

# PRESS RELEASE

Argenta Bank- en Verzekeringsgroep nv



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Antwerp, 28/03/2024

## ARGENTA - STILL GROWING, AND STRONGLY POSITIONED FOR THE FUTURE

The Argenta Group performed well again in 2023, achieving a group profit of EUR 310 million, a ROE of 9.6%<sup>1</sup>, a CET1 of 22.4% and a cost-income ratio of 54%. The funds under management passed the EUR 60 billion barrier and EUR 4.2 billion in new mortgage loans were granted in Belgium and the Netherlands, despite the dip in market volumes due to the sharp rise in interest rates. This means that Argenta has held its position in the mortgage markets.

Argenta increased its share in the Belgian deposits market from 8.5% to 9.2%.

### Together, for customers, in all simplicity.

The course to which Argenta rigorously adheres can be summed up in one sentence: Together, for customers, in all simplicity. That was the commitment made in the successful internal reorganisation in 2023, and it translates into a strong internal culture which manifests itself both at headquarters and in the branch network.

For customers, this means that they are more than ever the central focus, with a service delivery that stems from their specific needs. Four propositions were created for this in Belgium: Family and Protection, Living, Wealth and Business, and two in the Netherlands: Living and Savings.

As always, the bank is implementing its propositions in all simplicity. Customers can rely on an extensive network of 387 offices in Belgium and almost 3,500 intermediaries in the Netherlands, all of them close to our customers. In addition, Argenta is committed to keeping daily banking through digital channels simple and accessible and a worry-free repair of damage covered by her insurance. This ensures that the branches can give their customers the time needed for tailored personal advice in more complex decisions.

It's a formula that works. With this focus on customer satisfaction, Argenta has been able to grow in customer deposits and reach the milestone of EUR 15 billion in assets under management (AUM) , including EUR 3 billion in pension savings. Across the border, Argenta Nederland also delivered a significant impact on performance with over 11% growth in Dutch savings accounts, totalling EUR 2.6 billion, and a successful acceleration of support for intermediary distribution. In total, the funds under management have grown to more than EUR 60 billion and mortgages to more than EUR 40 billion. Growth has been recorded in all segments: banking, insurance and asset management.

Argenta scored on quality with a high NPS score (47 in Belgium and 22 in the Netherlands) and has earned a number of awards, such as Best Bank from Test Aankoop, Best Belgian Bank and Insurance Brand (Best Brand Awards) and the Bank Award 2023 for the Best Bank and Best Branch Network from Spaargids.be.

Argenta rounded off 2023 with exclusively sustainable investment funds in its investment product range. The minimum sustainability limits imposed have been well exceeded and the social impact of every euro invested is scrutinised. In total, EUR 7.5 billion is invested in stocks and bonds from issuers with sustainable objectives.

As a result, the solid financial foundations have been strengthened, with robust profitability, liquidity, solvency and efficiency.

Argenta is prepared for the future, and is working on the roll-out of a new proposition for self-employed persons.

The net profit of EUR 310 million and the contribution of EUR 285 million to the government illustrate the company's stability and positive impact in the market.

Peter Devlies, CEO: *"Argenta maintains its focus on the company's core values: because of its focus on simplicity and proximity, a growing number of customers are finding their way to us and we have once more succeeded in delivering strong results. This is expressed in a robust bank that is prepared for the future."*

## Substantial profit growth and stable balance sheet thanks to rising interest rates and sound risk management

**Argenta Bank- en Verzekeringsgroep Group** posted a result of EUR 310 million in 2023. After years of low interest rates, the second half of 2022 already showed an improvement in profitability because of higher market interest rates. This rise in interest continued in 2023 and was fuelled by the ECB, which raised its policy interest rate to combat the imminent acceleration in inflation. This continuing inflation was a consequence of pent-up post-Covid consumption and the continuing war in Ukraine. The rising market rates led to stagnation in balance sheet growth, but with higher profit margins. The development in interest rates led to a higher transformation margin. Under these circumstances, a return on equity of 9.6%<sup>1</sup> was earned in 2023. Argenta still succeeds in striking a good balance between income from interest-driven and non-interest-driven products. This diversification is of crucial importance to create stability in the financial results.

