.

Changes in reporting compared to 2023 :

- A part under the line "Management fees received" was open last year under the line 'Securities - issues' and this in the amount of EUR 45 million.
- A portion under the line "Commissions paid to agents (acquisition costs)" was included last year under the line "Other financial services" in an amount of EUR 39 million.

This relates to commissions on deposits.

## Dividends

The table below provides the details regarding the received dividends during the course of 2024 and 2023:

(in EUR)	31/12/2024	31/12/2023
<b>Financial assets held for trading</b>	0	0
<b>Financial assets at fair value through other comprehensive income (FVOCI)</b>	572,367	303,195
<b>Dividend income</b>	<b>572,367</b>	<b>303,195</b>

## 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 composition of realised gains and losses on financial assets and liabilities not designated as at fair value through profit or loss at 31 December 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
<b>Realised gains</b>		
Financial assets/liabilities at fair value through other comprehensive income (FVOCI)	0	0
Financial assets / liabilities at amortised cost		
Debt securities	0	0
Loans and advances	4,894,694	3,872,604
<b>Total realised gains</b>	<b>4,894,694</b>	<b>3,872,604</b>
<b>Realised losses</b>		
Financial assets/liabilities at fair value through other comprehensive income (FVOCI)	0	4,958
Financial assets / liabilities at amortised cost		
Debt securities	0	19,387,659
Loans and advances	0	0
<b>Total realised losses</b>	<b>0</b>	<b>19,392,617</b>
<b>Gains or (-) losses on financial assets &amp; liabilities not measured at fair value through profit or loss, net</b>	<b>4,894,694</b>	<b>-15,520,013</b>

Net profits increased by EUR 20.4 million compared to 2023.

The realised gains on loans and receivables relate to the proceeds from the sale of written-off credit files and reinvestment fees to a collection agency. These are mainly cash loans and written-off instalment loans that have been permanently derecognised in the past. For this item, the realised gain was EUR 1.0 million higher than the realised gain in 2023.

Losses realised in 2023 on “Financial assets/liabilities measured at amortised cost”, in this case debt securities, related to the exceptional sale (or maturity) of securities, cover bonds and corporate bonds.

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

The positive result in the headings “Gains or (-) losses on financial assets and liabilities held for trading, net”, “Gains or (-) losses on financial assets and liabilities designated as at fair value through profit or loss, net”, “Gains or (-) losses from hedging transactions, net” and “Exchange differences” should be viewed together. The impact on the income statement of EMTN activities and of the transfer of hedging swaps to the trading book is spread over several headings.

## Badwill

By 2024, there were no more adjustments on the badwill.

## 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)	31/12/2024	31/12/2023
<b>Gains</b>		
Property, plant and equipment	366,918	35,769
<b>Losses</b>		
Property, plant and equipment	0	26,121
<b>Gains (losses) on derecognition of assets other than held for sale</b>	<b>366,918</b>	<b>9,648</b>

## Other operating income and expenses

The operating income and expenses can be detailed as follows as on 31 December 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
Recovery of charges related to credits	4,634,865	3,107,662
Contributions to deposits	10,321,161	5,371,384
Net premiums on insurance contracts	0	0
Commissions received by the insurance company	0	0
Recoveries on written off receivables	9,436,733	7,818,000
Result of factoring	5,179	89,534
Other operating income	16,698,413	12,725,525
<b>Total other operating income</b>	<b>41,096,351</b>	<b>29,112,104</b>
Other operating expenses	231,841	168,559
<b>Total other operating expenses</b>	<b>231,841</b>	<b>168,559</b>
<b>Other net operating income</b>	<b>40,864,510</b>	<b>28,943,545</b>

The total other net operating income increased by EUR 11.9 million compared to 2023.

## Administration costs

### Employee expenses

At the end of December 2024, the Group had 4,327 employees when compared to 4,455 at the end of 2023.

The total employee expenses can be broken down as follows:

(in EUR)	31/12/2024	31/12/2023
Remuneration	140,693,345	135,133,629
Social security contributions	36,378,837	33,757,044
Employer's contributions to supplementary pension schemes	20,569,502	17,396,247
Retirement and survivor's pensions and similar expenses	24,550	33,556
Other	5,811,374	7,559,751
<b>Total staff expenses</b>	<b>203,477,608</b>	<b>193,880,227</b>

We recorded a EUR 9.6 million increase in staff expenses, mainly caused by successive wage indexations.

### General and administrative expenses

The general and administrative expenses can be detailed as follows:

(in EUR)	31/12/2024	31/12/2023
Marketing expenses	17,121,500	15,844,048
Consulting and professional services	25,475,709	33,117,352
Information Technology expenses	218,376,454	204,609,183
Rentals	5,921,507	3,260,185
Leasing expenses	0	1,122,503
Operating tax expenses	60,323,207	58,931,132
Other	103,785,573	79,214,634
<b>Total Other administrative expenses</b>	<b>431,003,950</b>	<b>396,099,037</b>

The general and administrative expenses increased by EUR +34.9 million.

Of these, we note a decrease in the item Consulting and professional services mainly due to decreased consultancy services.

IT expenses increased by EUR 13.8 million, again as part of the integration.

## 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)	31/12/2024	31/12/2023
Deposit guarantee schemes	32,626,783	40,212,688
Single Resolution Funds	-56,747	6,835,187
<b>Cash contributions to resolution funds and deposit guarantee schemes</b>	<b>32,570,036</b>	<b>47,047,875</b>

## Special impairments

Special impairments can be detailed as follows as on 31 December 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
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	-168,264	48,060
- loans and receivables	-20,921,669	-50,691,729
Impairments on non-financial assets		
- property, plant and equipment	0	0
- investment property	0	0
- intangible assets	0	0
- other assets	0	0
<b>Total Impairments</b>	<b>-21,089,933</b>	<b>-50,643,669</b>

Non-financial assets such as property, plant and equipment and intangible assets were not impaired during 2024.

During the 2024 financial year, the Group recognised impairment losses of EUR 21.1 million.

Crelan recognised impairment losses of EUR 7.3 million, compared with EUR 43.8 million in 2023. Europabank recorded impairments of EUR 13.6 million, compared with EUR 6.4 million in 2023.

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

## Income taxes

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

(in EUR)	31/12/2024	31/12/2023
Current taxes	20,155,780	79,558,925
Deferred taxes	28,012,511	-10,309,302
<b>Total income tax expense</b>	<b>48,168,291</b>	<b>69,249,623</b>

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)	31/12/2024		31/12/2023	
	Tax rate	Tax expense	Tax rate	Tax expense
Profit before tax		240,436,481		276,266,381
Statutory tax rate	25.00%	60,109,120	25.00%	69,066,595
Tax effect of tax rates in other tax jurisdictions	-0.20%	-490,873	-1.87%	-5,167,161
Tax effect of exemption of capital gains on shares	0.00%		0.00%	0
Tax effect of non-taxable income	-3.93%	-9,448,307	-3.20%	-8,850,100
Tax effect of expenses that are not tax deductible	6.61%	15,903,599	4.99%	13,774,690
Tax effect of using previously unrecognised tax assets	-8.90%	-21,389,081	-24.88%	-68,742,304
Tax effect of movements of provisions or reserves	-4.49%	-10,792,677	3.17%	8,754,782
Accounting eliminations	6.25%	15,018,934	21.67%	59,877,497
Other	-0.31%	-742,424	0.19%	535,625
<b>Effective tax charge for the financial year</b>	<b>20.03%</b>	<b>48,168,291</b>	<b>25.07%</b>	<b>69,249,623</b>

The tax rate is based on the Belgian legal tax rate of 25%.

## Remuneration of the auditor

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

(in EUR)	31/12/2024	31/12/2023
1. Remuneration of the auditors	1,082,800	1,089,031
2. Remuneration for exceptional activities or special commissions performed within the company by the auditors	288,986	320,407
a. Other audit activities	172,686	165,477
b. Tax advisory activities	0	0
c. Other activities outside audit activities	116,300	154,930
3. Remuneration for exceptional or special commissions performed within the company by persons associated with the auditors	106,172	63,800
a. Other audit activities	0	0
b. Tax advisory activities	26,915	0
c. Other activities outside audit activities	79,257	63,800
<b>Total Fees paid to the auditors</b>	<b>1,477,958</b>	<b>1,473,238</b>

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

## Information provision about linked parties

The Group's related parties mean the members of the Board of Directors (incl. the members of the Management Committee) and the companies associated with the Group.

At the end of 2024, Crelan Group had an outstanding amount of EUR 0.7 million in loans and receivables to members of the Board of Directors and the Executive Committee guaranteed by EUR 0.5 million in loan commitments, financial guarantees and other commitments made. All transactions with related parties were done at market conditions.

The following benefits were paid out to members of the Board of Directors in 2024 and 2023 :

(in EUR)	31/12/2024	31/12/2023
Short-term employee benefits	5,812,102	5,616,689
Post-employment benefits	1,089,585	1,003,376
Other long-term employee benefits	0	0
Severance payments	0	0
Share-based payments	0	0
<b>Total</b>	<b>6,901,687</b>	<b>6,620,066</b>

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

## 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, Royal Street SPV, Crelan Finance (NL) B.V., Crelan Home Loan SCF, CASPR SPRL)
- Europabank NV

The banking activity of the Crelan Federation 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 Balance Sheet Management (BSM) results, 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.

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, taking into account various legal entities of the consolidated Group which are contributing to the current results.

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

2024 – in miljons of EUR	Crelan Federation	Europabank	Reconciliation	Figures reported in consolidated income statement
Net banking income (interest margin + fee income and capital gains)	1,076.1	115.3	280.9	910.5
Operating expenses and bank levies	-514.8	-64.8	110.4	-690.0
Commissions	-287.8	-9.4	-297.2	0.0
Impairment on loans and other provisions	11.9	-9.4	-17.4	19.9
Taxes	-49.5	-7.8	-9.1	-48.2
Non-recurring items and IFRS3	-67.5	0.0	-67.5	0.0
Net bank charges not yet amortised	0.0	0.0	0.0	0.0
<b>Net result</b>	<b>168.4</b>	<b>23.9</b>	<b>0.0</b>	<b>192.3</b>

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 2024 and 2023:

(in EUR)	31/12/2024	31/12/2023
<b>Loan commitments</b>		
- given	2,301,517,631	1,978,783,459
- received	35,000,000	45,000,000
<b>Financial guarantees</b>		
- given	61,849,416	58,423,366
- received	285,807,097	2,611,384,931
<b>Collateral</b>		
- given	6,033,538,206	7,371,958,253
- received	52,727,812,235	48,738,604,635
<b>Commitments under finance leases</b>		
- given to another counterparty	14,790,228	19,199,966
- received from another counterparty	62,628,713	47,864,847

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.

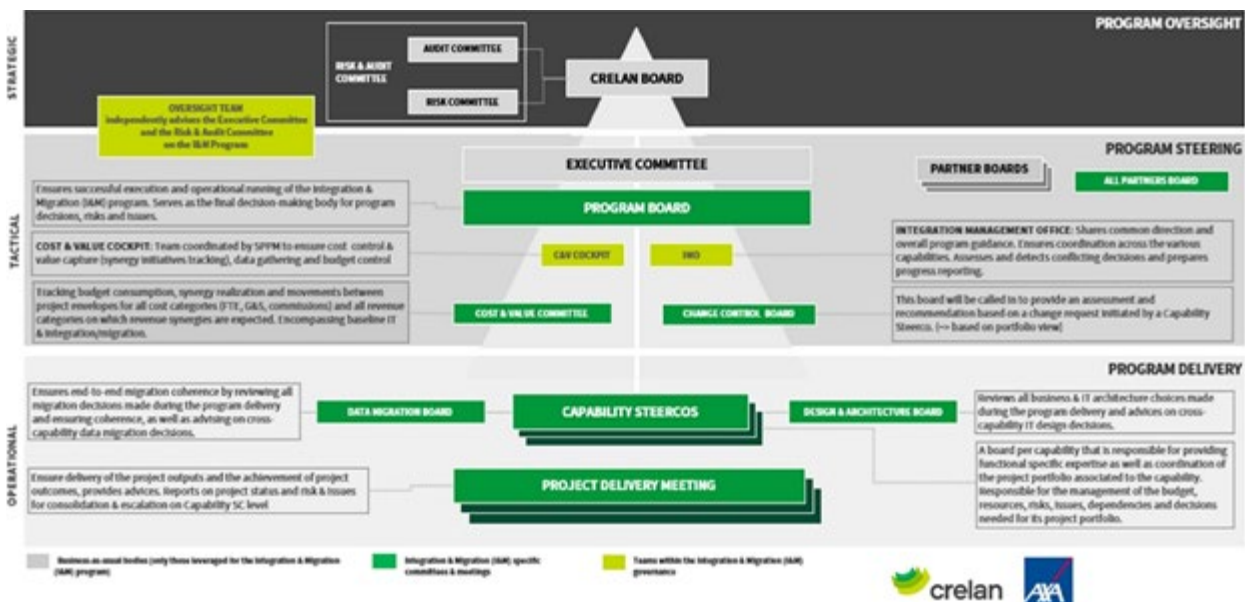
# Risk management

## Introduction and current topics

### 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 was set up to execute the operational integration, which was finalized mid-2024.

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



To assure the oversight and the quality, a 2nd and 3rd line follow-up was foreseen. Seen the nature and size of this program, an external party, experienced in mergers, supported the CRO in the second line follow-up. At Board level, a dedicated committee, ABARC, was created to allow to focus on the risks linked to the integration & migration. Specific instruments were 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 were at least quarterly assessed at ABARC level. The Risk Management Department also provided second opinions to the ABARC on specific topics (infrastructure readiness, status at cut-over, migration approach...). There was also a quarterly reporting to ECB in place.

