

This document contains final disclosure of the results of the Asset Quality Review

This page provides detail on how to read the templates, and contains important caveats to consider within the context of final results

Bank-specific notes

1. Cielien SA became a significant institution following the acquisition of AXA Bank Belgium SA that was subject to Comprehensive Assessment in 2014. The scope of the Asset Quality Review excluded the portfolios that were already covered by the previous Comprehensive Assessment in 2014 (i.e. AXA Bank Belgium SA).

2. Section A Main information on the bank before the Asset Quality Review (31.12.2021) and section D.A are based on the consolidated figures of the entity including AXA Bank Belgium SA.

Sheet descriptions

Main results

A. Main information on the bank before the Asset Quality Review (31 December 2021)
 B. The main results of the Asset Quality Review
 C. Major capital measures impacting Tier 1 eligible capital, from 01 January 2022 to 31 December 2022

Detailed AQR Results

D. Matrix Breakdown of AQR Result
 E. Matrix Breakdown of Asset Quality Indicators

Section descriptions

Section	Contents	Key fields	Notes
A. Main information on the bank before the Asset Quality Review (31 December 2021)	This section contains information on the size, performance and starting point capital of the bank as of 31 December 2021	A6 Starting point CET1% - bank provided starting point before any adjustments following the Asset Quality Review	- Numbers in this section are provided primarily for transparency purposes and should not be used for comparisons to other sections/sheets. As an example, the NPE ratio exhibited in this section applies across all segments and all bank portfolios, and as such does not provide a like for like comparison with the NPE ratio data displayed in section E (which relates only to portfolios selected in Phase 1 of the AQR)
B. Main results of the Asset Quality Review	This section of the disclosure template contains the main results of the Asset Quality Review	Key fields discussed in more detail below	
C. Major capital measures impacting Tier 1 eligible capital, from 01 January 2022 to 31 December 2022	This section displays major capital measures affecting Tier 1 eligible capital		
D. Matrix Breakdown of AQR Result	This section gives workblock-specific AQR results	D.A - D.F provides AQR results related to accrual accounted assets broken down by asset class and AQR workblock D.G - D.I provides the results of the review of fair value exposures D.13 shows the gross capital impact of the AQR before offsetting effects D.18 shows the net total capital impact of the AQR on the CET1 ratio	- The selection of asset classes for Portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification and misvaluation. Therefore, extrapolation of results to the non-selected portfolios would be incorrect from a statistical standpoint - In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1 - Items D1 to D12 are before offsetting impacts such as asset protection and taxes
E. Matrix Breakdown of Asset Quality Indicators	This section provides asset quality indicators (NPE levels and coverage ratio), broken down by asset segment	- E1 shows the evolution of NPE levels for portfolios selected in Phase 1 of the AQR - E10 shows the evolution of coverage ratios for portfolios selected in Phase 1 of the AQR	- Information reported only for portfolios subject to detailed review in AQR, i.e. those selected in Phase 1 of the AQR - Figures presented should not be interpreted as accounting figures

Source of key figures / drivers of key results

B MAIN RESULTS OF THE ASSET QUALITY REVIEW (AQR)

B1	CET1 Ratio at end-year 2021, including retained earnings / losses of year B1 = A6	%	10.00%
B2	Aggregated adjustments due to the outcome of the AQR	Basis Points Change	-100
B3	AQR adjusted CET1 Ratio B3 = B1 + B2	%	9.00%

B1: The CET1 ratio starting point against which the Asset Quality Review impact is measured, as of 31 December 2021

Note: CET1 is defined in accordance with CRDIV/CRR. Sourced from Section A. Main information on the bank before the Asset Quality Review (31 December 2021).

B2: Net AQR impact in basis points (after tax, risk protection and IFRS9 transitional arrangement netting effects)

Note: Sourced from Section D. Matrix Breakdown of AQR Result

B3: Adjusted CET1 ratio based on the AQR outcome

Note: Calculated as B1 + B2

Please note that the provided example is solely for illustrative purposes and not representative for this bank.

