



# Argenta Spaarbank

Financial Results Full Year 2021

March 2022





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# Agenda

1. Argenta Spaarbank Key Takeaways
2. FY 2021 overview
3. Financial Performance
4. Asset Quality
5. Solvency and Liquidity
6. Wrap-up
7. Appendices



# 1. Argenta Spaarbank Key Takeaways (1)

- Argenta Spaarbank delivers in 2021 solid financial results with a **net profit of EUR 181m**, up EUR 45m YoY. A strong commercial performance combined with a strategic diversification of income sources and favourable macro-economic evolutions drive higher results.
  - **The balance sheet total increases with EUR 2.5bn to EUR 48.7bn** due to strong mortgage production.
  - Continuing strong **fee production** grows the total portfolio to EUR 12bn assets under custody. This leads to a record-high EUR 107m asset management income, further enhancing the diversification of net operating income (up 7 pct. points to 27%).
  - **Net interest income increases** YoY with asset growth, lower cost of funding and higher fees from prepayments in the Netherlands compensating for **lower NIM** due to the low-for-long environment.
  - Extra diversification of funding with inaugural covered bond issuances for a total of EUR 1bn.
  - Stable operating expenses, resulting in a **C/I ratio of 61% (-2 pct.-points YoY)**.
- **Robust Solvency position** with a CET1-ratio of 21.6% and a leverage ratio of 4.9%.
- **Sound liquidity ratio's** with LCR of 164% and NSFR of 145%.

# 1. Argenta Spaarbank Key Takeaways (2)

- 65 years of simple and transparent bank and insurance products with unrivalled levels of customer satisfaction
  - Top notch NPS level increased further to 46 (up 6) in 2021. This evolution was primarily attributable to the increase of the segment below 40 years and especially below 25 years.
  - For the third consecutive year, Argenta's pension savings fund won the gold award in the prestigious Fund Awards from De Tijd/L'Echo
  - Argenta Spaarbank continues to offer the most extensive free banking service on the market, despite the launch in Q1'21 of paid daily banking packages feeding further revenue diversification
  - The Fair Finance Guide (Bankwijzer) ranks Argenta among the best in social and environmental sustainability, confirmed by a Sustainalytics rating of 8.5 (top 1e percentile)
- Proximity through a dense branch network complemented with a highly appreciated app
  - 415 branches focusing on personal service throughout key moments in life (awarded 'Best branch network' according to spaargids.be)
  - App with strong focus on a simple user interface (4.5/5, top 3 ranking of Belgian banks in both app stores), confirmed by 15% YoY growth in active app users



## 2. FY 2021 overview

## 2. Argenta Group key financials FY 2021

### Argenta Group

Net result	268.2 m
Return on Equity	8.6%
Total assets	55.5 bn
Total equity	3.3 bn
Cost / Income	55.6%
Total funds under mgmt	57.6 bn
CET 1	21.6%

### Argenta Spaarbank

Net result	181.0 m
Return on Equity	7.9%
Total assets	48.7 bn
Total equity	2.4 bn
Cost / Income	60.7%
Total funds under mgmt	51.7 bn
CET 1	21.6%

### Credit Rating

#### Standard & Poor's

Short-term	A-2
Long-term	A-
Outlook	Stable

### Argenta Assuranties<sup>1</sup>

Net result	82.9 m
Return on Equity	14.8%
Total assets	6.8 bn
Total equity	0.6 bn
Premium Life	381 m
Premium Non-life	157 m
Solvency II	236%

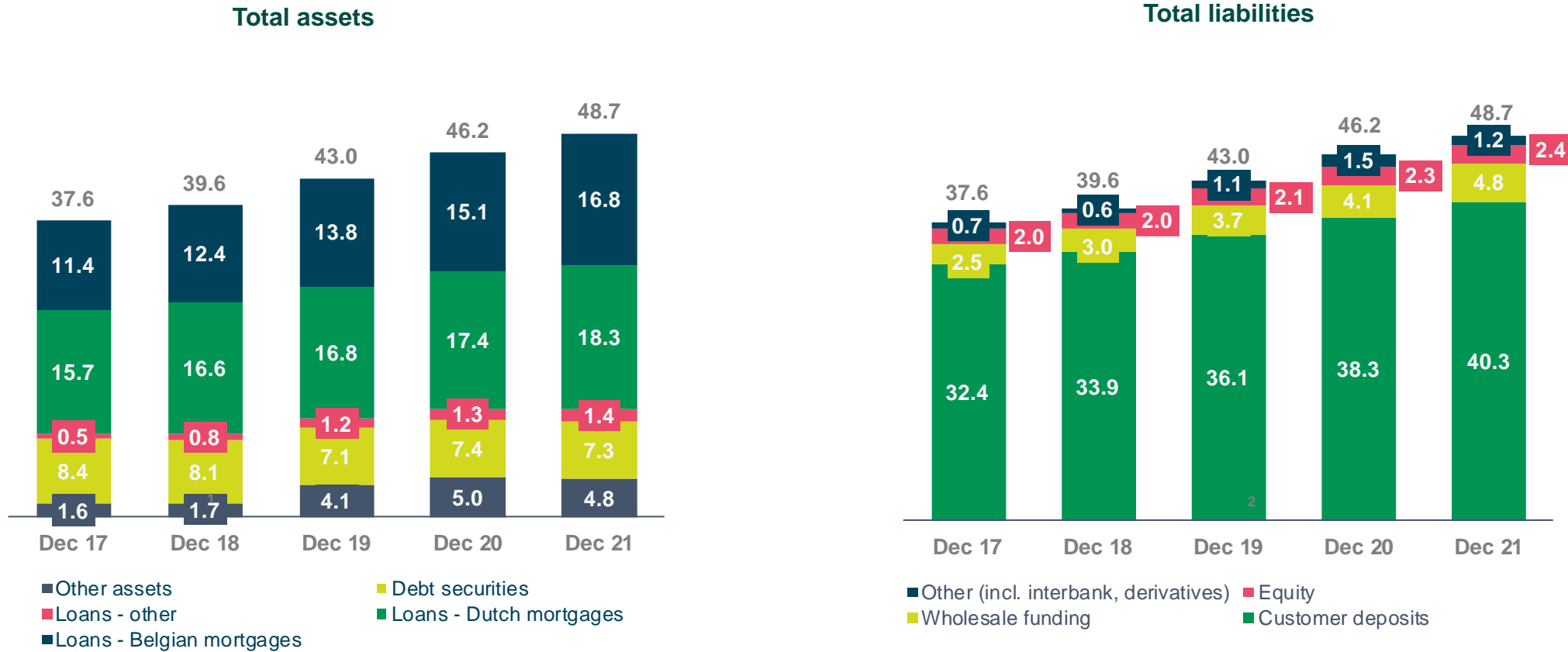
Note: all numbers are stated in EUR  
(1) BGAAP