In the weekend of 8-9 June, the migration of the data from AXA Bank to Crelan was executed.

Thanks to the extensive efforts and the intensive preparation of the IT, business and support teams, this went smoothly.

A dedicated post-cutover organization has allowed Crelan to respond quickly and adequately to the aftercare issues of the migration. At this moment only a limited number of catch-up operations (mainly further automations) in risks and finance scope) are still ongoing.

To further expand Crelan's functioning, a transformation plan is prepared, pointing out the priorities for the company. From a risk perspective no separate governance is setup. The risk management is done by means of risk delegates who are part of the Transformation governance.

Risk management monitored and will monitor the Transformation Plan, due consideration will be given to, amongst others, a fair and clear prioritization process, good project management and a solid build process, adequate staffing and capacity plans, respect for the governance rules, ...

## Risk management in crisis context

With the war in Ukraine and in the Middle East and after the recent change in US policy, particularly with regard to custom duties, there are some concerns about the macroeconomic situation (house prices, inflation, GDP, geo-political uncertainty). 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.

With respect to key macroeconomic indicators, GDP growth was low at 1%, while unemployment remained stable at 5.7% in 2024. After a massive peak in 2022 driven by the energy crisis and post Covid effects in China, inflation has come down yet is still above the 2% level (monetary policy target) and exceeds the EU-average. Real estate prices have remained stable throughout 2024, with an increasing importance of the energy efficiency of the real estate.

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 number of bankruptcies in 2024 increased by 8% compared to 2023. Construction, wholesale and retail trade remain the sectors with the highest number of bankruptcies. This increase is explained by the high level of interest rates and inflation.

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 2024, the crisis has not had a significant impact on the quality of Crelan's loan portfolios. In general, the performance of the loan portfolio remains strong at the end of 2024, as evidenced by the early warning signals, NPL levels, pockets of risks, forborne exposures and defaulted exposures of the bank, but in this context it is important to remain prudent, and to make sure that there is a right level of provisions. The bank will continue to carefully monitor the quality of its portfolios as well as the production of new loans. After the decrease in the demand for new loans in 2022-2023 a positive trend is back in 2024 following the fall in interest rates.

## Internal governance

The bank has actively continued to work in 2024 on the management of credit risk related to the macroeconomic 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;
- ESG quantification embedded in credit risk processes;
- Follow-up of the large exposure portfolio;
- Detection of vulnerable customers in the professional and agriculture portfolios;
- Regular control on the application of the Belgian regulator expectations regarding the quality of the new mortgage loans;
- Granting support measures on a case-by-case basis to healthy borrowers experiencing temporary difficulties.

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 bank has an EWS framework made up of methods or key indicators that alert relationship

managers and risk managers of potentially adversarial trends (e.g., client profile deterioration) that may impact an institution’s economic health. Crelan derives its early warning signals from the customer’s payment behaviour, financial information and account behaviour from internal and external data source.

At the same time, the following processes are in place:

- Individual review of large exposures which are heavily impacted;
- Quarterly dashboards discussed in the lending risk committee, with many KPIs on the different portfolios and, among others focus on days past due (or reminders) to identify arrears at an early stage.

## Liquidity

In the spring of 2023, a number of American financial institutions collapsed following a bank run. Fears of another systemic banking crisis persisted when it became clear that overall investor confidence in banks had fallen to a new low. Some weeks later UBS took over its rival Credit Suisse after clients and investors lost confidence in the latter.

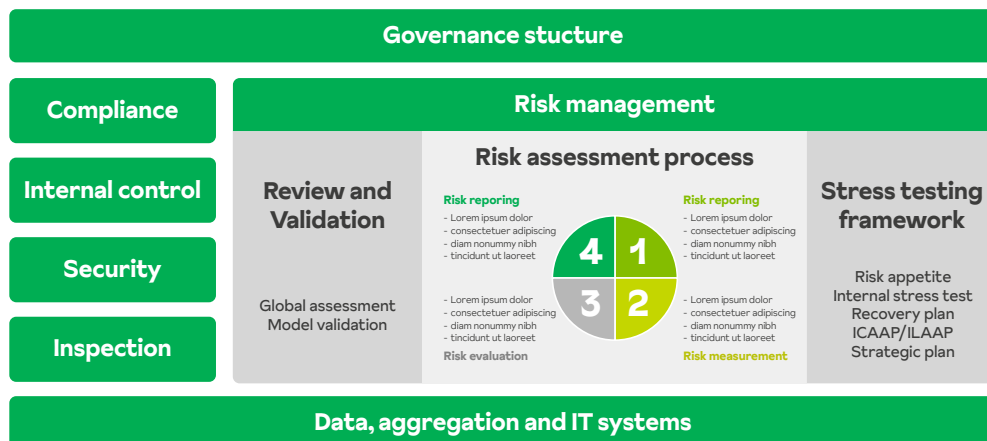
In general, Crelan has no material uncollateralised exposures to other banks. The exchange of collateral significantly reduces the bank’s risk. In terms of indirect impact, Crelan (and its subsidiaries) have distributed through their network notes guaranteed by several European banks. Should the bank in question default, this could lead to a capital loss for the customers who bought these products.

In 2024, a key liquidity event was the maturity of the 2023 1-year state which 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. Upon the maturity of the state bond, competition arose between banks in order to not lose market share and also to attract new customers. In this regard, Crelan offered competitive products to its clients which ensured a stable deposit base with limited liquidity effects.

## Risk Management framework

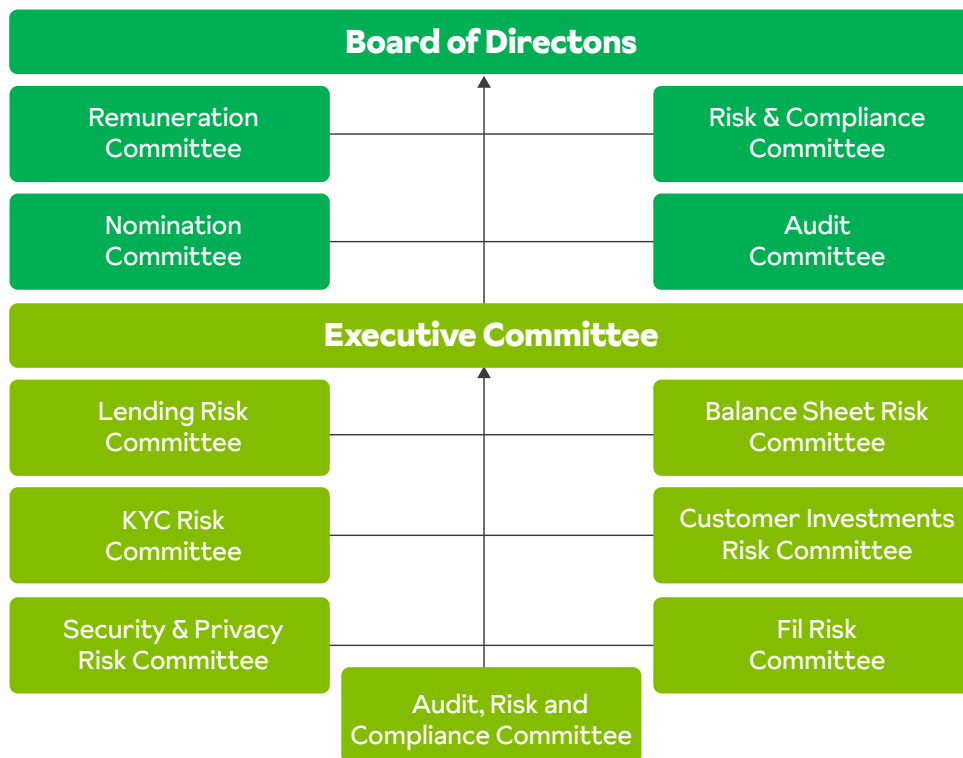
In 2024, Crelan Group continued to build towards coherent and prudent risk management by applying its risk management framework. The bank has robust strategies, policies, processes, and systems for identifying, measuring, managing, and monitoring its risks. The risk management framework is built around 5 components:

- Risk governance;
- Risk assessment process, consisting of risk identification, risk measurement, risk evaluation and mitigation and risk reporting;
- Stress testing framework;
- Review and validation;
- 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.



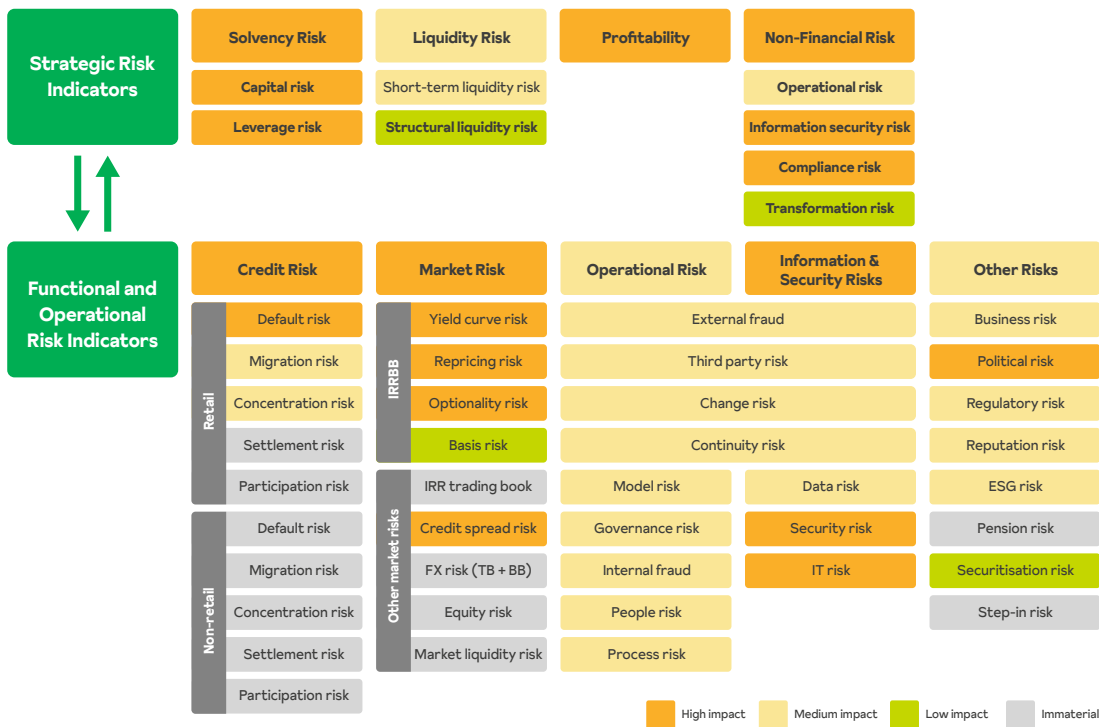
### Risk assessment process and risk appetite framework

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 evaluation and mitigation (including limits), and risk reporting.

The risk identification leads to a risk taxonomy where all risks Crelan Group faces are identified.

Risk measurement methods may vary from quantitative models to qualitative expressions of expert opinions. Materiality of risks are assessed before mitigation (inherent risk) and after mitigation and diversification (residual risk).

The summary of the risk identification and measurement is presented below:



The risk assessment (or measurement) process is closely linked with the risk appetite framework (RAF) of the bank. For all identified material risks, the bank defines an evaluation strategy : accept, mitigate, avoid or transfer. Risk evaluation is the central component of a risk appetite framework, with the setting of quantitative or qualitative risk appetite statements and corresponding limits.

A strategic risk appetite is determined for the main areas (capital, liquidity, profitability and operations), 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 2024.

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 risk appetite. This ‘risk dashboard’ forms an integral part of the general risk monitoring process and is reported quarterly to the Executive Committee and the Board of Directors. These risks are more frequently followed up in detail by the relevant Crelan Group specialized sub-risk committees.

The risk appetite statements and their translation into limits is not a standalone exercise. It is equally important as the determination of the strategy. Therefore the risk appetite framework is fully integrated in the strategic & financial planning process of the bank and thus the yearly update of the strategic plan goes hand in hand with the review of the RAF and their respective limits. The RAF is aimed at remaining stable over time and be used as a driver of the bank’s strategy. 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.

## Stress testing framework

Stress testing is an analysis conducted to identify the vulnerabilities of the bank 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;
- ICAAP/ILAAP;
- Informing the setting of a banks' risk tolerance/appetite;
- Facilitating the development of contingency plans;
- Informing supervisors for the annual 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.

## Review and validation

The risk assessment process and the stress testing framework respectively consider risks in a normal and in stressed market environments. These assessment and measurement methodologies need to be regularly reviewed. The global assessment exercise serves as a yearly review of the treatment of individual risks. In addition, the Model Validation function regularly challenges the quantitative methodologies used to measure risks.

Other reviews of the risk assessment process are also performed by:

- Crelan's Internal Audit;
- External auditors;
- Compliance;
- Supervisors (i.e., the National Bank of Belgium and the ECB).

## Risk data, aggregation and IT systems

Management, control and monitoring of risk data, aggregation and IT systems remained an important pillar in 2024. Crelan Group was able to meet all regulatory reporting requirements. Since the bank became a significant institution, these reporting requirements increased. Furthermore, significant investments were 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 2024, 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.

# Solvency Risk

## 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<sup>3</sup> and the scope of the risks that are covered<sup>4</sup>.

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.