NAME OF THE ENTITY

BECLN

Crelan SA ; Crelan NV

1 Main Results and Overview

A MAIN INFORMATION ON THE BANK BEFORE THE ASSET QUALITY REVIEW (31.12.2021)

		31.12.2021
A1	Total Assets (based on prudential scope of consolidation)	Mill. EUR 53,011.86
A2	Net (+) Profit/ (-) Loss of 12 months to 31.12.2021 (based on prudential scope of consolidation)	Mill. EUR 682.19
A3	Common Equity Tier 1 Capital according to CRDIV/CRR definition	Mill. EUR 1,841.04
A4	Total Risk Exposure Amount according to CRDIV/CRR definition	Mill. EUR 11,602.42
A5	Total exposure measure according to Article 429 CRR "Leverage exposure"	Mill. EUR 50,557.73
A6	CET1 Ratio according to CRDIV/CRR definition A6 = A3 / A4	% 15.87%
A7	Leverage Ratio	% 4.12%
A8	Non-performing exposure ¹ ratio	% 0.54%
A9	Coverage ratio for non-performing exposure ¹	% 31.79%
A10	Level 3 instruments as percentage of Total Assets	% 0.09%

B MAIN RESULTS OF THE ASSET QUALITY REVIEW (AQR)

B1	CET1 Ratio at end-year 2021, including retained earnings / losses of year B1 = A6	%	15.87%
B2	Aggregated adjustments due to the outcome of the AQR	Basis Points Change	-20
B3	AQR adjusted CET1 Ratio B3 = B1 + B2	%	15.67%
B4	Leverage Ratio at end-year 2021 refer to Definitions and Explanations sheet	Please refer to Definitions and Explanations sheet	% 4.12%
B5	Aggregated adjustments to Leverage Ratio due to the outcome of the AQR B5 = D17 / A5	Basis Points	-4
B6	AQR adjusted Leverage Ratio B6 = B4 + B5	%	4.08%

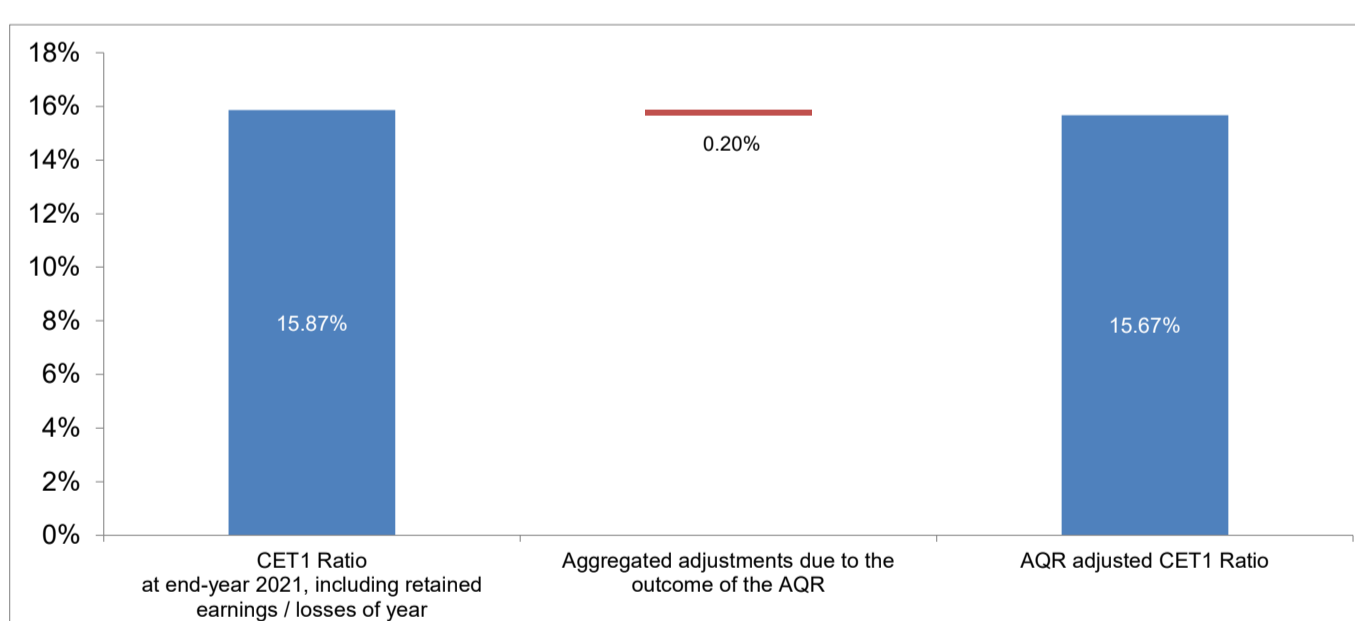
Capital Shortfall

	Basis Points	Mill. EUR
B7	Aggregated Capital Shortfall of the Asset Quality Review versus CET1 ratio (8%)	0
B8	Aggregated Capital Shortfall of the Asset Quality Review versus Leverage Ratio (3%)	0

