

Brussels, 16 September 2024 - 8:00 am - Outside trading session - Regulated information

## **The Crelan cooperative banking group completes its merger with AXA Bank and posts strong half-year results**

- **Crelan's merger with and integration of AXA Bank have been successfully completed in accordance with the original plan.**
- **The Crelan Group (Crelan, AXA Bank and Europabank combined) has posted a solid net IFRS result of EUR 98.8 million (after linearisation of the banking levies).**
- **After taking into account certain specific elements, notably integration and migration costs, the underlying net operating income of the Crelan Group amounts to EUR 142.3 million for the first half of 2024.**
- **Customers showed their confidence in Crelan's model by subscribing EUR 122 million in cooperative shares in the first half of 2024.**
- **The global solvency ratio rose again, to 32.3% at 30 June 2024, compared with 28.6% at 30 June 2023. The financial strength of the Crelan Group is therefore further strengthened, and is at a particularly high level.**
- **These strong financial results are underpinned by good business momentum in a difficult market.**  
**At the end of June 2024, the Crelan Group was managing a total of EUR 43.7 billion in customer deposits and EUR 16.5 billion in off-balance sheet investments and had granted EUR 49.5 billion in loans.**

Below, we refer to the Crelan Group for the consolidated figures of Crelan, its subsidiary Europabank and AXA Bank Belgium.

## Strong financial results

- The Crelan Group (Crelan, AXA Bank and Europabank combined) posted a solid result of EUR 58.0 million for the first half of 2024 (+EUR 4.8 million compared with the first half of 2023), or EUR 98.8 million after linearisation of the bank levies.

The cooperative group's results remain high despite the impact of monetary policy and interest expense on bonds issued to meet MREL obligations on interest income. Interest income amounted to EUR 421.2 million, compared with EUR 490.9 million in the first half of 2023.

Commission revenues increased to EUR 135.0 million compared with EUR 125.8 million in the first half of 2023 (+7.3%)

The underlying net operating income of the Crelan Group for the first half of 2024 amounted to EUR 142.3 million, a slight decrease (-EUR 8.0 million) compared with the particularly high result in the first half of 2023.

## Strengthening financial solidity

With a CET1 ratio going in one year from 23.3% to 24.2% and a global solvency ratio going from 28.6% to 32.3%, the Crelan Group further strengthened its already solid solvency position. These figures far exceed the relevant regulatory requirements.

*“The Crelan Group has been able to increase its global solvency ratio thanks to the confidence of its customers who subscribed in large numbers to new cooperative shares, to retaining its good 2023 results and to a Tier 2 subordinated bond issue, which has been very well received by institutional investors,” said Emmanuel Vercoustre, CFO.*

The ratings of S&P (A-LT and A-2 ST, outlook stable) and Moody's (A3 LT and P-2 ST, outlook positive) remain very strong. In addition, the Senior Non Preferred (SNP) securities rating was raised to Baa2 by Moody's in the second quarter of 2024.

## Good business dynamics in a difficult market

The issuance of cooperative shares was a great success

**The total portfolio of customer deposits increased by EUR 1.4 billion in the half-year, to EUR 43.7 billion.**

A gross production of EUR 1.1 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 EUR 16.5 billion (+ EUR 1.0 billion compared with 31 December 2023).**

The first six months of the year were characterised by a macroeconomic environment in which bonds offered more attractive yield prospects. Uncertainty about inflation, market expectations of possible central bank rate cuts and fears of recession certainly accompanied volatility.

This led to continued interest in term accounts and a growing interest in bond funds and interest-related structured products, as against 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 the first part of 2024. 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.

## EUR 3.04 billion in new loans to our Belgian customers

During the first half of the year, the Crelan Group lent EUR 2.12 billion to Belgian households and financed investments of over €916 million for the self-employed, SMEs and farmers.