## 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 was applicable. On 31 August 2023, the National Bank of Belgium (NBB) disclosed that it decided to activate the countercyclical capital buffer (CCyB). The buffer has been built up in two stages: first a rate of 0.5% as of 1 April 2024 and afterwards a rate of 1% as from 1 October 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 the second quarter of 2022 a sectoral systemic risk buffer (SSRB) has been imposed by the NBB, replacing the macroprudential add-ons. This buffer is calculated on the basis of a percentage of the risk weighted assets under the IRB approach for exposures secured by Belgian Real estate. Since 30 June 2024 reporting date, this percentage is 6% (previously it was 9%). In practice, this results in a 1.57% extra capital requirement at 31 December 2024.

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 3.00% and there is also a Pillar 2 guidance (P2G) that amounts to 1.5% as per the SREP 2024 cycle.

<sup>3</sup> Under Pillar I, the methods are defined by the regulator whilst the methods are defined by Crelan Group under Pillar II.

<sup>4</sup> Only three risks are covered under Pillar I, whilst all material risks must be covered under Pillar II.

Crelan Group is also subject to requirements set out by the National Competent Authority and the SRB with regards to the MREL. In October 2024, during a workshop with the SRB, Crelan received informally the following requirements:

- 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 3,421 million, being a 5.91% 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 4,545 million, being a 7.85% target (expressed in terms of exposure) to be met by 2 May 2026.

## 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)	31/12/2024	31/12/2023
Paid up capital	1,138,291	940,639
Reserves (including retained earnings)	1,054,941	859,601
Result of the current year	148,455	168,335
Other reserves	222,317	262,349
Accumulated other comprehensive income	-2,187	-4,100
<b>ACCOUNTING COMMON EQUITY TIER 1 CAPITAL</b>	<b>2,561,817</b>	<b>2,226,824</b>
Prudential filters	-6,152	-10,457
<i>Value adjustment of own credit risk</i>	-5,185	-9,520
<i>Value adjustment of prudent valuation</i>	-967	-937
Deductions of Common Equity Tier 1 capital	-106,142	-71,729
<i>Regulatory adjustments accumulated other comprehensive income</i>	0	0
<i>Intangible assets</i>	-43,277	-27,974
<i>Deferred tax assets that rely on future profitability</i>	0	0
<i>Other deductions</i>	-13,755	-28,494
<i>Securitization</i>	-1,786	-2,118
<i>IRB provision shortfall</i>	-47,324	-13,143
<b>USEFUL CAPITAL COMMON EQUITY TIER 1 (CET1)</b>	<b>2,449,523</b>	<b>2,144,638</b>

The CET1 amounts to EUR 2,449 million in 2024 versus EUR 2,145 million in 2023. This increase in CET1 is mainly caused by:

- The increase in cooperative capital of EUR 197.6 million: net evolution of the cooperative capital during 2024;
- The increase in retained earnings of EUR 175 million;
- The decrease in other reserves of EUR 40 million;
- Evolution in accumulated other comprehensive income of EUR 1.9 million;

- The adjustments to prudential filters of EUR 4.3 million;
- Evolution of other intangible assets of EUR -15.3 million;
- Evolution of IRB shortfall of EUR -34.1 million;

This strengthens the equity of Crelan Group.

The prudential own funds and the senior non-preferred debt of EUR 1.9 billion are eligible liabilities which are relevant for the MREL ratio at the end of 2024.

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 ; there are currently no perpetual subordinated loans and Basel III transitional measures.

TOTAL OWN FUNDS FOR SOLVENCY REQUIREMENTS (in 000 EUR)	31/12/2024	31/12/2023
CET1	2,449,523	2,144,638
Additional Tier 1 capital	244,670	244,560
TIER 1	2,694,194	2,389,198
TIER 2	508,602	202,795
Subordinated debts	508,602	199,926
Perpetual subordinated debts	0	2,869
<b>TOTAL OWN FUNDS FOR SOLVENCY REQUIREMENTS</b>	<b>3,202,796</b>	<b>2,591,993</b>

The total own funds of Crelan Group evolved from EUR 2,592 million in 2023 to EUR 3,203 million at the end of 2024. The evolution is primarily driven by the increase in cooperative shares or paid up capital instruments and the additional Tier 2 issuance in 2024.

## 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 9,078 million on December 2024 coming from EUR 8,415 million at the end of 2023. This EUR 663 million RWA increase is driven by

- Credit Risk EUR +388 million
- This increase is mainly due to the migration of ABB data into Crelan systems and its consequences in terms of calculation methodology, which leads to a more conservative result.
- Market Risk EUR -9.5 million
- Operational Risk EUR +242 million
- The operational risk information is updated once a year. This results in an Own Funds requirement of EUR 146.1 million with a corresponding RWA level of EUR 1,826 million.
- Credit Valuation Adjustment (CVA) EUR +41.9 million  
RWA CVA of Crelan Group increased in 2024 partly due to an increase in derivative exposures in the CVA calculation.

RISK EXPOSURE AMOUNTS (in 000 EUR)	31/12/2024	31/12/2023
Risk weighted exposure amounts for credit risk	7,153,591	6,765,020
Risk exposure amount for market risk	1,553	11,069
Risk exposure amount for operational risk	1,826,511	1,584,828
Risk exposure amount for credit valuation adjustment	96,508	54,575
<b>TOTAL RISK EXPOSURE AMOUNTS</b>	<b>9,078,163</b>	<b>8,415,492</b>

## Securitization – Significant Risk Transfer

In December 2020, AXA Bank Belgium, a sub entity of Crelan Group until June 2024, has set up a synthetic securitization on its mortgage loan portfolio, to optimize Crelan Group'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 Crelan Group (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%. In this case, the deduction is therefore equal to EUR 1.79 million in the fourth quarter of 2024 compared to EUR 2.1 million in the fourth quarter of 2023. 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 51.1 million at the end of 2024 compared to EUR 52.1 million in the fourth quarter of 2023. This senior tranche RWA is measured according to SECIRBA 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.

## Capital Ratios

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

Capital Ratios	31/12/2024	31/12/2023
<b>Fully phased-in definition</b>		
Common Equity Tier 1 ratio	26.98%	25.48%
TIER 1-ratio	29.68%	28.39%
Capital ratio	35.28%	30.80%

Crelan Group shows solid solvency ratios at the end of 2024. The increased solvency ratios are largely explained by the net profit of 2024 that was fully included in capital and (see section 4.2.3) and the increase in cooperative capital. As per 31 December 2024, Crelan Group's Tier 1 ratio stands at 29.68% (28.39% in 2023) and total capital ratio at 35.28% (30.80% in 2023).

## Economic capital

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 (Pillar 2 Economic Capital Requirement).

Similarly as for the normative perspective, the economic perspective under normal market conditions looks at the supply of capital (internal or economic capital) and economic capital requirements.

Next to the regulatory (normative) perspective for managing capital risk, Crelan Group measures the adequacy of its capital with an internal economic approach since 2022. The approach for the consolidated scope as of 31 december 2024 is as follow:

- Starts from the most material risks for the bank, including financial risks such as IRRBB and market risk, but also credit risk;
- For those risks, Crelan Group measures 1 in 1,000 years shocks per risk type;
- For retail credit risk, the starting point is the internal ECAP model (asymptotic single risk factor at 99.9% confidence level)<sup>5</sup> which was developed by AXA Bank Belgium. The ECAP model being tailored for AXA Bank Belgium PD and LGD models, 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 operational risk a simplified approach has been used: regulatory Standardized approach;
- For business risk, a scenario approach is applied;
- For pension risk, a scenario approach is applied;
- Since 2022, the integration risk was implemented, assuming a delay of 6 months in the migration. Following the merger in June 2024, this risk is no longer computed;
- 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:

Risk category		Economic	Regulatory
<b>Retail Credit risk*</b>	Retail Credit Risk - Mortgage, Consumer & Professional Loans	Asymptotic Single Risk Factor	IRB
	Retail Credit Risk - Other loans	SA	SA
<b>Non-Retail Credit Risk</b>	Non-retail Credit Risk	SA	SA
<b>Market risk</b>	Trading Book - Non-structural interest rate, FX and credit spread risk	SA	SA
	Banking Book - Structural interest rate and basis risk*	SOT (worst of 6)	N/A
<b>Operational risk*</b>	Operational Risk	TSA	TSA
<b>Pension risk</b>	Pension Risk	Inflation/IR shocks	-
<b>Business risk</b>	Business Risk	Volume/Margin shocks	-
<b>ESG Risk</b>	Climate & Environmental Risk	Scenario based	-

\* Under review and validation

Note that the approaches for retail credit risk and IRRBB are under review. The correlation matrix is also being updated.

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%.

<sup>5</sup> The economic capital model can be computed at various confidence level. The 99.9% confidence level is used for Pillar II purpose.

## 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 4.71% in the fourth quarter of 2024 compared to 4.34% in the fourth quarter of 2023. The increase in Leverage ratio in 2024 is largely explained by the increase in Tier 1 Capital. In comparison with the fourth quarter of 2023, the Tier 1 increased from EUR 2,389 million to EUR 2,694 million. On the other hand, the Leverage Exposure increased from EUR 55,049 million to EUR 57,170 million.

	31/12/2024	31/12/2023
Leverage ratio	4.71%	4.34%

## 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 cannot 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.

## Liquidity Risk Management

### 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 Crelan Home Loan 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:

- Internal indicators: Internal Liquidity Stress (ILS) and Short-Term Liquidity Framework (STeLF);
- 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 175 bps of credit spreads on bonds.

The idiosyncratic stress assumes that the behaviour 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 behaviour 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 Crelan Home Loan SCF vehicle.

in 000 EUR	31/12/2024	Limiet	Buffer
Internal Liquidity Stress Indicator	6,275,573	1,300,000	4,975,573

## 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.

## 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.

## 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 2024 (100% limit) thanks to a comfortable stock of liquid assets and a solid financing structure.

Ratio	31/12/2024	31/12/2023	Limiet
LCR	196%	188%	100%
NSFR	132%	142%	100%

## Funding

The main sources of stable funding for the bank are retail deposits (EUR 43 billion on 31 December of 2024) and covered bonds (EUR 4.5 billion on 31 December 2024). Crelan Group also issued Senior Non-Preferred (SNP) notes for EUR 1.35 billion. 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	0	0	3,246,611	3,246,611
Retail funding	38,172,226	2,745,852	2,120,178	43,038,256
Stable retail funding	28,385,363	1,966,717	1,513,426	31,865,506
Other retail funding	9,786,863	779,135	606,752	11,172,750
Non-financial customers	1,052,414	63,415	40,402	1,156,231
Central bank funding	0	0	0	0
Financial customers	1,022,460	6,203	3,755,314	4,783,977
Covered bonds	750,000	0	3,750,000	4,500,000
Other financial customers	272,460	6,203	5,314	283,977
Other counterparties	1,827,066	411,690	2,108,506	4,347,262
<b>Total</b>	<b>42,074,166</b>	<b>3,227,160</b>	<b>11,271,011</b>	<b>56,572,337</b>

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. With the merger of AXA Bank Belgium and Crelan in 2024, this activity has been integrated into the Crelan Group structure and AXA Bank Europe SCF has been renamed to Crelan Home Loan SCF.

The strong underlying quality of Crelan Group'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 2024 of which EUR 4.5 billion remains on a consolidated level: EUR 4.5 billion are placed in the market, and EUR 5.5 billion of these covered bonds are retained by Crelan Group (to be 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.

In %	31/12/2024	Limiet
Economic Asset Encumbrance Ratio	12%	25%

## Credit Risk

### 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 (13%), agricultural (4%) and consumer (4%), with mortgage loans representing the most important share. These products are offered in Belgium only.

### Management overlay

Crelan 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 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 the fourth quarter of the different overlays were evaluated in order to reflect the level of uncertainty related to the provision amount.

The Bank continued in 2024 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.

As in 2023 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 macroeconomic 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 of the energy crisis 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. The number of at-risk customers is lower than in 2023, while the conversion rate has been raised from 80 to 100%. The overlay is constituted for those clients that have an amount on the Crelan 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 high bankruptcy figures, mainly in sectors such as construction, HORECA and transport. In 2024 the crisis did not have a material impact 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. 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. However, the EUR 12 million overlay has been considered too conservative in view of the latest developments in this sector and is therefore reduced to EUR 9,5 million.

## 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.

### 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.

## 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. 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 18% according to the Standardized Approach and for 82% according to the IRB. When only looking at the Retail portfolio, 93.5% 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 2024 with 1.2% due to the increase in demand for new loans and remains of good quality (compliant with the speed limits).

For the consumer loan portfolio, we noticed decrease of 23% in 2024 mainly due to a reclassification of products as part of the migration of the ABB portfolio.

The professional loan portfolio of Crelan Group agriculture included increased in 2024 by 8.1% due to the reclassification of the consumer loans (see above).

## Credit Quality

### Definition of default

Crelan has a definition of default for retail loans that is compliant with the harmonized definition of default formulated by EBA.

The bank considers a client/facility to be in default if one or more of the following conditions is fulfilled:

- The client 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 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 of the client;
- The client 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 unlikelihood to pay include bankruptcy, fraud, contagion through connected clients, and deterioration of credit worthiness of forborne loans.

In case a client 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. That provision is assessed using an individual approach. 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.

### Acceptance policy

Crelan has a selective and prudent harmonized acceptance policy in place. As a result, the new production of the bank is characterized by a high quality and the entire credit portfolio showed in 2024 a good performance despite the macroeconomic challenges such as the energy crisis.

### Credit quality stages

#### 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.

### Underperforming – stage 2

Crelan considers 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):

- 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);
- 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 between Crelan and the ex-AXA Bank Belgium entity and that a common staging approach is into force.

### Non-performing – stage 3

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

When a client becomes non-performing, an impairment loss should be recognized on all his exposures. 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.