Footnotes

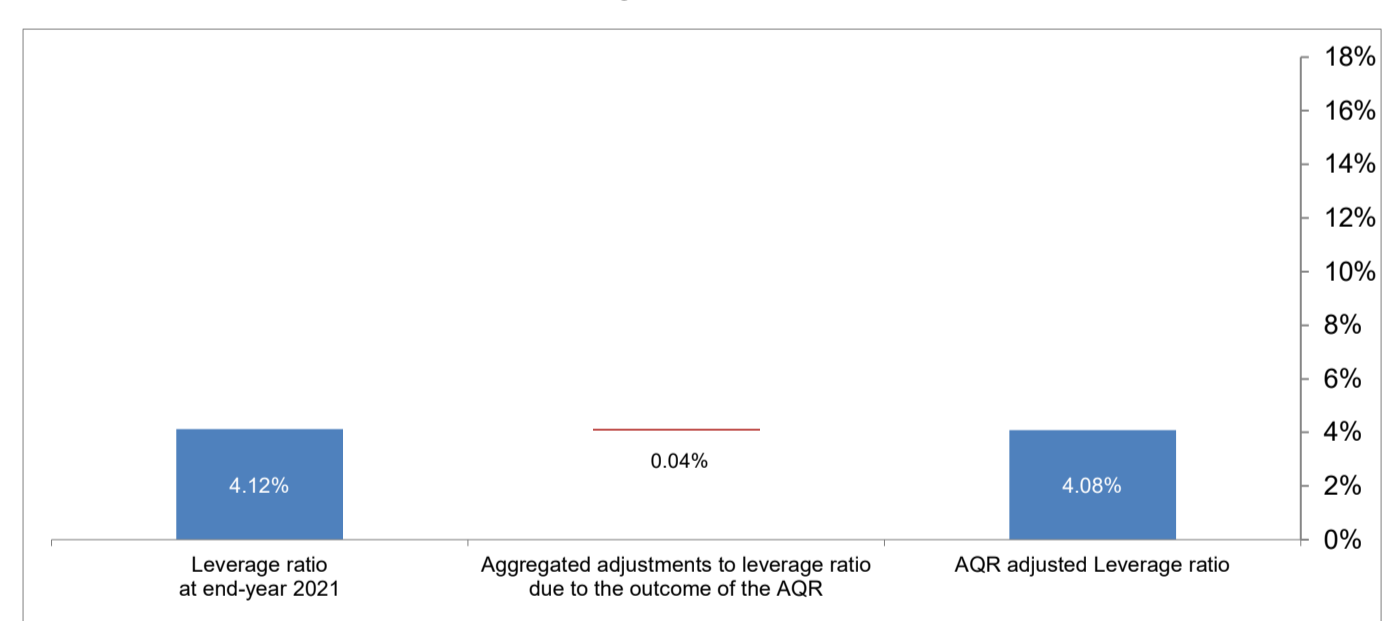
1. NPE definition in line with the Article 47a of CRR . Note that all exposures classified as 'Stage 3' under the IFRS 9 impairment model are considered NPE for the purposes of AQR following the above definition.
2. Note that the Leverage Ratio is calculated based on CRR (Article 429) .