Customers' funds under management grew by EUR 2.6 billion (+5%), crossing the 60 billion euro threshold for the first time. The market share of Argenta's retail deposits in Belgium climbed in 2023 from 8.5% to 9.2%. The total outstanding credit balance rose by EUR 0.7 billion despite the fact that EUR 22 billion had been drawn from the deposit market as a result of the issue of the retail government bond in September. Argenta once more displayed its great commitment to customers by offering a one-year term deposit in this period with the same net return as the government bond. Moreover, the alternative to compensate for the drain on savings in a different way through funding on the capital market or through the central bank would also have led to a significant extra cost.

The rising interest rates meant that Argenta posted an exceptional net interest income of EUR 824 million (+27% compared to 2022), particularly because of an improved transformation margin and a higher income from our bond portfolio, together with lower interest costs on our hedging instruments. This was partially offset by increased financing costs on savings accounts

and bond issues.

Another consequence of rising interest rates is that the market for mortgage loans has cooled off. Nevertheless, Argenta still granted EUR 4.2 billion in new mortgages in Belgium and the Netherlands. The market share remained stable here. The total portfolio for Belgium and the Netherlands rose above EUR 40 billion for the first time.

The cooling off of the economy projected by the central banks led to the provisions for credit losses being increased by EUR 13 million to EUR 70 million.

The asset management branch also picked up again with a volume increase in 2023, on the one hand arising from additional customer investments, amounting to EUR 0.7 billion, and on the other hand from the recovery on the financial markets and the associated increase in the portfolio value (+EUR 1.2 billion). This development boosted the growth of the net fee income by 16% to EUR 152 billion.

As a result of the impact of inflation on loans and other costs, increased employment opportunities and further investments in technology, expenses rose by 11.5%. These investments enable us to further optimise the customer experience on our digital platforms and to continue to comply with ever-increasing regulations. The continuing increase in bank levies also leads to a rising cost base. However, because income shows a higher increase than costs in relative terms, we are seeing a significant drop in the cost-income ratio from 59.4% to 53.5%.

The core capital increased by a net EUR 294 million to EUR 2,860 million. With a Common Equity Tier 1 ratio of 22.4 % (compared to 22% in 2022) and an increase in the leverage ratio of 4.68% to 5.17%, Argenta is once again a sound and solvent financial player.

The consolidated net result of **Argenta Spaarbank** amounted to EUR 243 million, which represented a ROE of 9.8%. The bank pool remains extremely sound and secure with very strong liquidity and capital ratios. The credit rating score conferred by the credit rating agency Standard & Poor's was confirmed at an A/A-1 with a stable outlook, allowing for further reinforcement of Argenta Spaarbank's position on the professional finance market.

**Argenta Assuranties** achieved a net result in 2023 of EUR 72 million with a ROE of 12% (BGAAP). Both the Non-life and the Life insurance activities made a substantial contribution to the results. Here, too, the interest rate rise ensured the attractiveness of the Life offer and a higher return on reinvestment of the insurance premiums, together with lower payments on claims in the Non-Life classes. This resulted in a rise in the Life result and, in Non-Life, a combined ratio after reinsurance of 83%. Argenta Assuranties' solvency, at 230%, is well above the regulatory requirements.

The substantial contribution of both Argenta Spaarbank and Argenta Assuranties demonstrates that Argenta's bank-insurance model leads to a win-win situation.

## Financial results 2023

### Solid results

- Net profit (IFRS): EUR 310 million
- Return on equity: 9.6 %<sup>1</sup>

### Increasing income

- Net interest income: EUR 824 million
- Net income from asset management: EUR 152 million
- Premium income, insurance: EUR 556 million

### A declining cost-income ratio

- Cost-income ratio: 53.5 % (42.0% excluding bank levies)

### Taxes and bank levy

- Effective tax rate: 27.9 % (52.6 % including bank levies)

### Loyal customer base in Belgium and the Netherlands

- Total 1.78 million customers
- Belgium: 1.49 million customers
- Netherlands: 0.29 million customers

### Increasing funds under management

- Customer funds under management: EUR 60.4 billion (+EUR 2.6 billion vs. 2022).