## 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.

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. 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.

## Credit Risk Mitigation (CRM)

Crelan defines in its credit policies the need to establish collaterals to mitigate the credit risk.

### 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.  $\leq 3$  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.

## Evolution portfolio in 2024 in the context of macroeconomic evolution

Notwithstanding the recent crisis the credit portfolio of Crelan Group remains healthy in the course of 2024 without material signals of deterioration. This is mainly due to the intrinsic quality of the credit portfolio and the prudent acceptance policy.

In 2024, the non-performing loans (NPL) ratio increases from 0,9% to 1.0% but remains low despite the macroeconomic environment and after application of the Crelan's definition of default on ABB portfolio in June in the course of the migration. Loans in stage 2 with a significant increase of credit risk after origination decrease from 8.2% to 7.8% as flagged forborne credits continued to come back in stage 1 after the probation period of 2 years.

The coverage ratio for Stage 3 decreased sharply in 2024 from 24.7% to 22.0% after management overlays were updated in the fourth quarter of 2024 which entail a reduction of EUR 2,7 million related to the updated energy crisis impact, a reduction of EUR 2,5 million of the general Agricultural provision and a reduction of EUR 2,8 million on the Stage 3, which is related to a less conservative evolution of the House price index.

## Standardised Approach (STA)

### 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.

#### Derivatives and repos

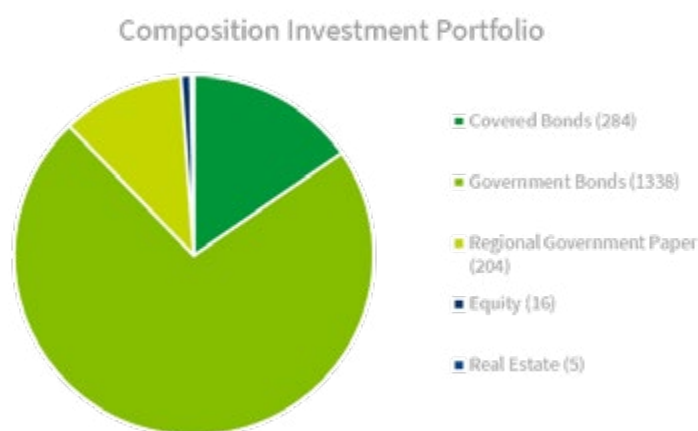
The exposure on derivatives and repos is calculated according to the Standardized approach for counterparty credit risk (SA-CCR) and is therefore set out under the section 7.5 'Counterparty Credit Risk'.

#### Investment portfolio

The market value of the investment portfolio increased over 2024 (EUR 1.089 million extra in total), mainly due to new Belgian Government bonds and Covered bonds. The investment portfolio at the end of December 2024 is EUR 1.847 million.

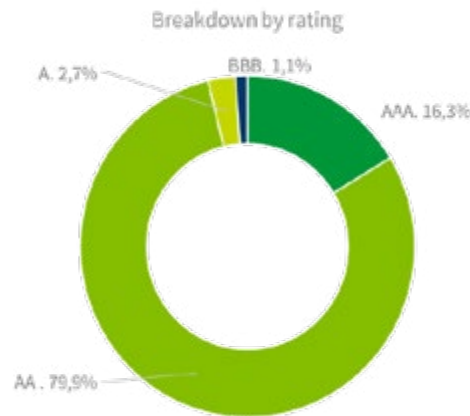
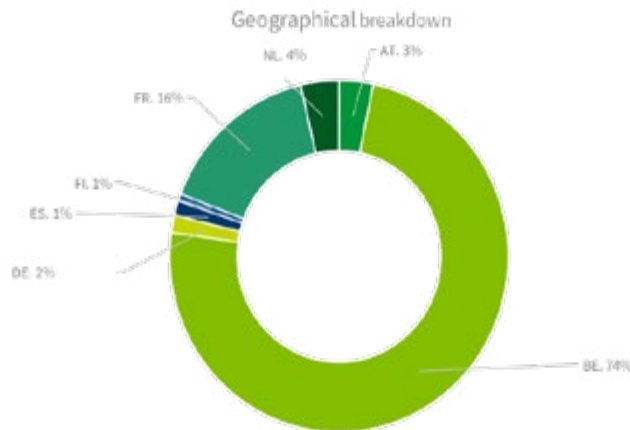
The investment portfolio of Crelan Group mainly consists of high-quality government bonds (72%), covered bonds (15%) and regional government papers (11%).

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.



**Participations**

Crelan Group has a limited participations portfolio (EUR 13 million at the end of December 2024). These shares represent participating interests in non-consolidated subsidiaries (Beran NV) and financial intermediary entities (e.g. Visa Belgium and Payconiq).

**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.

## Internal Rating Based Approach (IRB)

### General

Within Crelan Group both Crelan and the former AXA Bank Belgium entity 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 the fourth quarter of 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. A modelling exercise was performed in 2023/2024, and an on-site inspection by the supervisors was conducted end 2024, until end January 2025. An official exit meeting is expected for early March 2025. Afterwards the inspection report will be analysed by the JST and its horizontal team. The decision is expected by end of the year/early 2026.

### 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 behaviour.

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. 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 portfolio 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 – if necessary - during the yearly model review process.

## 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.

## 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).

## 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.

## Exposures using the IRB approach

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

- The Retail portfolio measured with the IRB models increased from EUR 44,910 million exposure amounts at the end of 2023 to EUR 45,049 million exposure amounts at the end of 2024. The quality of the retail portfolio remained stable throughout 2024 and the RWA maintained stability, increasing from EUR 3,454 million in 2023 to EUR 3,459 million at the end of 2024.
- The Corporate SME portfolio measured with the IRB models increased from EUR 1,634 million at the end of 2023 to EUR 1,809 million at the end of 2024, resulting in an increase in RWA from EUR 505 million in 2023 to EUR 561 million at the end of 2024. The quality of the Corporate SME portfolio remained stable throughout 2024.

## Regulatory floors

Crelan Group applies the regulatory 10% LGD floor to its residential mortgage loans and 15% LGD floor to its commercial mortgage loans.

## Belgian specific regulation

As of the second quarter of 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 6% as of 30 June 2024 (previously 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 1.57% at the end of the fourth quarter of 2024.

## Macroeconomic outlook

As per December 2024 macroeconomic scenarios (MES) were updated in line with the Crelan methodology. As a summary:

- GDP%: negatively impacted by external shock, and expected to normalize towards 2029;
- Unemployment: Increased unemployment rate on the short term (2025-2027);
- Inflation: lower inflation levels driven by external shock and supported by reduced short-term interest rates;
- Real Estate Prices: economic uncertainty and customer conservatism pushes house prices towards -5% over next 3Y. This effect is anticipated to be higher for low energy housing given additional investment requirements.

The growth outlook for Belgium remains below potential. Consumer and business confidence levels are slightly better than at the end of 2023, but remain historically at rather low levels. The scenario weights were determined at 65% for the base scenario and 35% for the down scenario leading to the following results:

- GDP:

Result	2024	2025	2026	2027	3Y Avg	3Y Total
downturn	1.01%	-2.23%	0.01%	0.83%	-0.46%	-1.39%
baseline	1.01%	0.99%	1.26%	1.27%	1.17%	3.52%
upturn	1.01%	4.20%	2.43%	1.78%	2.81%	8.42%

- Unemployment:

Result	2024	2025	2026	2027
upturn	5.65%	4.65%	4.92%	5.09%
baseline	5.65%	5.67%	5.66%	5.62%
downturn	5.65%	6.68%	6.39%	6.14%

- House price index (HPI):

Result	2025	2026	2027	3Y Avg	3Y Total
downturn	-4.61%	-3.73%	-1.59%	-3.31%	-9.93%
baseline	-2.96%	-1.92%	-0.02%	-1.63%	-4.89%
upturn	-1.31%	-0.21%	1.71%	0.06%	0.19%

The most remarkable element of the MES is the change of real estate prices, where we see an increase compared to last year. It is proposed to keep an approximately 5% decrease in HPI for the period 2025-2027 (cumulative 3Y):

- After a period of more relaxed lending conditions, it is expected that the decrease in interest rates on new mortgage loans will be translated into a return to long-term average lending conditions. This expectation is in line with Crelan's strategy to be meaningful for a sustainable society. It is justified to assume that Belgian households and banks are striving to operate within long-term average lending conditions;
- Furthermore, we observe that Belgian households are facing some additional investments to increase energy-efficiency in residential housing (EPC). These additional investments negatively impact the purchase power of Belgian households and consequently give downward pressure to house prices;
- In the period 2025-2027 recent outlook foresees a moderate economic growth. A climate of moderate growth is also tempering the purchase of power of Belgian households.

This leads to a decrease in the provision amount directly coming from the IFRS 9 models (note that for S3 there is also the MO overlay impact described in section 1.1.4) of EUR 4.9 million, due to lower LGD.

We note that during the ECL calculation of December 2024, the LGD% used for the downturn scenario, were the same as for the baseline scenario (i.e. -5% HPI was used instead of -10%). With a weight of 35% on the downturn scenario, this resulted in EUR 1.3 million underestimation of the ECL. This has been corrected in January 2025.

## ECL sensitivity to Macroeconomic outlook

The ECL has been computed under each of the macroeconomic scenarios internally defined (i.e. base, adverse and upturn)<sup>6</sup>. Those computations provide a measure of sensitivity of ECL level with respect to the macroeconomic 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 macroeconomic 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.

31/12/2024	BASIS	DOWN	UP	Weighted total
Stage 1	7,998,064	8,032,889	7,965,730	8,010,253
Stage 2	34,688,288	38,093,275	32,673,798	35,880,033
Stage 3	103,211,282	103,211,282	103,211,282	103,211,282
<b>Total</b>	<b>145,897,634</b>	<b>149,337,446</b>	<b>143,850,810</b>	<b>147,101,568</b>
Weight %	65.00%	35.00%	0.00%	100.00%

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

## 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.

<sup>6</sup> The weights are the following: 65% for the base scenario and 35% for the downturn scenario.

### → (i) Repo & Reverse Repo

The regulatory exposure of the repo activity is calculated in the following manner:

- The exposure is calculated on a transaction-by-transaction basis (no netting set used).
- 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 2024, the regulatory exposure of the repo activity amounted to EUR 54.61 million;

- of which EUR 20.89 million is caused by the difference between exposure and collateral received;
- of which EUR 33.72 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 2024 are displayed step by step below.

- a. The sum of all positive market values amounts to EUR 754 million. These positive market values amounts are neutralized by negative market values (EUR 12 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 14 million collateral and received EUR 745 million collateral. This leads to a net replacement cost of EUR 688 million.
- a. The sum of the risk factors amounts to EUR 256 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.
- a. After applying the regulatory alpha factor of 1.4, we arrive at a total exposure at default of EUR 1,322 million in stressed market conditions and at the simultaneous default by all counterparties. It is important to note that EUR 677 million in these figures (before applying the alpha factor) 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.

## 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 primary and secondary customer orders for 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.

### 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 (84%) 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.

### Interest Rate Risk Management

#### 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 BSM and Risk Management departments.

#### 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. The objective is to fully harmonize the prepayment models in 2025.

#### 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 84% have a fixed interest rate and 16% 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 Indicators (000 EUR)	31/12/2024	31/12/2023
Bank SI (absolute)	-63,941	-31,996
Bank SI (relative)	-2.4%	-1.3%
Bank NII (+ 10 bps)	1,656	1,644
Bank NII (- 10 bps)	-2,328	-2,875

## 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.

### Market Risk Management

#### 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 Crelan Group's trading and banking books.

#### 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 Crelan Group, 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.

#### 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 2024 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 5.73 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 2024 is equal to EUR 0.75 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.

## 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 2024.

## Operational Risk

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

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

- **Internal Fraud:** fraudulent financial reporting, improper or fraudulent financial activity as well as misappropriation of assets and other internal frauds
- **External Fraud:** theft and fraud as well as information system fraud
- **Employment Practices and Workplace Safety:** employee relations, diversity and discrimination, safe environment, loss of key staff and talent management
- **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
- **Damage to Physical Assets:** natural disasters, vandalism, terrorism, etc.
- **Business Disruption and Systems Failures:** system disruptions and breach of information security
- **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 legal and Compliance Risk; but excludes reputational and strategic risk.

However, potential reputational damage is considered in the impact assessment of all operational risks, while major damages are followed by the Executive Committee.

## Operational Risk Management

### Risk Policy, Limit Framework and Reporting

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 operational risk management process is built around 4 interconnected building blocks: loss data collection, risk and control (self)-assessment, key risk indicators and action plans. All building blocks have a unique role in the identification, measurement, management and monitoring and reporting of operational risks.

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 a GRC-tool combining all ORM-activities and can leverage on the reporting and integrated view capabilities within the application.

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.). The main priority for 2024 was the further rollout 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), with a focus on the core banking processes.

Furthermore, a company-wide 'High level Risk Self-Assessment exercise' (a top-down Risk Self Assessment) has been conducted.

The priority for 2025 will be on the further roll-out of the process analysis, with a specific focus on the IT and project scope given the transformation ahead of us.

## Operational Risk Control and Mitigation Framework

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 descopeing projects.

Crelan Group is monitoring its operational risk by means of an operational, security 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. Periodical 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. For Crelan the initial testing has been largely completed for our core banking processes as well as some other processes as part of the Process Analysis project. The remainder is planned for 2025.

Following the IC methodology, all existing controls are to be tested every 3 years except for key controls, which are tested annually.

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).

## 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 4 divisions:

- Governance Risk & Compliance & Operational;
- Business Continuity
- Technical & Physical Security;
- DPO Office (Privacy) – with a direct line to the CRO.