CET1 Ratio



Overview AQR

LEVERAGE Ratio



C MAJOR CAPITAL MEASURES IMPACTING TIER 1 ELIGIBLE CAPITAL FROM 01 JANUARY 2022 TO 31 DECEMBER 2022

Change in CET1 Capital		Impact on Common Equity Tier 1 Million EUR
C1	Raising of capital instruments / retained earnings eligible as CET1 capital	27.6
C2	Repayment of CET1 capital, buybacks	-
C3	Conversion to CET1 of hybrid instruments becoming effective between January 2022 and December 2022	-
Net issuance of Additional Tier 1 Instruments		Impact on Additional Tier 1 Million EUR
C4	Net issuance of Additional Tier 1 Instruments	-

NAME OF THE ENTITY

BECLN

Crelan SA / Crelan NV

2. Detailed AQR Results

D. Matrix Breakdown of AQR Result (B2)

Note:

- The selection of asset classes for portfolio review was based on an approach aimed at identifying portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would not be appropriate.
- The columns D.C to D.F include (but are not limited to) any impacts on provisioning associated with the reclassification (from a supervisory perspective) of exposures across stages of the IFRS 9 impairment model.
- In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1 capital.
- Items D1 to D20 are before offsetting impacts such as asset protection and taxes.
- Basis points are calculated using Total Risk Exposure Amount from Section A4.
- For the interpretation of the detailed results, the interested reader may refer to the AQR manual outlining the methodology : <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.assetqualityreviewmanual201806.en.pdf>

	D.A	D.B	D.C		D.D		D.E		D.F	
			Basis Points	Mill. EUR	Basis Points	Mill. EUR	Basis Points	Mill. EUR	Basis Points	Mill. EUR
D1 Total credit exposure	6,537	50%	0	0	0	0	23	27	-23	-27
D2 Sovereigns and Supranational non-governmental organisations	4	0%	0	0	0	0	0	0	0	0
D3 Institutions	308	0%	0	0	0	0	0	0	0	0
D4 Retail	5,820	56%					23	27	-23	-27
D5 thereof SME	1,880	77%								
D6 thereof Residential Real Estate (RRE)	3,228	45%					20	23	-20	-23
D7 thereof Other Retail	712	51%					3	4	-3	-4
D8 Corporates	313	0%	0	0	0	0	0	0	0	0
D9 Other Assets	92	0%	0	0	0	0	0	0	0	0
D10 Securitisations	0	0%	0	0	0	0	0	0	0	0
D11 Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment:										
Asset Class	Geography									
SME	1,876	78%	0	0	0	0	20	23	-20	-23

NB: In some cases the total credit RWA reported in field D.A1 may not equal the sum of the components below. These cases are driven by inclusion of specialised assets types which are outside the categories given above.
1 Banking Book Credit risk RWA determined at the highest level of consolidation

	D.G	D.H	D.I	
	Portfolio size Carrying Amount	Portfolio selection	Impact on CET1 before any offsetting effects	
	Mill. EUR	% selected in Phase 1	Basis points	Mill. EUR
D12 FVA, AVA and DOP reserve	n/a	n/a	n/a	n/a

	D.J	
	Basis points ¹	Mill. EUR
Total impact on CET1 based on AQR adjustments		
D13 Gross impact on capital (D.F + D.I)	-23	-27
D14 Offsetting impact due to risk protection	0	0
D15 Offsetting tax impact	6	7
D16 Offsetting IFRS9 transitional arrangement impact	n/a	0
D17 Net impact on capital	-18	-20
D18 Net total impact of AQR results on CET1 ratio (incl TREA effects)	-20	
Please refer to Definitions and Explanations sheet		
D17 = D13 + (D14 + D15 + D16)		

Footnote
1 Basis point impact due to CET1 capital adjustments.

E. Matrix Breakdown of Asset Quality Indicators

Note:

- The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would not be appropriate.
- Changes in non-performing exposure as a result of the AQR, reflect reclassification of exposures (from a supervisory perspective) into stage 3 of the IFRS 9 impairment model (see Section 4.5.2, Asset Quality Review Phase 2 Manual).

Information reported only for portfolios subject to detailed review in AQR (applicable to Section E)
Asset quality indicators

Non-Performing Exposure Ratio

	E.A	E.B	E.C	E.D
	%	Basis Points	Basis Points	%
E1 Total credit exposure	1.32%	4	12	1.48%
E2 Sovereigns and Supranational non-governmental organisations	-	-	-	-
E3 Institutions	-	-	-	-
E4 Retail	1.32%	4	12	1.48%
E5 thereof SME	2.71%			2.71%
E6 thereof Residential Real Estate (RRE)	0.70%	6	16	0.93%
E7 thereof Other Retail	3.35%			3.35%
E8 Corporates	-	-	-	-
E9 Other Assets	-	-	-	-