## 2. Financial Objectives on Key Parameters

Argenta Spaarbank	2020 FY	2021 FY	LT Target
Return on Equity	6.4%	7.9%	>7%
Leverage Ratio	4.9%	4.9%	>5%
Cost / Income Ratio	63%	61%	<60%
CET 1 Ratio	23.3%	21.6%	>18%
Total Capital Ratio	28.5%	21.6%	>20%
Net Interest Margin (NIM)	1.28%	1.22%	>1.25%
NSFR	136%	145%	>132%
LCR	159%	164%	>137%



## 2. Balance Sheet Evolution – CAGR 8%

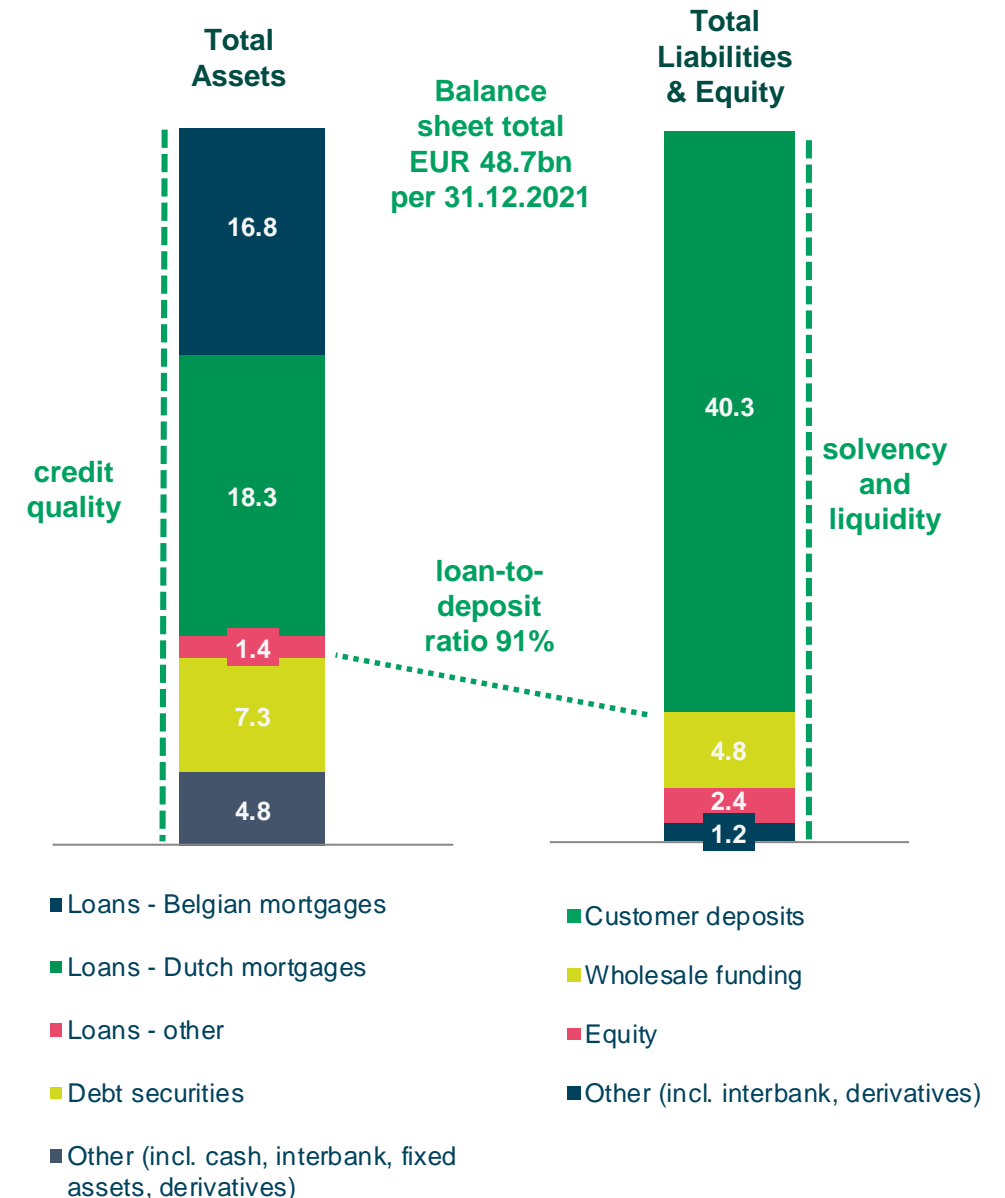


(1) Other loans including cash, interbank, fixed assets, derivatives

(2) Wholesale funding including saving certificates, subordinated debt and securitization funding