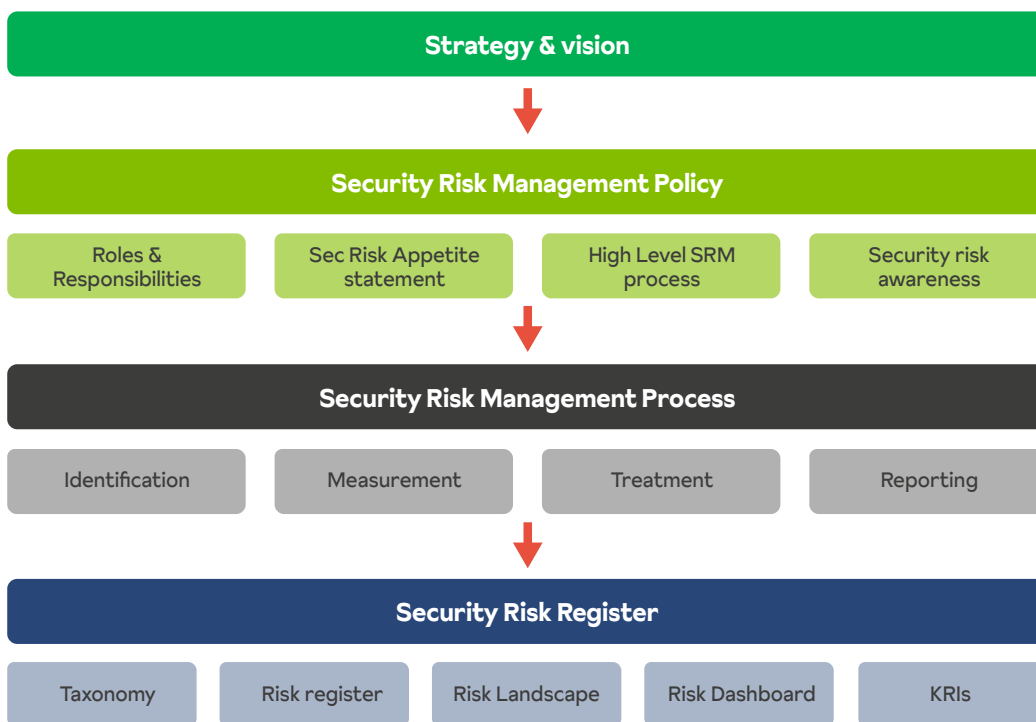
Security Risk Management activities are centralized in the Governance Risk and Compliance team, performed by the Security Risk Expert. The Security Risk Expert is responsible for overall security risk management coordination throughout the Security and Privacy team.

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 2025 will be to extend the scope of the security risk register to ensure that all security risks are captured, 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 2025. 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.

## 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.

## Other Risks

### 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 9.5 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 2024 Crelan has decreased the management overlay with EUR 7.6 million compared to 2023.

### Model Risk

Model risk refers to the potential loss that an institution may incur because of decisions based on uncertain model output. As models tend to be complex, operational issues are also possible. The definition of model risk is therefore broadened to also include losses caused by errors in the development and implementation, or by misuse of models.

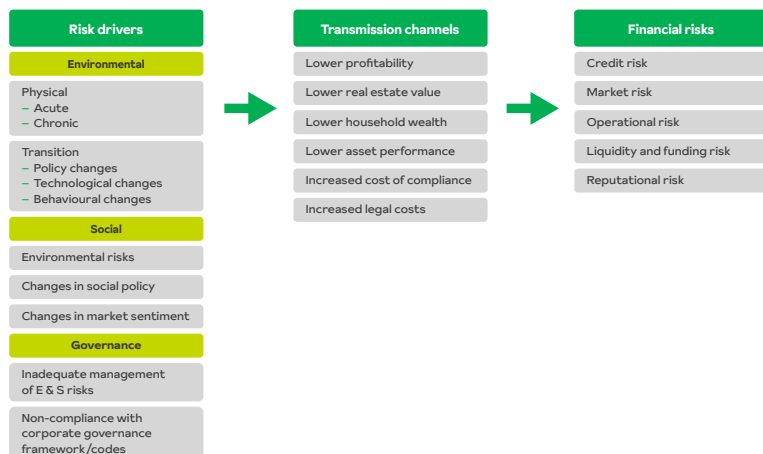
Model risk is treated by Crelan as a separate type of risk, alongside the regular financial and non-financial risks faced by the Bank. Model risk management reduces the adverse impact of model risk by:

- **model oversight** (strong governance in place) to control the creation of new models, changes to existing models and the performance of models that are used in production in a well-documented, auditable manner.
- **mitigating measures**, such as margins of conservatism, creating internal awareness of the existence and potential impact of model risk, promoting appropriate use of models and model results.

## 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, 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 risks related to extreme weather events such as floods, hurricanes, wildfires (acute physical risks), and related to gradual changes in climate such as rising sea-levels and temperatures (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.

An initial C&E risk materiality assessment was conducted in 2022, followed by a second exercise in 2023. The C&E risk drivers identified in the 2023 assessment served as the foundation for the 2024 review. The review aimed at confirming if each risk driver could still be considered as material and if the list was exhaustive. Also, the section on reputational risk was expanded, and a new section on biodiversity loss was introduced.

The assessment of each risk combines both a quantitative and qualitative approach. The quantitative assessment part is important as it 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 construct, a qualitative approach has been applied, using a SAT/FAT matrix<sup>7</sup> to derive to an impact amount that can also be compared to the materiality threshold.

7 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.

Since 2023, the C&E risk materiality assessment applies four categories of time horizons (instead of three) 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

The financial risks are driven by C&E risks as follow:

## Credit risk

Credit risk refers to the 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 is 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 a regulatory risk. Operational risk also consider reputation 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 trigger 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.

All known identified material risks are 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 Risk Management Framework, Risk Appetite Framework (RAF) and reported in the Quarterly Risk Report (QRR).

The QRR is presented on a quarterly basis to the Board of Directors (BoD), Executive Committee (ExCo) and Risk & Compliance Committee (RCC), which take action, if needed, 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.

## 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.

## 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 (impact on P&L via fees and commissions).

## 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.

## 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.

# Summary of accounting policies

## General

The following accounting policies apply to the Crelan Group (hereinafter referred to as “Crelan”, the “Group” or the “Crelan Group”). These accounting policies are based on the International Financial Reporting Standards (IFRS) as on 31 December 2024 as approved by the European Union. Accounting policies that are not specifically stated further agree with the IFRS standards as accepted within the European Union.

## Consolidation

The consolidated financial statements comprise the financial statements of Crelan Ltd, CrelanCo and its subsidiaries as of 31 December 2024 including controlled structured entities. Crelan Group consolidates a subsidiary when it controls it. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Generally, there is a presumption that a majority of voting rights results in control. However, in individual circumstances, the Group may still exercise control with a less than 50% shareholding, or may not be able to exercise control even with ownership over 50% of an entity's shares. When assessing whether it has power over an investee and therefore controls the variability of its returns, the Group considers all relevant facts and circumstances, including:

- The purpose and design of the investee
- The relevant activities and how decisions about those activities are made and whether the Bank can direct those activities
- Contractual arrangements such as call rights, put rights and liquidation rights

In deviation from this principle, the Group has decided, based on the principles of relevance and immateriality, not to consolidate certain subsidiaries in the IFRS Consolidated Financial Statements

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 immaterial and is not included as such in the consolidation scope except when the Board of Directors should take a different decision. Those investments are 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 consolidated entities per item by grouping 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 in the same way as 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.

## Recognition on the balance sheet

### Recognition/derecognition of financial instruments

Financial assets and liabilities are recognised on the balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets are no longer recognised on the balance sheet when the contractual rights on the cash flows expires or the Group transfers the contractual rights on the cash flows and therefore all risks and benefits linked to the financial instrument are substantially transferred.

This is the case at the Crelan Group for all loans that reach their maturity date and those that are fully repaid before their maturity date. Each difference between the carrying amount and the received amount is included in the profit and loss account.

Financial assets are regarded as having been 'modified' if the contractual cash flows are renegotiated or are changed otherwise except if those financial assets are no longer recognised on the balance sheet or when they are reassessed periodically (financial assets with a floating interest rate). In that case, the gross carrying amount of the financial asset must be reassessed (net present value of the modified contractual cash flows discounted based on the original effective interest rate) and the difference (modification gain or loss) must be included in the profit and loss account.

Financial liabilities are derecognised when the contractual liabilities are extinguished (i.e. the obligation is discharged, cancelled or expires).

A substantial modification of the conditions of an existing financial liability or a part thereof will be accounted for as the termination of the original financial liability and the recognition of a new financial liability. A modification of more than 10% of the present value where the modified cash flows were discounted based on the original effective interest rate is considered as a 'substantial' modification.

Any difference with the carrying amount and the consideration paid, including any non-cash assets transferred or liabilities assumed are included as part of the profit or loss with regard to the extinguishment.

### Trade date and settlement date

All financial liabilities of the Crelan Group are always recognised when the funds are received on the balance sheet with the exception of liabilities with regard to derivatives that are included on the trade date.

All items purchased and sold in relation to financial assets under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned (regular way purchases or sales) are recognised on the balance sheet on the settlement date: the date when an asset is delivered to or by the Crelan Group. Assets with regard to derivatives are included on the trade date (the date that an entity commits itself to purchase or sell an asset).

## Financial assets

The Crelan Group assesses 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 (in cases optional choices are allowed)

### Business model

The first step 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 achieved by both receiving contractual cash flows and selling financial assets
- Other business models (including Trading)

### Contractual cash flows from financial assets

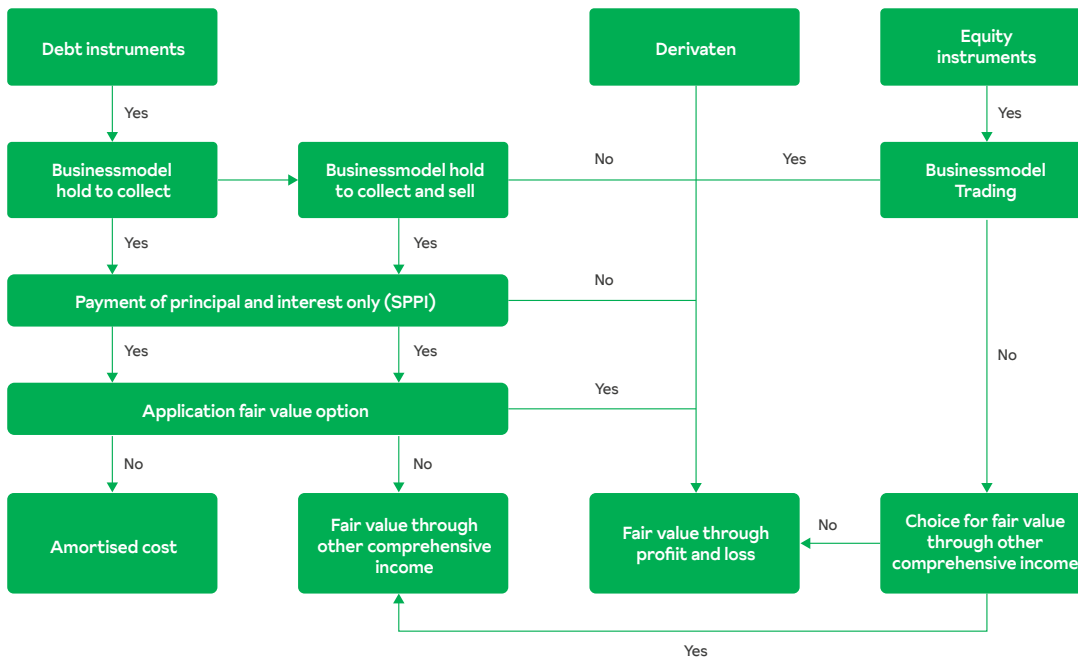
In relation to the contractual cash flows, an assessment is made to determine whether the cash flows are only related to repayments of principal and interest, the term “solely payments of principal and interest” (SPPI) is used.

### Specific rules

- Regarding investments in equity instruments other than those in the trading portfolio, the Group may, at initial recognition, make the irrevocable choice to present the subsequent fair value changes that are normally accounted for at fair value through P&L through Other Comprehensive Income (OCI). Dividends however, when eligible, will be recognised in profit or loss.
- At initial recognition and this being irrevocable, the Group may decide to designate a financial asset or a financial liability at fair value through P&L if such a choice should eliminate or significantly reduce an accounting mismatch (an inconsistency in recognition of measurement that would arise by application of different measurement basis on related financial assets and financial liabilities).

### 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:

### Financial assets held for trading

This category is measured at fair value with value changes through the profit and loss account. A priori, Crelan is not involved in trading activities. Hedging derivatives which are not compliant with IAS39 hedge accounting requirements (so-called 'economical hedges') are included in this category.

### Non-trading financial assets mandatorily at fair value through profit or loss

This category is also measured with fair value changes going through the statement of profit and loss. Debt certificates that have failed the SPPI test are classified in this category.

### Financial assets designated at fair value through profit or loss

This category finally is also measured at fair value changes going through the statement of profit and loss. This comprises the securities regarding which Crelan would specifically designate for their measurement at fair value going through the profit and loss account.

### Financial assets at fair value through other comprehensive income

This category is measured at fair value with value fluctuations through OCI. Equity instruments are, on the one hand, classified in this category where Crelan has decided to assess them at fair value with value changes going through other comprehensive income elements because they are strategic long-term sustainable investments. On the other hand, part of the bond portfolio is also included in here that which is held for being actively managed for mainly short-term liquidity goals, balance sheet management and optimisation of the risk versus the revenue. This therefore concerns bonds and other investments in the 'Hold to collect and sell' model.