**Consequently at 30 June 2024, the Crelan Group's lending portfolio stood at EUR 49.5 billion (+EUR 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 personal instalment loans, a new modern and efficient loan application was launched in February.

New lending to the professional 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.

### **Expanding the functionality of our mobile app**

During the first six months of 2024: Payconiq was integrated into Crelan's application and the ability to activate the account via ITSME was added.

Customers now have the option of opening a savings account online in the app.

### **After a successful merger, Crelan is now the fifth bank**

From the technical point of view, the merger has been a great success. However, it has resulted in some temporary inconvenience and unavailability of services for a limited number of clients, which we have been able to resolve without undue delay.

For agents, the merger was also a watershed moment in the first half of 2024. During the transition, agents already working for Crelan supported their AXA Bank colleagues via a sponsorship system, so that they could master the new systems while continuing their business activity. Together, they contributed greatly to the success of the merger. In line with the bank's values, they constituted the first customer support line in this transition period. At present, support measures have been put in place to ensure that this transition is totally stabilised and that agents can fully resume their business activities.

*“The agents played a leading role before, during and after the merger, being very proactive. They managed to gradually appropriate new systems and processes while maintaining customer relationships despite some technical, temporary and inevitable problems during such operations.*

*We would like to thank them for all the efforts made on this occasion.” Joris Cnockaert, CCO*

## Our vision for the future

Crelan has ambitious goals for the future, building on its strong history and on the size effect and economies of scale resulting from the merger.

After the merger, we will start a phase of transformation designed to further improve service quality for agents and customers alike.

Crelan is determined to continue investing in digital technologies and services in order to keep pace with the rapid evolution and to meet customers' expectations.

Thanks to the integration of AXA Bank, Crelan can offer a wider range of products and services to both private and professional customers. This includes investment solutions from Amundi, AXA Investment Managers and Econopolis Wealth Management, Allianz and AXA insurance products and Europabank products and services.

Proximity and personalised service are key features of Crelan's positioning, especially in the digital age. The merger significantly expanded the network of independent banking agencies under the "CRELAN" banner. We intend to take full advantage of the skills and knowledge within our network to further optimise the operations of our agencies. This will allow us to respond more effectively to customers' specialised requests.

*"We have enormous potential for organic growth to become a full service Belgian bank in all banking activities and all customer segments. In addition, in a world characterised by the current uncertainties and rapid technological changes, we aim to provide customers and our agents with both very high security and a very high quality of service," said Philippe Voisin, CEO.*

## Crelan, a 100% Belgian and 100% cooperative bank

One of the objectives of Crelan is to involve cooperative shareholders in the bank's activities. This is particularly the case with regard to the CrelanCo Foundation. As a reminder, this is a foundation designed to support local charity projects in which the co-operators are involved and that have a positive impact on society.

This will be done in particular by involving them in the process of selecting the proposed projects.

## Rebranding of agencies

The day after the merger, rebranding of the former AXA Bank agencies began. They are now being fitted out in Crelan colours and with the Crelan logo. The goal is to complete this operation by the end of 2024.

## Annexes Results of the Crelan group (first half of 2024)

### IFRS CONSOLIDATED BALANCE SHEET

€M	31/12/2023	30/06/2024	EVOLUTION
Loans	49.012	49.520	508
Debt receivables	600	1.009	409
Treasury & fair value hedge	3.560	5.493	1.934
Other Assets	817	670	-146
<b>Total Assets</b>	<b>53.988</b>	<b>56.693</b>	<b>2.705</b>
Deposits	42.391	43.742	1.351
Covered bonds	4.650	4.616	-34
Central bank deposits	884	784	-100
Senior Non Preferred	1.431	2.190	759
Subordinated liabilities	205	505	300
Other financial liabilities	402	856	454
Other Liability	1.515	1.363	-152
Equity	2.510	2.637	127
<b>Total Liabilities &amp; Equity</b>	<b>53.988</b>	<b>56.693</b>	<b>2.705</b>

The amounts above have been subject to a limited review by the auditor.