## 2. Balance Sheet Composition

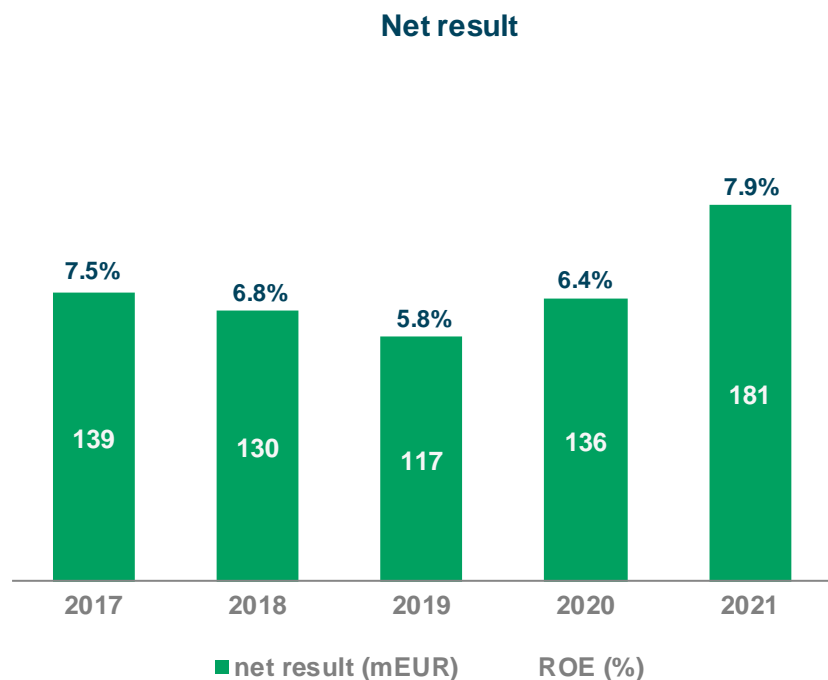
- Balanced growth of assets between a low-risk loan book of prime retail mortgage loans in the Netherlands and Belgium, and a well diversified and conservative investment portfolio
- Limited portfolio of loans granted to local authorities and public-private partnerships
- Strong retail funding profile with a loan-to-deposit ratio of 91%
- Wholesale funding of EUR 4.8bn
  - EUR 2.3bn securitizations
  - EUR 0.5bn SP
  - EUR 1bn SNP
  - EUR 1bn covered bond
- Argenta Spaarbank successfully launched its inaugural Belgian Covered Bond program with 2 issuances in 2021 of EUR 0.5bn each





# 3. Financial performance

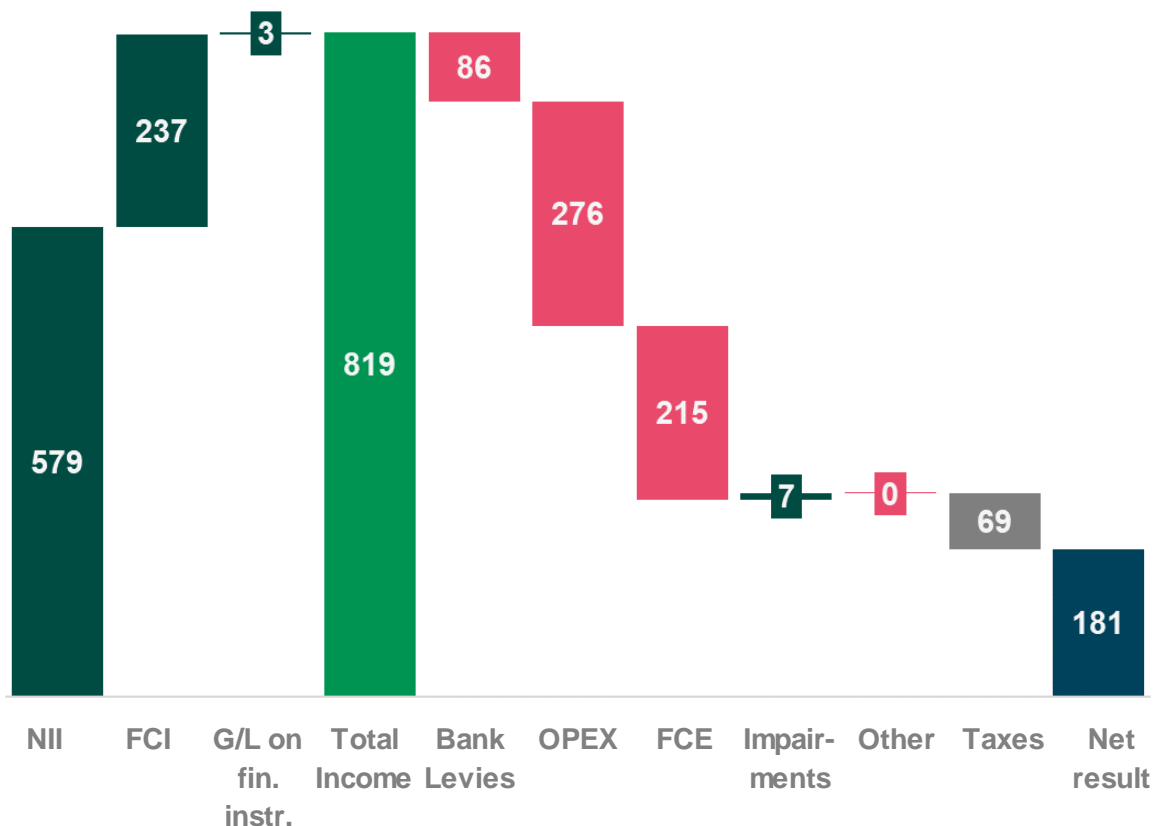
### 3. Net Result YoY up by 33% driven by fee and reversal of impairments



In millions of EUR	FY2020	FY2021	Δ
Net interest income	569	579	+10
<i>recurring NII</i>	565	560	-5
<i>one-off impact MTM</i>	4	19	+15
G/L on financial instruments	5	3	-2
<i>general result</i>	-2	-4	-2
<i>one-off impact MTM</i>	7	7	+0
Net fee & commission result	-8	23	+31
<i>fee income</i>	78	107	+29
<i>commissions to agents</i>	-85	-84	+2
Bank levies	-77	-86	-9
Net operating expenses	-272	-276	-4
<i>other operating income</i>	19	14	-5
<i>operating expenses</i>	-291	-291	+0
Impairments	-19	7	+27
Other	-3	0	+3
Income tax expense	-59	-69	-10
<b>Net profit</b>	<b>136</b>	<b>181</b>	<b>+45</b>