### Financial assets at amortized cost

The loan portfolio as well as the debt instruments classified in accordance with the hold to collect management model and that have passed the SPPI test fall under this category.

## Reclassifications

Financial assets can only be reclassified if the Crelan Group would change its business model for the management of the financial assets. Changes to a business model are expected to occur very sporadically and must arise from material external or internal changes to the business activities of the Crelan Group that are visible to external parties. Each change to a business model must be approved by the internal competent bodies.

- Reclassifications are only implemented prospectively without restating any previously recognised gains, losses or interests:
- Reclassification of a financial asset measured at amortised cost to a measurement at fair value with accounting of the fair value changes in profit or loss: each gain or loss coming from the difference between the previous amortised cost and the fair value measurement at reclassification date is included as profit or loss.
- Reclassification of a financial asset out of the fair value through profit or loss measurement category and into the amortised cost measurement category, its fair value at the reclassification date becomes its new gross carrying amount. Reclassification of a financial asset measured at amortised cost to a measurement at fair value with accounting of the fair value changes in the other comprehensive income (OCI): each gain or loss from the difference between the previous amortised cost and the fair value measurement at reclassification date is included in the other elements of the total result (OCI).
- Reclassification of a financial asset out of the fair value with fair value changes in other comprehensive income (OCI) category and into the amortised cost measurement category: the financial asset is reclassified at fair value on the reclassification date. In addition, the accumulated profit or loss in other comprehensive income (OCI) is taken out from the equity and adjusted against the fair value of the financial asset on the reclassification date. In consequence the financial asset is measured at the reclassification date as if it had always been measured at amortised cost.
- Reclassification of the fair value with fair value changes recognised in profit or loss to fair value with fair value changes in the other comprehensive income (OCI): the financial asset continues to be measured at fair value but with appropriate recognition of the fair value change into the new category as from reclassification date.
- Reclassification of the fair value with fair value changes through other comprehensive income (OCI) category towards fair value with fair value changes recognised in profit or loss category: the financial asset continues to be measured at fair value and the accumulated gain or loss previously recognised in the other comprehensive income (OCI) is reclassified from equity to profit or loss.

Reclassification of a financial liability is prohibited.

## Impairment

Loss allowances 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 initially recognised on the balance sheet. For these assets, a loss allowance is calculated based on the expected loss over a time horizon of 12 months
- Stage 2: This category comprises assets that have experienced a significant increase of the credit risk since the asset was initially recognised on the balance sheet. For these assets, a loss allowance is calculated based on the expected loss over the full life-time of the asset.
- Stage 3: this category comprises credit-impaired assets that are in default (aligned with the default definition under the CRR)/non-performing (based on EBA's guidelines).

The Crelan Group uses 3 year forward-looking information. The macroeconomic parameters that are used within this context or the loss allowance in accordance with IFRS 9 (Stage 1 + 2) are the following:

- The GDP growth in Belgium (3 year forecast);
- The unemployment rate in Belgium (3 year forecast);
- The evolution of household property prices in Belgium (30 year forecast).

Three scenarios are used for each parameter:

- A basic scenario;
- A positive scenario;
- A negative scenario.

### Low credit risk

The Crelan Group considers the credit risk of a financial instrument as being low if the financial instrument:

- Has a low risk of default.
- The borrower has a strong capacity to meet his/her cash flow obligations in the near future while adverse changes in the economic and business conditions in the longer term may, but will not necessarily reduce the ability of the borrower to meet his/her contractual cash flow obligations.

As a consequence, non-retail exposures that are measured at fair value with recognition of the fair value changes in the other elements of comprehensive income (OCI) and that are ranked “investment grade” (BBB and higher) are classified on the date of closing automatically in stage 1 (12 month expected credit losses. For government exposures stage 1 classification applies for BB- and higher).

### Determination 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 that in those cases a significant 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 12 month “probability of default” has risen, between the initial recognition and the reporting date risen by a relative amount based on rating downgrades and up to a maximum. Additional triggers are:

- Negative reporting in the Individual Credit Register
- Allocation of forbearance measures
- An individual monitoring list (‘credit monitoring list’) of customers where, amongst other things, an individual score is allocated to each customer, a regular analysis is performed of customers with a circulation of > EUR 1 million. The aforementioned forbearance is one of the elements taken into account in the judgment to put a customer on this list.

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”).

### Determination of the impairment

The loss allowance 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 the multiplication of the probability of default (PD), loss given default (LGD) and exposure at default (EAD):

PD: the probability of default within a specific time horizon.

EAD: the expected exposure when default occurs (non-retail: gross exposure).

LGD: difference between expected cash flows without default and expected cash flows in case of default.

## 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 over a horizon of 12 months while, for those of Stage 2, its calculated over the total lifecycle of the instrument.

For assets of Stage 3, the loss allowance matches the difference between the expected contractual cash flows and the expected estimated future cash flows (while taking the time value into account).

The PDs, LGDs and EADs that are used to determine the loss allowance are based on the PDs, LGDs and EADs that are used for prudential 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 approach over a longer period (“through the cycle”) to a approach at a specific moment (“point in time”). The ‘prudent valuation’ adjustments that regulatory authorities are requesting are not included and forward-looking elements are added.

For the non-retail portfolio, these parameters are derived from historical data and adjusted to statistically meaningful parameters. It should be noted that the non-retail portfolio only consists of “high investment grade” positions that are mostly guaranteed: government and supranational bonds, reverse repurchase agreement transactions and secured loans. This means that the expected credit losses are immaterial.

## Non-payment

The definition of default is in line with the EBA guidelines regarding default (EBA/GL/2016/07).

Default can be processed in accordance with quantitative or qualitative criteria. The same criteria as for the management of the internal credit risk model are used. Considerable arrears of more than 90 days are used as the benchmark.

A financial asset in the non-retail portfolio is earmarked as “defaulted” as from the moment the default situation is determined based on the contractual conditions.

## Loss allowances with regard to purchased financial assets or credit-impaired financial assets when originated

On the reporting date, the Crelan Group only recognises a loss allowance for expected losses with regard to purchased financial assets or credit-impaired financial assets at origination equal to the cumulative adjustment with regard to expected credit losses calculated over the life-cycle of those assets but only since the initial recognition on the balance sheet.

In each following reporting period the change in expected credit losses calculated over the life-cycle will be recognized into profit or loss through an impairment gain or loss. An entity shall recognise favourable changes in lifetime expected credit losses as an impairment gain, even if the lifetime expected credit losses are less than the amount of expected credit losses that were included in the estimated cash flows on initial recognition.

## Financial liabilities

Financial liabilities includes liabilities held for trading, debts to credit institutions, debts to customers, debt certificates, subordinated debts and other financing instruments.

The measurement and the allocation of the results depend on the IFRS classification used for those financial liabilities, namely, financial liabilities held for trading and other financial liabilities (measured at amortised cost except in cases where they are designated at 'fair value through P&L').

### Financial liabilities held for trading

The Group considers a financial liability as held for trading when:

- It was mainly acquired with a view to sell or buy back in the short term;
- Hedging derivatives which are not compliant with IAS39 hedge accounting requirements (so-called 'economical hedges')

Liabilities held for trading are initially recognised at fair value and subsequent changes in fair value are included in the profit and loss account.

### Financial liabilities designated at fair value through profit or loss

In addition, the Group may make an irrevocable choice at initial recognition to designate a financial liability as measured at fair value through profit or loss if it eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

The Group may, moreover, specify that the entire hybrid contract is measured at fair value through profit or loss if a contract includes one or more embedded derivatives, except:

- When the embedded 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 prohibited.

The Group has used this option in the case of EMTNs (European Medium Term Notes) issued by Crelan or Crelan Belgium Finance.

For this last category, the Group has opted to include all changes 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 comprehensive income (OCI) as prescribed under IFRS 9.

### 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 the outstanding balances on current and term accounts of other credit institutions at the Crelan Group, demand deposits, term deposits and saving accounts of customers as well as the (subordinated) deposit certificates.

The financial liabilities are measured at fair value at initial recognition increased by the directly attributable transaction costs. Subsequently, the financial liabilities are measured at amortised cost by using the effective interest method. This recurrent amortisation is included in the profit and loss account as interest component.

## 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 net present 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).

## Sale and repurchase of securities

(Reverse) repurchase agreements are rather considered as financing transactions than a sale or purchase of securities.

Securities linked to a repurchase agreement are not derecognised and stay on the asset side of the balance sheet. The debt that arises from the cash transfer is recognised in the liabilities on the balance sheet either as debts to credit institutions or as debts to non-credit institutions depending on the counterparty.

Securities received in a reverse repurchase agreement are not recognised on the balance sheet. The borrowed cash, however, is recognised on the asset side on the balance sheet as receivables, either in relation to credit institutions or 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 recognised as interest income/cost and spread over the maturity of the contract as part of the EIR.

## Issued financial guarantees

The initial recognition of 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 premium for issuing the financial guarantee. If the received premium does not match the fair value at initial recognition, the difference is immediately recognised in profit or loss.

The received premium is recognised over time over the maturity of the contract. This takes place on a “contract by contract” basis.

It is assessed (on a portfolio basis) whether a provision does need to be recorded or not for possible or certain enforcements. This provision is discounted if the impact is material.

The write-off of this provision occurs when the term of the guarantee expires. In the case of enforcement, the issued guarantee will be derecognised for the guaranteed amount that was built up through the provision.

## Offsetting of a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount is recognised on the balance sheet if the Group has a legally enforceable right 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. This is applied for derivatives and collateral and in case of repo and reverse repo agreements.

# Derivatives and hedging transactions

## Accounting records and measurement at fair value

Derivatives are financial instruments of which the value changes as the result of change in the underlying variable (interest rate, exchange rate, index and share), they require little or no initial net investment and are settled at a future date. Examples of derivatives are swaps, term contracts, futures and options (issued and bought).

The initial recognition of derivatives takes place at their acquisition fair value. Later changes to the fair value, excluding accrued interest rate, are included in the profit and loss account under trading result or hedging result. Interest accruals are recognised on a daily basis.

The Group classifies derivatives as follows:

- Derivatives that are not eligible for hedge accounting are held as financial assets or liabilities for trading
- Hedging derivatives

## Hedging

When concluding the derivative instrument, the contract is recognised as a fair value hedge and therefore the exposure to changes in the fair value attributable to a certain risk of an recognised asset or liability is hedged (i.e., covered). The Group can make a distinction between a fair value hedge of an individual asset or individual liability (“micro hedging”) and a fair value hedge of a group of financial assets or financial liabilities (“macro hedging”) or finally in a portfolio hedge of interest rate risk only, a portion of the portfolio of financial assets or financial liabilities that share the risk being hedged. In the last case, the amount designated is an amount of assets or an amount of liabilities. Designation of a net amount including assets and liabilities is not permitted.

### Documentation

Hedging derivatives will meet the conditions and criteria that apply to hedging instruments as prescribed by IAS 39. The hedged assets and/or liabilities will also meet the conditions and criteria of hedged instruments as prescribed by IAS 39. When entering into the hedging transaction, the hedging relationship is formally designated and documented as well as the risk management objective and strategy of the Group when entering into those hedging relationships. The documentation contains an identification 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 offsetting the exposure in the fair value changes related to the hedged risk..

### Efficiency tests

The Group only enters into hedging transactions that are expected to be very effective at inception of the hedge and in future periods in relation to offsetting 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 discontinued.

### Measurement at fair value

The gain or loss as the result of the fair value changes of (the portfolio of) the hedging instrument or instruments is immediately recognised in the profit and loss account.

For instruments measured at amortised cost, the gain or loss of the hedged position(s) attributable to the hedged risk leads, on the one hand, to an adjustment of the carrying of the hedged position and is, on the other hand, included in the profit and loss account. Recognition of the gain or loss attributable to the hedged risk in profit or loss applies if the hedged item is a financial asset measured at fair value through other comprehensive income. This way, the changes in 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 offset and every remaining 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 will be prospectively discontinued. Hedging derivatives are reclassified as “Financial assets or liabilities held for trading”. The hedge adjustment to the carrying amount of the hedged position(s) is subsequently amortised to profit or loss. The adjustment is based on a recalculated effective interest rate at the date amortisation begins. However, if, in the case of a fair value hedge of the interest rate exposure of a portfolio of financial assets or financial liabilities (and only in such a hedge), amortising using a recalculated effective interest rate is not practicable, the adjustment shall be amortised using a straightline method. The adjustment shall be amortised fully by maturity of the financial instrument or, in the case of a portfolio hedge of interest rate risk, by expiry of the relevant repricing time period.

Interest income and charges that arise from, on the one hand, hedging instruments and, on the other hand, hedged positions are recognised in interest result.

## Embedded derivatives

An embedded derivative is a hybrid contract that also contains a non-derivative host contract with the effect that some cash flows from the hybrid instrument change in the same way as that of a standalone derivative.

If a hybrid contract contains a host contract that is a financial asset, the regulations in item 8.4 applies to the entire hybrid contract.

If a hybrid contract contains a host contract that is a financial liability, an embedded derivative in that contract is separated from the host 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 host contract
- A separate instrument with the same conditions as the derivative embedded in the contract should comply with the definition of a derivative
- The hybrid instrument is not measured at fair value through profit or loss (that is to say, a derivative that is embedded in a financial liability measured at fair value through profit or loss will not be separated).

If, nevertheless, the contract includes one or more derivatives embedded in the contracts and the host contract is a financial liability, the Group may decide to designate the entire hybrid contract as measured at fair value through profit or loss insofar as the conditions specified under item 8.5.2 “Financial liabilities indicated as measured at fair value through profit or loss” have been met.