### Healthy living - Belgium and Netherlands

- Residential loans to families in 2023: EUR 4.2 billion
- Residential loans in portfolio: EUR 40.1 billion

### Safe bank-insurer

- Core capital ratio: 22.4 % (Danish compromise method, IRB)
- Solvency II ratio for the insurer: 230 %
- Liquidity Coverage Ratio: 219 % (Argenta Spaarbank)

### Healthy employment growth

2,619 employees at the head offices in Antwerp, Luxembourg and Breda and in the 387 independent branches.

## Argenta Bank- en Verzekeringsgroep

<i>in million euros</i>	<b>2023</b>	<b>2022</b>
Balance sheet total	60,323	59,528 <sup>1</sup>
Loans to individuals	40,484	39,140
Funds under management	60,405	57,805
Gross insurance premiums	556	602
Net profit	310	238
Equity	3,658	3,230 <sup>1</sup>

<i>in units or %</i>	<b>2023</b>	<b>2022</b>
Sales outlets in Belgium	387	406
Employees	2,619	2,572
Return on equity	9.6% <sup>1</sup>	7.2 %

## Argenta Spaarbank

<i>in million euros</i>	<b>2023</b>	<b>2022</b>
Balance sheet total	53,841	53,391
Loans to individuals	39,529	38,166
Securities portfolio	9,973	10,015
Deposits and debt certificates	50,584	50,472
Equity	2,730	2,469

Net interest income	741	575
Net fee and commission result	+ 56	+ 56
Operating expenses and bank levies	- 435	- 394
Impairments	- 12	- 20
Other	- 11	+ 30
Taxes	- 97	- 50
Net profit	243	196

## Argenta Assuranties

<i>in million euros</i>	<b>2023</b>	<b>2022</b>
Balance sheet total	6,605	6,432
Technical provisions - branch 21 and non-life	2,859	2,903
Technical provisions - branch 23	2,996	2,755
Equity	627	596

Gross premium income	556	602
Net operating costs	-131	-119
Net profit	72	65

This press release contains prior information about the annual results of the following entities:

- Argenta Bank- en Verzekeringsgroep nv
- Argenta Spaarbank nv
- Argenta Assuranties nv

The shares of none of these entities are listed, but Argenta Spaarbank nv is an issuer of bonds listed on the Bourse de Luxembourg.

This press release will be distributed to the press on 28/03/2024 at 10.45 am, with the press conference taking place at 11.00 am.

## Confirmation of the auditor regarding the statutory audit of the financial statements

The auditor, KPMG Bedrijfsrevisoren, represented by Kenneth Vermeire, has confirmed that his audit procedures, which have been substantially completed, have not revealed any material discrepancies requiring an adjustment in the accounting data contained in today's press release.

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## END OF PRESS RELEASE

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### Background information on Argenta

Argenta Bank- en Verzekeringsgroep is a bank-insurer for families, with operations in Belgium and the Netherlands, and 1.78 million customers. The bank activity is grouped around Argenta Spaarbank and the insurance activity around Argenta Assuranties.

The Group has total assets of more than EUR 60.323 billion (31 December 2023). The net annual profit of Argenta Bank- en Verzekeringsgroep amounted to EUR 310 million as of 31 December 2023.

You can also find Argenta's press releases on [www.argenta.be](http://www.argenta.be) at About Argenta [Press releases](#).

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<sup>1</sup> All group-level ratios are based on 2022 figures as reported in the financial statements of the Bank- en Verzekeringsgroep for that financial year and not the revised figures for 2022 in the 2023 financial statements, in which IFRS 17 revisions were applied to the 2022 financial year. The group-level return on equity is therefore calculated on the basis of the 2022 capital position without IFRS17 elements. Including IFRS17, the RoE would be 8.9% for the 2023 financial year. The impact on the balance sheet is limited as part of the liabilities moved to equity.