Coverage Ratio

NB: Coverage ratios displayed in E.E - E.I cover only the exposures that were marked as non-performing pre-AQR. Therefore exposures that were newly reclassified to NPE during the AQR are not included in the calculation for E.E - E.I

	E.E	E.F	E.G	E.H	E.I	E.J
	%	%	%	%	%	%
E10 Total credit exposure	30.77%	0.00%	0.00%	4.65%	35.42%	15.31%
E11 Sovereigns and Supranational non-governmental organisation	-	-	-	-	-	-
E12 Institutions	-	-	-	-	-	-
E13 Retail	30.77%			4.65%	35.42%	15.31%
E14 thereof SME	33.37%			15.06%	48.43%	
E15 thereof Residential Real Estate (RRE)	20.26%			-4.95%	15.31%	15.31%
E16 thereof Other Retail	58.44%			9.52%	67.97%	
E17 Corporates	-	-	-	-	-	-
E18 Other Assets	-	-	-	-	-	-

DEFINITIONS & EXPLANATIONS		
Reference	Name	Definition or further explanation
A. MAIN INFORMATION ON THE BANK BEFORE THE ASSET QUALITY REVIEW (31 December 2021)		
A1	Total Assets (based on prudential scope of consolidation)	Sum of on balance positions as of 31 December 2021. Note that for this and all following positions the scope of consolidation follows Article 18 CRR (therefore direct comparison with financial accounts based on accounting scope of consolidation will result in differences).
A2	Net (+) Profit/ (-) Loss of 2021 (based on prudential scope of consolidation)	Net profits (positive number) or net losses (negative number) as of 31 December 2021. Net profits/losses are after taxes and excludes Other Comprehensive Income.
A3	Common Equity Tier 1	Common Equity Tier 1 (CET1) including transitional arrangements as of 31 December 2021, according to CRD IV/CRR definition (Article 50 CRR).
A4	Total Risk Exposure Amount	Total Risk Exposure Amount including transitional arrangements as of 31 December 2021, according to CRD IV/CRR definition (Article 92.3 CRR).
A5	Total exposure measure used in Leverage Ratio	Denominator of the Leverage Ratio, "leverage exposure", according to CRR definition (Article 429 CRR).
A6	CET1 ratio	CET1 Ratio as of 31 December 2021 (A6=A3/A4) Numerator: Common Equity Tier 1 (CET1) including transitional arrangements as of 31 December 2021, according to CRD IV/CRR definition (Article 50 CRR). Denominator: Total Risk Exposure Amount including transitional arrangements as of 31 December, according to CRD IV/CRR definition (Article 92.3 CRR). Article 92.2a CRR.
A9	Leverage Ratio	Leverage Ratio as of 31 December 2021, defined according to CRR (Article 429 CRR). Numerator: Capital measure. Denominator: Total exposure measure
A10	Non-performing exposures ratio	Non-performing exposures (NPE) ratio as of 31 December 2021 Numerator: Exposure that is non-performing according to NPE definition set forth in the Article 47a of CRR. Note that all exposures classified as 'Stage 3' under the IFRS 9 impairment model are considered NPE for the purposes of AQR following the above definition. Denominator: Total credit exposure (performing and non-performing), book value plus off-balance exposure weighted by Credit Conversion Factor.
A11	Coverage ratio for non-performing exposure	Coverage ratio for NPE as of 31 December 2021 Numerator: Loss allowances for expected credit losses as per IFRS9(5.5) Denominator: Non-performing exposure (numerator of A10)
A12	Level 3 instruments as percentage of total assets	Numerator: Level 3 assets in accordance with IFRS 13, para. 86-90. Please note: Not defined for banks using rGAAP. Denominator: Total assets (see A1)
B. MAIN RESULTS OF THE ASSET QUALITY REVIEW (AQR)		
B1	CET1 Ratio	CET1 Ratio as of 31 December 2021 (B1=A6)
B2	Aggregated adjustments due to the outcome of the AQR	Sum of all AQR results impacting the CET1 ratio. A breakdown is provided in the sheet "Detailed AQR Results" (in basis points, marginal effect).
B3	AQR adjusted CET1 Ratio	AQR adjusted CET1 Ratio including transitional arrangements as of 31 December 2021 (B3 = B1 + B2)
B4	Leverage Ratio as of 31 December 2021	Leverage ratio as of 31 December 2021, defined in Article 429 CRR
B5	Aggregated adjustments due to the outcome of the AQR	Adjustments to the Leverage Ratio based on all quantitative AQR adjustments affecting the numerator.
B6	AQR adjusted Leverage Ratio	Leverage Ratio as of 31 December 2021, incorporating all quantitative AQR adjustments affecting the numerator.
B7	Aggregated Capital Shortfall of the Asset Quality Review versus CET1 ratio (8%)	Aggregated Capital Shortfall of the Asset Quality Review based on CET1R=8%