## Tangible fixed assets

The Group measures tangible fixed assets in accordance with the cost model. This means that at initial recognition the tangible fixed assets are included on the balance sheet at their cost (including the directly attributable acquisition costs) and subsequently reduced by any accumulated depreciations and any accumulated impairment losses. The cost is the amount that was paid to acquire the asset increased by all directly attributable costs that were incurred to bring the asset at the intended location and/or condition necessary for it to be capable of operating in the manner intended by management.

The amount of an asset to be amortised is the purchase price minus its residual value. In general, the residual value is often 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 useful life of the asset. The estimated useful life of an asset is re-examined at each financial year-end. Land and artwork are not amortised but are subject to impairment. The depreciation costs for each period are recognised 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

**Installations:** 10 years

**Bank safes:** 10 – 20 years

**Advertising neon assets:** 3 – 5 years

**Machines and material:** 3 – 5 years

**Furniture:** 10 years

**Fleet:** 4 – 5 years

Maintenance and repair costs are recognised in the profit and loss account for the period during which they were incurred. The costs of spare items are capitalized and subsequently amortised when these expenses are material and deliver future economic benefits for the Group. The carrying amount of the elements to be replaced is no longer recognised on the balance sheet.

The profit or loss as the result of the disposal of an asset in case of a decommissioning or removal is taken into the profit and loss account. If an asset is destroyed, the remaining outstanding carrying amount will be immediately expensed in the profit and loss account.

If a tangible fixed asset is being held for sale, it will be classified under the 'held for sale' section of the balance sheet, the depreciable amounts are stopped and the asset is measured at the lowest value of its carrying value and its fair value minus costs to sell.

## Other intangible fixed assets

An intangible fixed asset is an identifiable non-monetary asset without physical form that is only recognised on the balance sheet when it is likely that the expected future economic benefits that can be ascribed to the asset will flow to the entity and that the costs thereof can be determined reliably.

Other intangible fixed assets refer to software that is bought for internal use or has been generated for internal use as well as acquired customer portfolios. For internally generated software, only the directly attributable costs related to the development phase are capitalized complying with additional criteria, including expenditure classification, demonstrating technical and financial feasibility, the intention and ability to complete and use the asset.

An intangible fixed asset is measured at cost when initially recognised. Subsequently, the cost model is used. The software is carried on the balance sheet at cost reduced by any accumulated depreciable amounts and any accumulated impairment. Software and acquired customer portfolios are amortised linearly. The amount of an intangible fixed asset to be amortised matches the cost reduced by the residual value. In most cases, the residual value is not material. If this is the case, the Group will not 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

**Acquired customer portfolios:** 10 years

## Governmental grant

The group considers the ECB as a supra-national public institution within the European Union to be a body equal to local, national or international authorities, public institutions.

The more favourable conditions included in its targeted longer-term refinancing operations (TLTRO) are therefore considered as governmental grant. 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 as soon as it can be reasonably stated that:

- The Group will fulfil the conditions attached to the grant;
- The grants will be received.

They are systematically recognised as revenue in the income statement for the periods during which the related costs that they aim to offset are included.

## Business combinations (IFRS 3)

Business combinations are accounted for by applying the acquisition method. The Group recognises the identifiable assets acquired, the liabilities assumed (including any conditional liabilities if it is a present obligation that arises from past events and its fair value can be measured reliably). The acquired identifiable assets and the liabilities assumed are measured at their acquisition-date fair values.

Goodwill is recognized in a business combination when the aggregate of

- the consideration transferred,
- the fair value of any non-controlling interest, and
- the fair value of any previously held equity interest in the acquiree (business combination achieved in stages)

exceeds the net identifiable assets acquired and liabilities assumed, provided this excess amount is measured reliably and represents future economic benefits arising from assets that are neither separately identifiable nor individually recognized.

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 at cost on acquisition date

Negative goodwill (badwill) is immediately recognised as a gain in the profit and loss account.

Goodwill shall 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 carrying amount may be higher than the recoverable amount. Previously recognised cumulative impairments with regard to goodwill will not be reversed.

The annual goodwill impairment test is based on the discounted cash flow-model. If the net present value of the profit forecasts based on the strategic plan of the relevant subsidiary is lower than the recognised goodwill, the difference between the two amounts will be immediately impaired 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.

## Impairment of non-financial assets

The Group assesses whether there is an indication for a possible impairment of a non-financial asset at least annually. An impairment loss is recognised when the recoverable amount of the asset is lower than the carrying amount. The recoverable is the highest of the fair value minus the costs of disposal or its value in use.

The carrying amount of non-financial assets that have been subjected to a impairment is reduced up to its recoverable amount and the amount of the impairment is recognised in the profit and loss account of the current reporting period.

If the amount of the cumulative 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 recognised impairment will be reversed based on the change in the estimates used to determine the asset's recoverable amount.

## Provisions and conditional liabilities

Provisions are liabilities of uncertain timing or amount.. The Group recognises a provision on the balance sheet when - on the balance sheet date - the group has a present obligation as a result from events in the past, when it is probable that the obligation will require an outflow of resources embodying economic benefit and when the amount of the obligation 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 counterparty. 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 in relation to pension liabilities, refer to the chapter regarding employee benefits (see the notes in 8.18. & 4.13.).
- All identifiable liabilities of uncertain timing and amount that cannot be included in the aforementioned categories are included in other provisions.

A contingent liability is a present obligation that arises from past events but is not recognised because

it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. It will be disclosed, unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets (rights) are not recognised on the balance sheet; they are, however, disclosed in the notes if an inflow of economic benefits is probable.

## Interest income and charges

Interest income and charges are recognised in the profit and loss account for all interest-carrying instruments measured at amortised cost by using the effective interest method. This method is used to calculate the amortised cost of a financial asset or a financial liability and allocate interest income and charges to the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability. The Group estimates the expected cash flows, considering all the contractual terms of the financial instrument, in relation to the calculation of the effective interest rate. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate as well as transaction costs, and all other premiums or discounts. Transaction costs are the incremental costs that are directly attributable to the acquisition or disposal of a financial asset or liability. They include 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 trading is recognised when they are due or earned over time in the profit and loss account.

## Received and paid commissions

The Group makes a distinction among different types of commissions:

- In the case of received commissions in exchange for specific services, recognition in the income statement takes place when the services are provided. This is the case for received commissions related to asset management and insurance activities.
- The production commissions and expertise commission (commission paid on increase of new production) on loans paid towards bank agents are capitalised and amortised through the effective interest rate method.
- Other commissions paid are expensed immediately into profit & loss.

## Dividends

Received dividends are included in the income statement when the definitive right to collect them is determined, it is probable that the economic benefits will flow to the entity and the amount can be measured reliably

## Realised and non-realised gains and losses

A gain or loss on a financial asset or a financial liability that is measured at amortised cost and is not part of a hedging relationship shall be recognised in profit or loss when the financial asset is derecognised.

An unrealised gain or loss on a financial asset measured at fair value through other comprehensive income in accordance shall be recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses until the financial asset is derecognised or reclassified. When the financial asset is derecognised the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment

The difference between the (un)realised gain of financial assets and liabilities held for trading (including derivatives but excluding their accrued interest) at the end of the reporting period and at the end of the previous reporting period is included in the “Gains and losses on financial assets and liabilities held for trading”. Any interest accrual is recognised in interest income and charges.

Both non-realised and realised gains or losses with regard to equity instruments remain in the other elements of comprehensive income (OCI) with the exception of the received dividends (cfr. 8.19).

## Income taxes

This item relates both to the current tax and deferred tax recognised during the accounting period. Deferred tax liabilities are included for all taxable temporary differences between the accounting value of the assets and liabilities and their tax value.

For the current 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 or deferred tax liabilities are recognised when a deductible or taxable temporary difference occurs between the carrying value and the tax value of an asset or liability. Recognition of a deferred tax asset is only possible to the extent that it is probable that a taxable profit will be available in the future against which the temporary differences can be utilised.

Deferred taxes are calculated based on the expected tax rate that will apply during the year of realisation of the asset or the settlement of the liability based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

## Leases

### The Group as a lessor

The Crelan Group operates as a lessor in relation of the lease of a part of its offices located in Berchem. Beside that, through its subsidiary Europabank it also 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.

Those '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 impairment in relation to this.

### The Group as the lessee

Under IFRS 16 entities need to show the rental obligations to which they are exposed. The financial liability represents the lease obligation which results in a ROU asset for the same amount at the recognition of the contract.

The contracts to which the standard applies mainly concerns leased buildings, company cars and ATM's. Since the implicit interest rates are not available, Crelan updates the periodic amounts using the appropriate interest rate for each product<sup>8</sup>.

<sup>8</sup> Used interest rates for company vehicles and ATMs, respectively: the 5 year vehicle loan interest rate and the 7 year professional loan interest rate.

## 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 employee render the related services. Non-discounted accrued expenses are recognised for services related to the reporting period but for which the payments will be made in the following year (for example, holiday pay, bonuses, etc.).

Termination benefits, however, are only recognised when the entity can no longer withdraw the offer of those benefits.

### Pension liabilities (post employment benefits)

The Group has various defined contribution plans and various defined benefit plans. The pension liabilities are all financed by paying contributions to insurance companies.

With regard to defined contribution plans, the employer and employee pay a fixed amount periodically for the building up of the pension capital. On the one hand, this fixed contribution is included as a liability and, on the other hand, as expense in the period in which the employee has performed services.

In accordance with Belgian legislation that applies to pension benefit plans of the second pillar (the legislation regarding supplementary pensions), all Belgian retirement benefit plans of the defined contribution type must be regarded as defined benefit plans under the IFRS standards.

For defined benefit plans, the obligation is assessed at least annually, taking into account actuarial assumptions. The projected unit credit (PUC) method is used to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost.

The net service costs (current service cost and when applicable past service cost or gain or losses on settlement) and the net interest on the net defined liability (asset)(deficit or surplus between the present value of the defined obligation and the related qualifying insurance policies are recognised in the profit and loss account.

The plan assets of the Group consists of qualifying insurance policies. Those qualifying insurance policies are drawn up by nonrelated insurers and the proceeds of those policies can only be used to finance employee benefits under defined benefit plans.

### Other long-term benefits

Other long term employee benefits are all employee benefits other than short term employee benefits, post employment benefits and termination benefits.

Other long-term employee benefits, which are expected not to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service(such as long-term paid absences, bonuses and hospital admission insurances the same methodology as for post employment benefits apply but the result due to the periodic review of the actuarial assumptions and assessments are, however, recognised in the profit and loss account.

## Cash, cash equivalents and cash flows

Cash comprises cash on hand and demand deposits where cash equivalents includes short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash flows are inflows and outflows of cash and cash equivalents

Crelan reports its operational cash flows using the indirect method. In accordance with this method, the net result for the reporting period is adjusted to take non-cash items such as deferred taxes, provisions, changes in own operational receivables or debts (e.g. towards suppliers) into account. Cash flows with regard to investments or financing activities are added.

## Effect of foreign exchange rate changes

Monetary and non-monetary items in a foreign currency are converted into EUR at initial recognition using the exchange rate of the transaction date.

Subsequently a daily monetary measurement process is performed on all outstanding monetary positions. All monetary balances 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 measurement category.

Non-monetary components at the Crelan Group only consist of equity instruments in foreign currencies. When recognised in the balance sheet, non-monetary components in foreign currency are converted into euros at the current rate of exchange on the transaction date or the spot price of the underlying exchange transaction. Subsequently, the remeasurement process differs depending on the measurement category..

'Assets and liabilities designated at fair value through profit or loss' or 'held for trading, there is a periodic revaluation of fair value, which consists of two components: the fair value change and the foreign currency exchange result. Both components are included in profit or loss

Non-monetary components belonging to the valuation category 'Financial assets held to collect & sale', there is also a periodic revaluation of the fair value, which consists of two components: the fair value change and the foreign currency exchange result. Both components are deferred in equity.

Monetary and non-monetary items in foreign currencies are converted into EUR when derecognised from the balance sheet date on the transaction date.

## Equity

Equity comprises capital issued via ordinary shares and cooperative shares, the elements included in other comprehensive income (OCI) as well as retained earnings and all other type of reserves that are allowed by corporate law.

In addition, it includes also all issued financial instruments or elements thereof that must be classified as an equity instrument based on their economic characteristics of the contractual agreement.

An important distinction with the classification as a debt instrument within this context is that Crelan Group has no contractual obligation :

- Deliver cash or another financial asset.
- to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to The Group
- Deliver a variable number of its equity instruments.

Distribution to the holders of such instrument as well as the related transaction costs of the issue are directly deducted from the equity.

## Additional information

### Most important sources that lead to estimation uncertainty

Drawing up financial statements in accordance with the IFRS guidelines entails a specific number of judgments and estimates. Although all available information is used to ensure these judgments and estimates can be deemed to be as reliable as possible, the actual results may deviate thereof.

The judgments and estimates used are mainly related to the following areas:

- Estimation of the recoverable value that can be realised in case of impairment;
- Determination of the fair value of non-quoted financial instruments;
- Measurement of the CVA and DVA in relation to derivatives and financial liabilities designated at fair value through profit or loss;
- Determination of the life of use regarding tangible and intangible fixed assets;
- Estimation of the present obligation as the result of past events when provisions are recognised;
- Actuarial assumptions in relation to the measurement of plan assets and the present obligation of pension liabilities;
- Estimation of deferred tax assets;
- Determination of the hedging reserve when applying fair value hedging;
- Determining control when setting up the scope of consolidation;
- Estimation of the future credit production that will be eligible when verifying the conditions with regard to the targeted longer-term refinancing operations;

### 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) will 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) will not require an adjustment of the balance sheet, the profit and loss account, the changes in the equity or the cash flow statement. If material, however, information is provided in the disclosures on the nature and the estimated financial impact in order to prevent that the financial statements could be misleading.