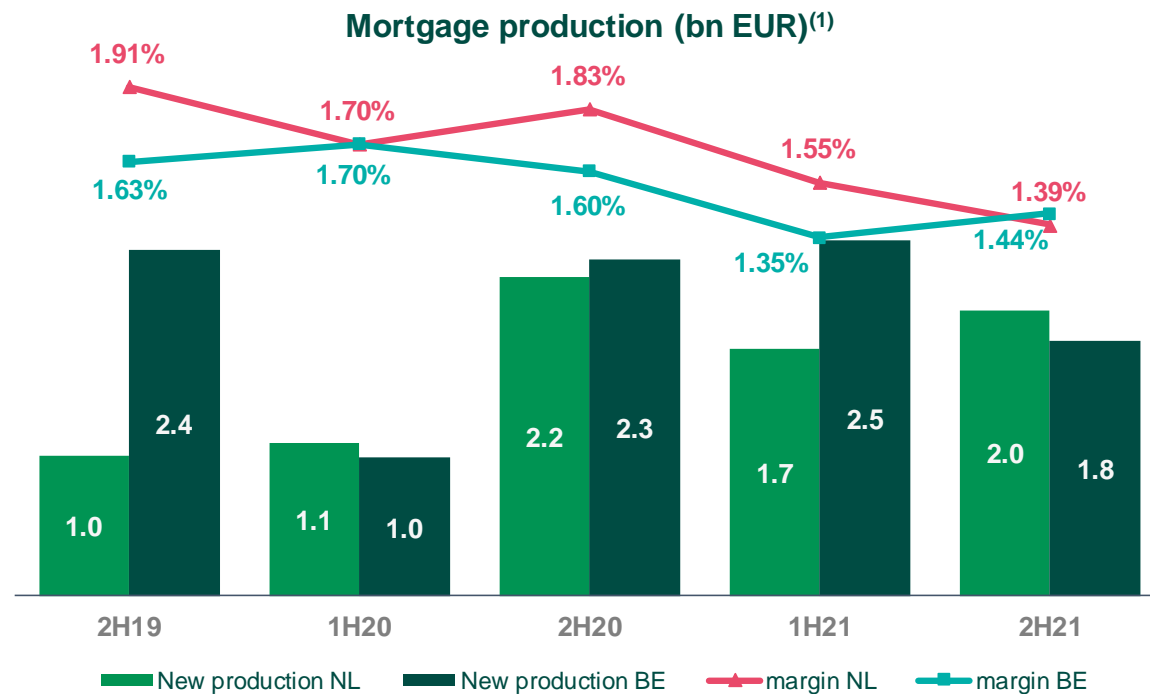
- Net profit up by EUR 45m resulting from persistent income diversification efforts towards asset management products, as well as a positive evolution in impairments
- Interest income remains stable supported by MtM on hedging derivatives, while a growing deposit base results in higher bank levies

### 3. Solid Financial Results



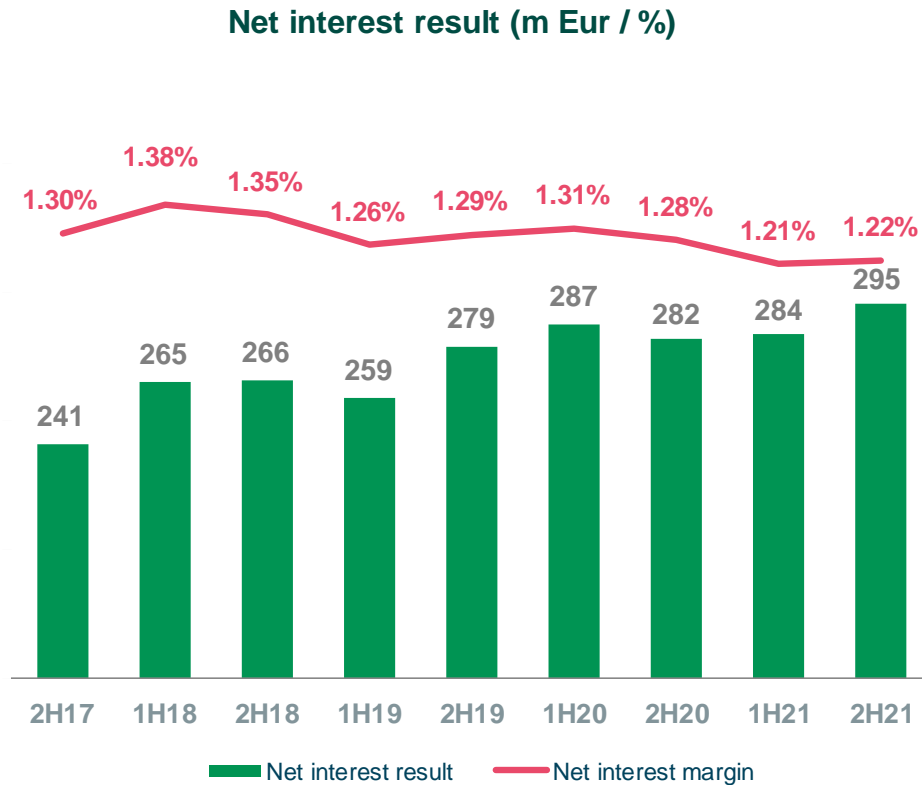
- Net interest result EUR 10m above FY 2020:
  - Prepayment fees for Dutch mortgages remain at similar elevated level as 2020
  - Strong mortgage production in Belgium and Netherlands supports recurring NII but at lower NIM
  - Hedging cost stable, an increased market value of swaptions offsets higher carrying cost of swaps
- Strong growth in Fee and Commission income (FCI) partially offset by related higher commission payments to the independent agents network (FCE)
- Operating expenses remain stable as a result of cost control efforts but Bank Levies increased further as a result of further growth in retail savings
- Improved macro economic expectations lead to decreased impairments in 2021 compared to the COVID-19 impacted 2020