B8	Aggregated Capital Shortfall of the Asset Quality Review versus Leverage Ratio (3%)	Aggregated Capital Shortfall of the Asset Quality Review based on Leverage Ratio = 3%
C. MAJOR CAPITAL MEASURES IMPACTING TIER 1 ELIGIBLE CAPITAL FROM 01 JANUARY 2022 TO 31 DECEMBER 2022		
C1	Raising of capital instruments / retained earnings eligible as CET1 capital (+)	Changes to CET1 due to new issuances of common equity / retained earnings which took place between 01 January 2022 and 31 December 2022.
C2	Repayment of CET1 capital, buybacks (-)	Changes to CET1 due to repayment or reduction of CET1 (i.e. buybacks) which took place between 01 January 2022 and 31 December 2022.
C3	Conversion to CET1 of existing hybrid instruments becoming effective between January 2022 and December 2022 (+)	Changes to CET1 due to conversion of existing hybrid instruments into CET1 which took place between 01 January 2022 and 31 December 2022.
C4	Net Issuance of Additional Tier 1 Instruments with a trigger at or above 5.5% and below 6%	Net Issuance of AT1 Instruments (Article 52 CRR) between 01 January 2022 and 31 December 2022, expressed in terms of TREA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3.
D. Matrix Breakdown of AQR Result		
Asset class	Corporates	Corporates is an aggregation of the following AQR sub-asset classes: Large Corporates (non-Real Estate) and Large SME (non-Real Estate), Project Finance, Shipping, Aviation, Commercial Real Estate (CRE) and Other Real Estate.
D.A	Credit Risk RWA as of 31 December 2021	Total credit risk weighted assets including off balance sheet items.
D.B	Portfolio selected	Indication of the fraction of the overall RWA per asset class that was selected in Phase 1 of the AQR. Numerator: RWA per asset class that was selected in Phase 1 of the AQR Denominator: Overall RWA per asset class
D.C	Adjustments to provisions on sampled files	Amount of adjustments to specific provisions on the files from the Credit File Review.
D.D	Adjustments to provisions due to projection of findings	Amount of adjustments to specific provisions based on the projection of findings of the Credit File Review to the wider portfolio.
D.E	Adjustment to provisions due to collective provisioning review	Amount of adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be not in line with the standards expressed in the AQR Manual.
D.F	Adjustments on CET1 before offsetting impact	Gross amount of the aggregated adjustments disclosed in D.C - D.E before the offsetting impact of risk protection and tax (negative numbers).
D.G	Portfolio size Carrying Amount	Portfolio size - Carrying Amount defined as the value (balance + accrued interest) netted of provisions.
D.H	Portfolio selection	Indication of the carrying amount (gross mark-to-market as of 31 December 2021, before AQR adjustment) of positions that are in-scope for detailed review in the AQR divided by total carrying amount (gross mark-to-market as of 31 December 2021, before AQR adjustments) for this asset class. Gross mark-to-market (MTM) is defined as the sum of (total asset MTM + absolute value of total liability MTM) for each trade (i.e. net over trade loss, and excluding internal trades between sub-entities of the reporting entity).
D.I	Adjustments on CET1 before offsetting impact	Amount of adjustments resulting from the different components of the fair value exposures review.
D11	Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment.	This breakdown is omitted where the overall AQR impact (B2) is less than 10 basis points CET1 and single rows are omitted where the impact is less than 1 basis point CET1. Note this adjustment is already reflected in the asset class breakdown of D1 to D9 and displayed here only on a more granular level.
D12	FVA, AVA and DOP reserve	Day One Profit (DOP) reserve, Fair Value Adjustments (FVA) and Additional Valuation Adjustments (AVA) resulting from the review of all portfolios and trades at Fair Value (securities and derivatives). AVA is defined in CRR Art 34 and 105 and in the CDR (EU) 2016/101 on Prudent Valuation. FVA is defined in IFRS 13 (see for instance article 88). DOP reserve is defined in IFRS 9 B5.1.2A.
D13	Gross impact on capital	Sum of D.F1 and D.I.12