### Adjustments in the estimates and measurement bases

If it is difficult to determine whether there is a change in an accounting estimate or a change in the accounting policy, the change is treated as a change in accounting estimate based on the IFRS standards.

A change in accounting estimate is applied prospectively. Insofar a change in accounting estimate leads to changes in assets and liabilities or concerns a component of the equity, this change is recognised in the period in which the change took place by changing the carrying amount of the related asset, the related liability or the related component of the equity.

In the case of a change in accounting policy, this change must be applied retrospectively.

If it is not feasible from a practical perspective to determine the consequences of a change in an accounting policy related to comparative information from one or more prior reporting periods, the new accounting policy is applied on the carrying 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 for each equity component concerned is adjusted accordingly.

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 accounting policy in relation to all prior reporting periods, the comparative information is adjusted to apply the new accounting policy prospectively as from the earliest date on which this is practically feasible.



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## Independent auditor's report to the general meeting of Group Crelan for the year ended 31 December 2024

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 2024, 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 2024 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 8 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 2024, 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 € 55.802.961.732 and of which the consolidated income statement shows a profit for the year of € 192.268.189.

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 2024, and of its consolidated results for the year then ended, prepared in accordance with the IFRS Accounting Standards as adopted by the European Union 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.



**Audit report dated 3 April 2025 on the Consolidated Financial Statements  
of Group Crelan as of and for the year ended  
31 December 2024 (continued)**

## 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 2024, the loan receivable portfolio of the Group amounts to € 49,729,730,307 (gross, valued at amortized cost) and the related impairments amount to € 225,095,429. 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 (management overlays).

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).



**Audit report dated 3 April 2025 on the Consolidated Financial Statements  
of Group Crelan as of and for the year ended  
31 December 2024 (continued)**

- ▶ 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, House price evolution and unemployment rates as published by regulators.
- ▶ To assess the appropriateness of the manual adjustments applied by management (management overlays), 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 and we have assessed

whether the management overlays are sufficiently supported.

- ▶ 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.

### IT Migration of former ABB systems

#### Description of the key audit matter

Since the acquisition of AXA Bank Belgium ("ABB") on the 31<sup>st</sup> of December 2021, Crelan has been preparing for the integration of both Banks from an operational and legal point of view. During the weekend of 8<sup>th</sup> and 9<sup>th</sup> June 2024, the operational merger took place, where all information from ex-ABB systems has been migrated to Crelan systems, of which amongst other the accounting data and the source data of credits, financial assets, client deposits and liabilities. In some cases, new IT systems have been implemented as well.

Considering that the operational and accounting impact of this integration is significant to the consolidated balance sheet and income statement and given the degree of analysis involved to ensure that the integration has been completed successfully and data quality is ensured, we consider this to be a key audit matter.

#### Summary of the procedures performed

- ▶ We discussed with accounting the overall impact of the migration on the closing process and how the new accounting workflows have been validated. In this respect we also had a discussion with the external consultant engaged by management to assist accounting with the migration
- ▶ We compared the inventories of the ex-ABB systems with the imported inventories in the Crelan systems, whereby we had discussions with the migration process owners to understand how these have been validated



**Audit report dated 3 April 2025 on the Consolidated Financial Statements  
of Group Crelan as of and for the year ended  
31 December 2024 (continued)**

- ▶ We have made a detailed comparison of the profit and loss of the first 5 months of the year (before migration) with the last 7 months of the year, to gain substantive analytical comfort on the result generated by the Bank after the migration
- ▶ We engaged our internal IT specialists to assess the appropriateness of the IT migration governance
- ▶ We have performed a review of the internal control framework, and paid particular attention to assess whether all controls are performed on the right population, i.e. including the ex-ABB transactions
- ▶ To assess the appropriateness of the manual adjustments applied by management to resolve integration and migration differences, we have assessed whether these manual entries are sufficiently supported.
- ▶ Finally, we have assessed the completeness and accuracy of the note 7.1 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 the IFRS Accounting Standards 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;



**Audit report dated 3 April 2025 on the Consolidated Financial Statements  
of Group Crelan as of and for the year ended  
31 December 2024 (continued)**

- ▶ 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, 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, and other information included in the annual report, as well as to report on these matters.



**Audit report dated 3 April 2025 on the Consolidated Financial Statements  
of Group Crelan as of and for the year ended  
31 December 2024 (continued)**

**Aspects relating to Board of Directors' report and other information included in the annual report**

The Board of Directors' report on the Consolidated Financial Statements contains the consolidated sustainability information that is subject to our separate limited assurance report. This section does not cover the assurance on the consolidated sustainability 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 key figures and Consolidated ratio's

Brussels, 3 April 2025

EY Bedrijfsrevisoren BV  
Statutory auditor  
Represented by

**Christel Weymeersch**  
(Signature)

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Christel Weymeersch \*  
Partner  
\*Acting on behalf of a BV/SRL

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- ▶ Consolidated Balance sheet and IFRS result

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.

**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.

**Christophe Boschmans**  
(Signature)

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Christophe Boschmans \*  
Partner  
\*Acting on behalf of a BV/SRL



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## Statutory Auditor's limited assurance report on Crelan nv's Sustainability statement

At the attention of the general meeting of the shareholders

As part of the limited assurance engagement on the consolidated sustainability statement of Crelan nv (the "Company" or the "Group"), we are providing you with our report on this engagement.

We are appointed by the General Meeting, in accordance with the proposal of the Board of Directors, issued on the recommendation of the audit committee and on presentation to the workers' council of Crelan nv, to carry out a limited assurance engagement on the Company's sustainability information, included in section Sustainability statements of the annual report as of 31 December 2024 and for the year ended on that date (the "sustainability statement").

Our mandate expires on the date of the general meeting deliberating on the annual financial statements closed as at 31 December 2025. We have carried out our assurance engagement on the sustainability statement of Crelan nv for 1 financial year.

### Limited assurance conclusion

We have conducted a limited assurance engagement on the sustainability statement of Crelan.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the sustainability statement, in all material respects:

- ▶ is not prepared in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable European sustainability information standards (the European Sustainability Reporting Standards ("ESRSs"))
- ▶ Is not compliant with the process carried out by the Company ("the Process") to identify the information included in the sustainability statement in accordance with the ESRS's as set out in section 4. Impact, Risk and Opportunity management of chapter General Disclosures - ESRS 2; and

- ▶ is not compliant with the requirements of Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as disclosed in subsection A.1.5. EU Taxonomy reporting within the environmental chapter of the management report.

### Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)"), applicable in Belgium and issued by the International Auditing and Assurance Standards Board.

Our responsibilities under this standard are further described in the Statutory Auditor's responsibilities section of our report related to our limited assurance engagement under the section "Statutory Auditor's responsibilities".

We have complied with all ethical requirements relevant to the assurance of sustainability engagement in Belgium, including those relating to independence.



## Statutory Auditor's limited assurance report on Crelan's Sustainability statement for the year ended 31 December 2024 (continued)

The firm applies International Standard on Quality Management 1 ("ISQM 1"), which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have obtained from the Company's Board of Directors and its appointees the explanations and information necessary for our limited assurance engagement.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Other matters

The scope of our work is only restricted to the limited assurance engagement on the Company's sustainability statement with respect to the current reporting period. Our assurance does not extend to information relating to the comparative figures.

### Responsibilities of the Board of Directors in relation to the preparation of sustainability information

The Board of Directors of the Company is responsible for designing and implementing a process to identify the information reported in the sustainability statement in accordance with the ESRS and for disclosing this Process in section 4. Impact, Risk and Opportunity management of chapter General Disclosures - ESRS 2 of the sustainability statement. This responsibility includes:

- ▶ understanding the context in which the Company's activities and business relationships take place and developing an understanding of its affected stakeholders.
- ▶ the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably

be expected to affect, the entity's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;

- ▶ the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- ▶ making assumptions that are reasonable in the circumstances.

The board of directors of the Company is further responsible for the preparation of the sustainability statement, which contains the sustainability information as determined in the Process:

- ▶ in accordance with the requirements referred to in Article 3:32/2 of the Belgian Code of Companies and Associations, including compliance with applicable ESRS's;
- ▶ in compliance with the requirement provided by Article 8 of EU Regulation 2020/852 (the "Taxonomy Regulation") as described in the disclosures in subsection A.1.5. EU Taxonomy reporting within the environmental chapter of the management report.

This responsibility includes:

- ▶ designing, implementing and maintaining such internal control that the Board of Directors determines is necessary to enable the preparation of the Sustainability statement that is free from material misstatement, whether due to fraud or error; and
- ▶ the selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

The Board of Directors are responsible for overseeing the Company's sustainability reporting process..



## Statutory Auditor's limited assurance report on Crelan's Sustainability statement for the year ended 31 December 2024 (continued)

### Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the board of directors of the Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Company. Actual outcomes are likely to be different since anticipated events frequently do not occur as expected. Actual results are likely to differ from projections because the future events will not generally occur as expected, and such differences could be material.

### Statutory Auditor's responsibilities relating the limited assurance engagement on the sustainability information

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the sustainability statement is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the sustainability statement as a whole.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), as applicable in Belgium, we exercise professional judgment and maintain professional skepticism throughout the engagement. The work performed in an engagement with a view to obtaining limited assurance is less extensive than in the case of an engagement with a view to obtaining reasonable assurance. The procedures performed in a limited assurance engagement for which we refer to the 'Summary of work carried out' section which differ in nature and timing are less extensive compared to a reasonable assurance engagement. We therefore do not express a reasonable audit opinion in the frame of this engagement.

As the forward-looking information included in the Sustainability Information, and the assumptions on which it is based, relate to the

future, they may be affected by events that may occur and/or by actions taken by the Company. Actual results are likely to differ from the assumptions made, as the events assumed will not necessarily occur as expected, and such differences could be material. Accordingly, our conclusion does not guarantee that the actual results reported will correspond to those contained in the forward-looking sustainability information.

Our responsibilities in respect of the Sustainability statement, in relation to the Process, include:

- ▶ understanding the Process but not for the purpose of providing a conclusion on the effectiveness of the Process, including the outcome of the Process; and
- ▶ Designing and performing procedures to evaluate whether the Process is consistent with the Company's description of its Process, [as disclosed in section 4. Impact, Risk and Opportunity management - chapter General Disclosures - ESRS 2;

Our other responsibilities in respect of the Sustainability statement include:

- ▶ To understand the Company's control environment and the processes and information systems relevant to the preparation of sustainable information, but without evaluating the design of specific control activities, obtaining substantive information on their implementation or testing the effectiveness of the internal control measures in place;
- ▶ Identify areas where material misstatements of sustainability information are likely to occur, whether due to fraud or error; and
- ▶ Designing and performing procedures responsive to where material misstatements are likely to arise in the sustainability statement. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



## Statutory Auditor's limited assurance report on Crelan's Sustainability statement for the year ended 31 December 2024 (continued)

### Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability statement. The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise in the Sustainability statement, whether due to fraud or error.

In conducting our limited assurance engagement, with respect to the Process, we:

- ▶ Obtained an understanding of the Process through:
  - ▶ Obtaining the supporting information used by management (e.g. stakeholder engagement, value chain mapping, desk research)
  - ▶ Evaluating the materiality assessment performed by the Company by using the principles of financial materiality and impact materiality, including setting the materiality thresholds, resulting in the identification of material impacts, risks and opportunities ("IROs");
  - ▶ Obtaining internal and external documentation that supports the identification of the material IROs which constitute the outcome of the Process.
- ▶ Evaluated whether the evidence obtained from our procedures with respect to the Process implemented by Crelan was consistent with the description of the Process

set out in section 4. Impact, Risk and Opportunity management of chapter General Disclosures - ESRS 2

In conducting our limited assurance engagement, with respect to the sustainability statement, we:

- ▶ Obtained an understanding of the Company's reporting processes relevant to the preparation of its sustainability statement by:
  - ▶ interviewing management and relevant staff responsible for the collation of information and redaction of disclosures ;
  - ▶ when deemed appropriate, obtaining supporting documentation for the relevant reporting processes
- ▶ Evaluated whether the information identified by the Process is included in the sustainability statement;
- ▶ Evaluated the compliance of the structure and the preparation of sustainability information with ESRS standards;
- ▶ Performed inquires of relevant personnel and analytical procedures on selected information in the sustainability statement;
- ▶ Performed substantive assurance procedures, based on a sample, on selected information in the sustainability statement;
- ▶ Evaluated assurance information on the methods for developing estimates and forward-looking information; evaluated as described in the section 'responsibilities of the statutory auditor regarding the assurance engagement with limited assurance regarding sustainability information;
- ▶ Obtained an understanding of the Company's process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability statement;



**Statutory Auditor's limited assurance report on Crelan's  
Sustainability statement for the year ended  
31 December 2024 (continued)**

**Statements regarding independence**

- ▶ Our audit firm and our network have not performed any engagements that are incompatible with the limited assurance engagement, and our audit firm has remained independent of the company during our term of office.

Brussels, 3 April 2025

EY Réviseurs d'Entreprises SRL  
Statutory Auditor  
represented by

**Christel  
Weymeersch  
(Signature)**

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Christel Weymeersch\*  
Partner  
\* Acting on behalf of a BV/SRL

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**Christophe  
Boschmans  
(Signature)**

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Partner  
\* Acting on behalf of a BV/SRL