### 3. Mortgage production at record level of 8bn<sup>(1)</sup> in 2021



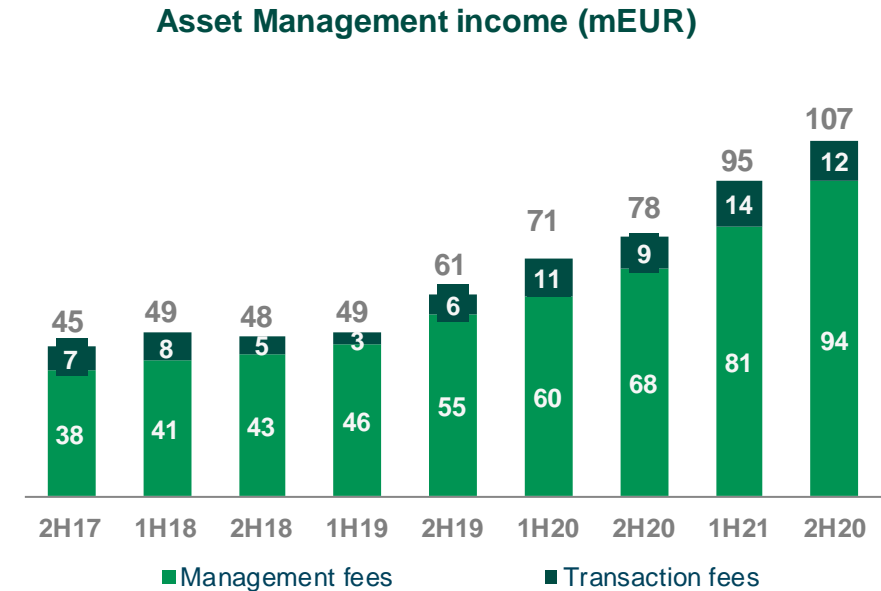
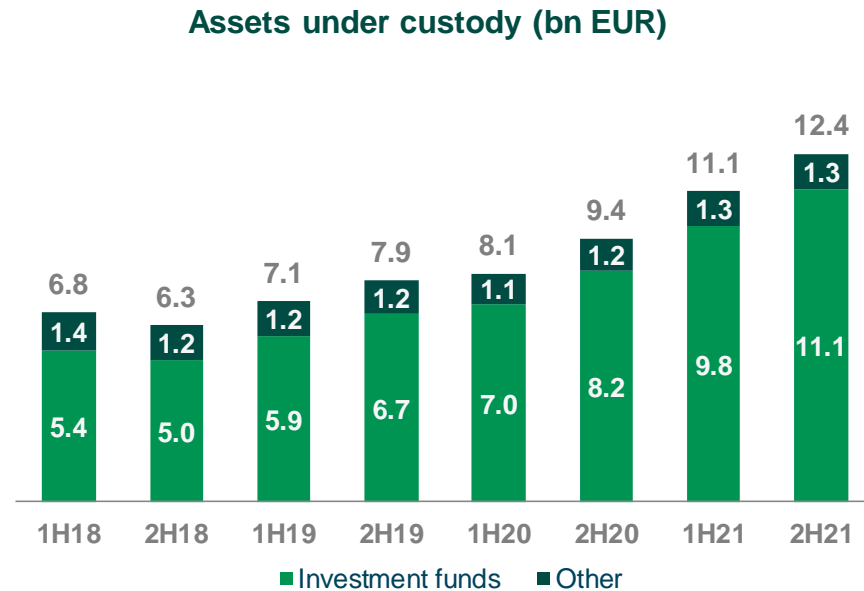
- EUR 3.8bn loans granted in the second half of 2021 to Belgian and Dutch households, boosting total year new loan production to a record EUR 7.3bn
- Continuing high production in the 2nd half of the year as post Covid-19 lockdown of 2020; rally in housing prices and loose monetary policy keeps mortgage production at elevated levels
- Declining margins in the Netherlands as a result of strong competition, the persistent low interest rate environment and higher prepayments
- Average margin Belgian mortgages up thanks to a slight rise of LT interest rates

### 3. Strong mortgage production supports NII



- Mortgage production remains at a high level both in Belgium and the Netherlands
- Low-for-long interest environment drove in declining Net Interest Margin but stabilizing in 2H21 on the back of MtM of hedging derivatives
- Continued higher than average prepayment penalties on Dutch mortgages
- The funding cost for Belgian regulated saving accounts is at the legal floor of 11bps but maturity of expensive retail term deposits and diversification of funding sources to wholesale funding support the decrease in cost of funding
- Tier II subordinated note was called in 2021, causing a decrease in interest cost

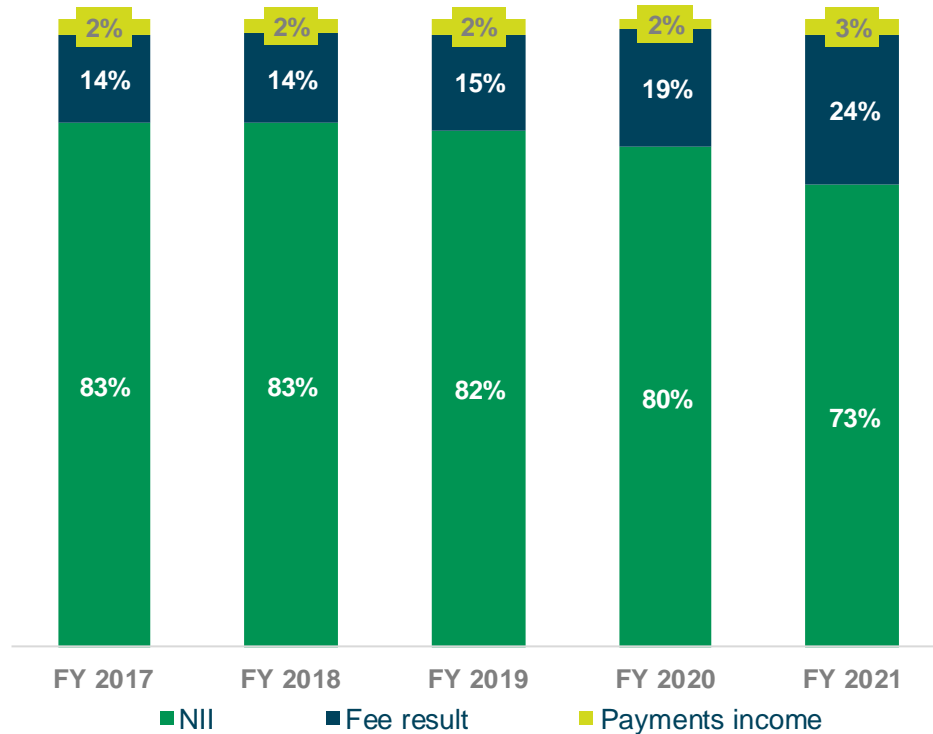
### 3. Asset Management business rapidly growing