D14	Offsetting impact due to risk protection	Gross amount of the aggregated CET1 adjustment based on the AQR before offsetting impact of asset protection, insurance, tax (negative number) and IFRS9 transitional arrangements.
D15	Offsetting tax impact	(Aggregated estimated impact of asset protection schemes (e.g. portfolio guarantees) and insurance effects that may apply to applicable portfolios (positive number). The offsetting tax impact includes the assumed creation of DTAs, which accounts for limitations imposed by accounting rules. DTA deductions are made for any tax offsets as outlined in Part 2, Chapter 2, Section 3 of the CRR.
D16	Offsetting IFRS9 transitional arrangement impact	Includes the offsetting impact of transitional arrangements for mitigating the impact of the introduction of IFRS 9 as per Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017 and Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020.
D17	Net impact on capital	Net amount of the aggregated adjustment to CET1 capital based on the AQR after offsetting impact of risk protection, tax and IFRS9 transitional arrangements. Sums the impact from D13, D14, D15 and D16.
D18	Net total impact of AQR results on CET1 ratio (incl TREA effects)	Net change in the CET1 Ratio resulting from the AQR, reflecting the effect of the total adjustments to CET1 capital (D17) and adjustments to Total Risk Exposure Amount.
E. Matrix Breakdown of Asset Quality Indicators		
The asset quality indicators are based on NPE according to Article 47a of CRR: • According to Article 178 of the CRR, a default has occurred (and therefore, an NPE), when either of the following conditions have taken place: - material exposures which are more than 90 days past due; - the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due. The definition of NPEs is therefore based on the "past due" criterion and the "unlikely to pay" criterion. Note that all debtors classified as Stage 3 by the bank are also considered NPE following the above definition.		
The figures presented should not be understood as accounting figures.		
E.A	Unadjusted NPE Level 31 December 2021	Total NPE for all portfolios in-scope for detailed review during the AQR. Expressed as a percentage of Total Exposure for these portfolios. Numerator: NPE for all portfolios in-scope per asset class as of 31 December 2021 Denominator: Total exposure for all portfolios in scope per asset class.
E.B	Changes due to the credit file review	Percentage point change in NPE ratio due to adjustments to non-performing exposures based on single credit file review.
E.C	Changes due to the projection of findings	Percentage point change in NPE ratio due to adjustments to non-performing exposures based on the projection of findings of the credit file review to the wider portfolio. NPE ratio as of 31 December 2021
E.D	AQR - adjusted NPE level	Numerator: NPE for all portfolios in-scope per asset class as of 31 December 2021 + Exposure re-classified from performing to non-performing according to the CFR classification review and projection of findings. Denominator: Total exposure (performing and non-performing) for all portfolios in scope per asset class.
E.E	Unadjusted coverage ratio of non-performing exposure, 31 December 2021	Specific provisions divided by non-performing exposure for portfolios in-scope for detailed review in the AQR (pre-AQR). Numerator: Specific provisions for non-performing exposure for portfolios in scope (pre-AQR) Denominator: Non-performing exposure for portfolios in scope (pre-AQR)
E.F	Changes due to the single credit file review	Percentage point change in coverage ratio due to adjustments to provisions based on single credit file review.
E.G	Changes due to the projection of findings	Percentage point change in coverage ratio due to adjustments to provisions based on the projection of findings of the credit file review to the wider portfolio.
E.H	Changes due to the collective provisioning review on non-performing exposures	Percentage point change in coverage ratio due to adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be out of line with the standards expressed in the AQR manual.
E.I	AQR - adjusted ratio of provisions on NPE as percentage of NPE	Coverage ratio adjusted for AQR findings.
E.J	Coverage ratio for exposures newly classified as NPE during the AQR	Additional provisions specified for exposure newly classified as non-performing during the AQR.