### IFRS CONSOLIDATED STATEMENT OF INCOME

€M	30/06/2023	30/06/2024	EVOLUTION
Net banking income	620,6	564,6	-56,0
<i>Of which net interest income</i>	<i>490,9</i>	<i>421,2</i>	<i>-69,8</i>
Operating expenses	-469,9	-484,9	-15,0
Cost of risk	-23,0	-18,2	4,8
Provisions	-37,2	11,1	48,4
Negative goodwill & Profit from disposal	0,0	0,0	0,0
Taxes	-37,2	-14,6	22,6
<b>Net income</b>	<b>53,2</b>	<b>58,0</b>	<b>4,8</b>
<b>Adjusted net income (*)</b>	<b>96,4</b>	<b>98,8</b>	<b>2,3</b>

The amounts above have been subject to a limited review by the auditor, except (\*).

(\*) Adjusted for IFRIC 21 (after linearization of bank taxes)

### ALTERNATIVE PERFORMANCE MEASURES (APM)

€M	30/06/2023	30/06/2024	EVOLUTION
	UNDERLYING (APM)	UNDERLYING (APM)	
Underlying Net banking income	633,6	600,5	-33,1
<i>Of which underlying net interest income</i>	<i>508,9</i>	<i>445,5</i>	<i>-63,4</i>
Underlying Operating expenses	-412,4	-410,0	2,5
Underlying Cost of risk	-16,5	-10,8	5,6
Underlying Provisions	-0,1	4,1	4,2
Underlying Taxes	-54,3	-41,5	12,8
<b>Underlying Earnings</b>	<b>150,3</b>	<b>142,3</b>	<b>-8,0</b>
Specific Items	-53,9	-43,5	10,4
<b>Adjusted net income</b>	<b>96,4</b>	<b>98,8</b>	<b>2,3</b>

The amounts above have not been subject to an audit.

### Ratios of the Crelan Group

	06/23	06/24	Difference
<b>Loan Loss Ratio*</b>	0,07%	0,04%	-0,03%
<b>Cost Income Ratio*</b>	65%	68%	3%
<b>Underlying Return on Equity*</b>	12,8%	10,8%	-2,0%
<b>Return on Assets</b>	0,36%	0,35%	-0,01%
<b>CET1 Ratio</b>	23,3%	24,2%	0,9%
<b>Total Capital Ratio</b>	28,6%	32,3%	3,7%
<b>LCR</b>	191%	202%	12%

\* Based on internal presentation. The amounts above have not been subject to an audit.

### Portfolio development and loan production results

In mio EUR	06/23	06/24	Evolution	%
<b>Production retail loans</b>	2.243	2.121	-122	-5%
<b>Production of agricultural loans</b>	163	195	32	20%
<b>Production business loans</b>	729	721	-8	-1%
<b>Production off balance sheet</b>	1.107	1.144	37	3%

The amounts above have not been subject to an audit.

En mio EUR	12/23	06/24	Evolution	%
<b>Outstanding deposits</b>	42.391	43.742	1.351	3%
<b>Outstanding Loans</b>	49.012	49.520	508	1%
<b>Off balance sheet Assets under management</b>	15.496	16.505	1.010	7%

The amounts above have not been subject to an audit.

**About the Crelan Group**

The financial group is formed by CrelanCo SA, Crelan SA, Europabank SA. It ranks fifth among Belgian retail banks in terms of total assets. The Crelan Group is represented by two bank logos: Crelan and Europabank. At 31 December 2023, the Crelan group had: 4,456 employees (both staff members and independent banking agents and their employees), 792 branches, 283,629 cooperative shareholders, nearly 1.8 million customers and a balance sheet total of just under EUR 54 billion. In addition, the banking group manages EUR 42.4 billion in customer deposits, EUR 15.5 billion in off-balance sheet investments and supports Belgian households and businesses with EUR 49.0 billion in loans.

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