- Strategic focus on investment products results in record-high assets under custody. In 2021 this portfolio grew by 34% to more than EUR 12bn
- Asset Management fee income rises 36% to EUR 201m (+ EUR 53m YoY) due to the higher production volumes and positive market value changes on the portfolio
- Commercial campaign in 2021 boosts fee income by shift in share of home funds from 90% to 96% of AuM

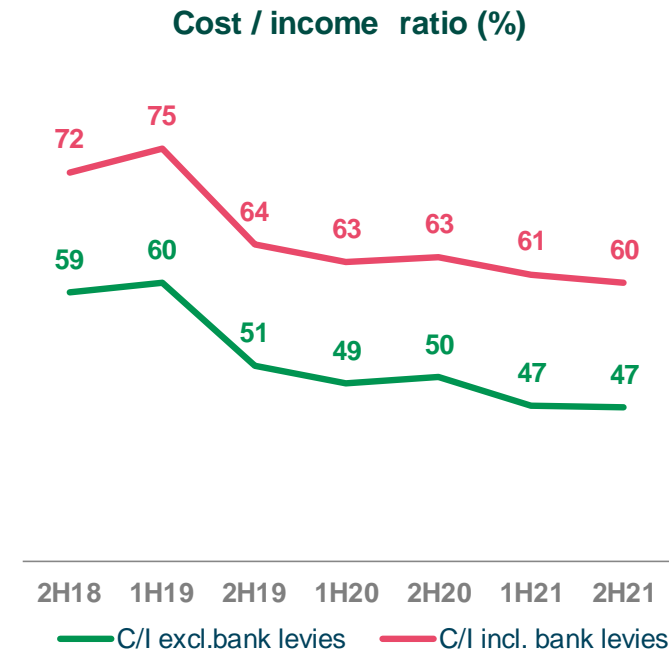
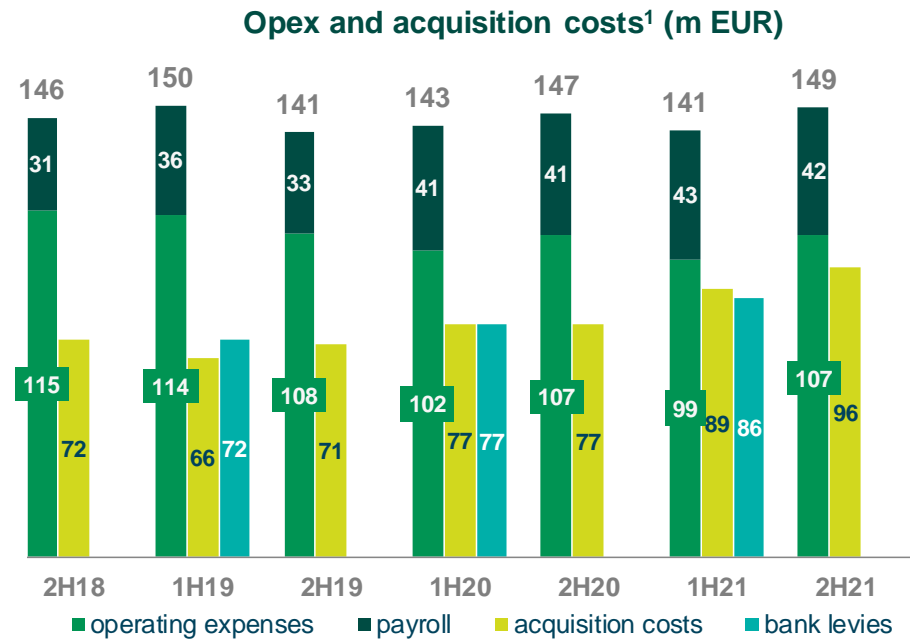


### 3. Income diversification on track



- Strong focus in diversification towards non-interest related income is paying off:
  - Launch of paid daily banking packages adds to income diversification whilst keeping the most extensive free package on the Belgian market
  - Overall portfolio growth of Assets under Custody boosts asset management fee income.
- The proportion of non-interest related income increased in 2021 from 20% to 27%

### 3. Cost Control and strong income continue to stabilize C/I ratio



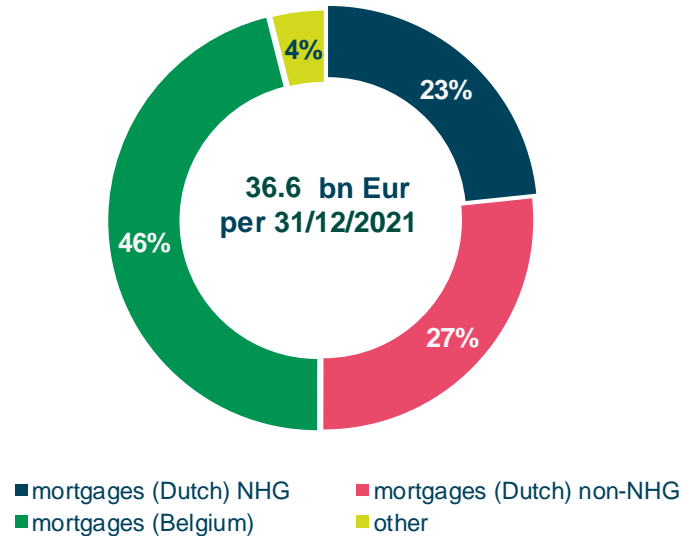
- The operating expenses are under control and C/I stabilizes at a level down to 65% since the cost turnaround in 2019
- Branch commissions increase as a result of the strong commercial performance, especially on fee business
- Bank Levies grew by 12% to EUR 86m as a result of the growing retail savings portfolio.
- Significant increase in net operating income, in combination with cost control efforts, results in a lower C/I-ratio YoY



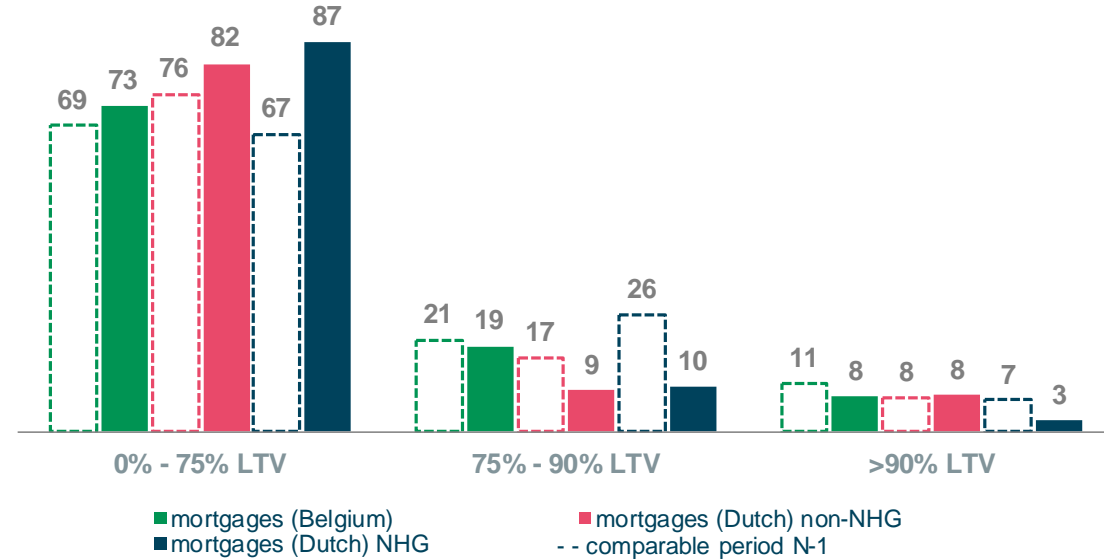
# 4. Asset quality

## 4. High-Quality Loan Book dominated by Mortgages

Composition of loan book (%)

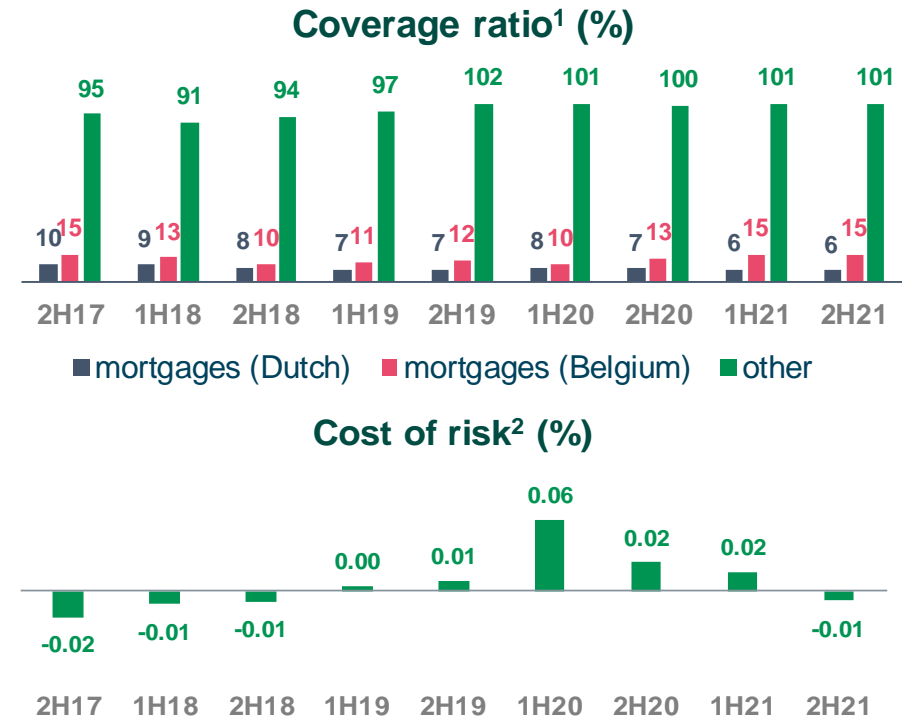
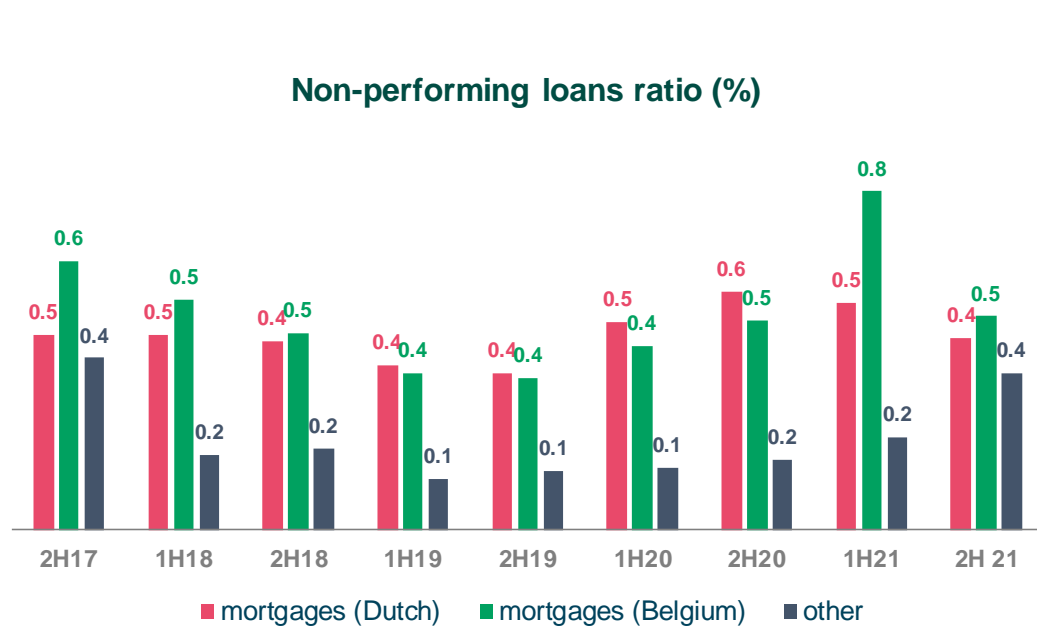


Indexed loan-to-value mortgage loan book (%)



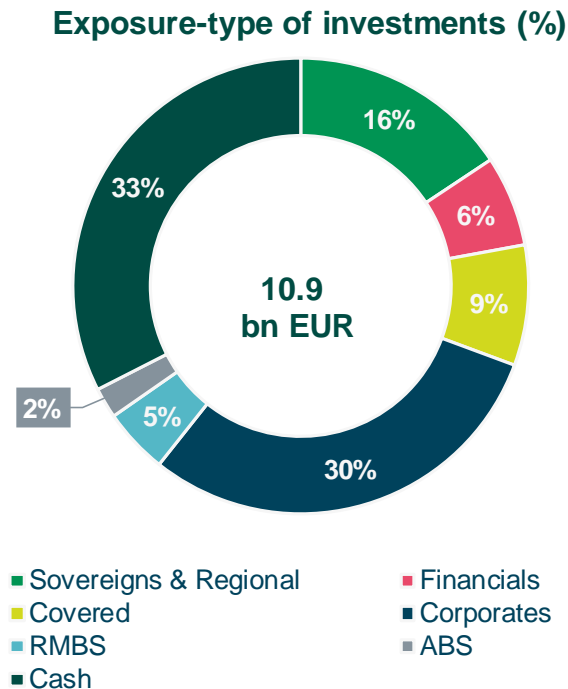
- 96% of the total loan book consists of mortgage loans in Belgium and the Netherlands. The remaining 4% are consumer loans, loans to local and regional governments and public-private partnerships
- The share of non-NHG<sup>1</sup> mortgages in the Netherlands further increased as expected, to a level of 53%
- Average LTV's continued their declining trend spurred by house price indexation and amortization. Almost 80% of the loan book has LTV lower than 75%

## 4. Risk indicators to pre-covid lows



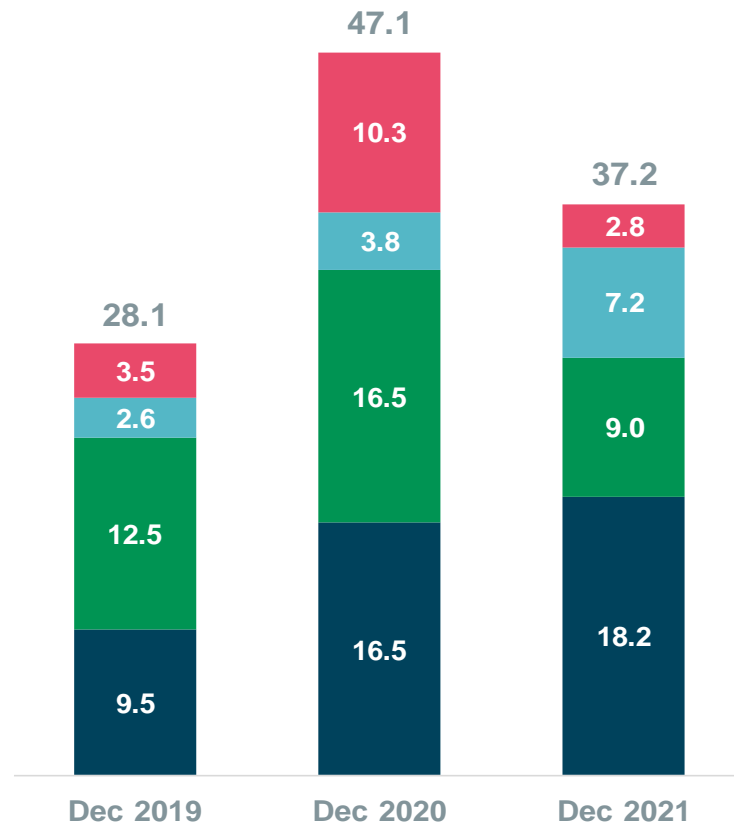
- After some volatility following the covid-crisis, average NPL-ratio's for mortgages decreased again to 0.47% globally. Softer acceptance criteria led to higher impairments on the portfolio of consumer loans
- The average coverage ratio of 14% again reflects the high quality of the prime mortgage collateral
- Cost of risk to pre-covid levels on the back of normalized NPL's

## 4. Diversified and Liquid Investment Portfolio



- Stable portfolio at EUR 10.9bn
- Maximisation of cash at 'Tiering' conditions due to lack of liquid reinvestment opportunities at positive yields and reservation to fund the mortgage pipeline
- Well-balanced low-risk portfolio with sustainable exclusion criteria for activities such as coal, tobacco, nuclear energy,... and a positive focus on investing in renewables, energy transition, social housing and the like
- High quality investments: 34% of the portfolio is rated AA and above, and 99% of the portfolio is investment grade
- Exclusively euro-denominated with focus on European markets: 96% of portfolio in European Economic Area
- Decrease of unrealized gains to EUR 102m following the rising yield curves EOY
- No direct exposure to Ukrainian war but impact on investment portfolio is closely monitored

## 4. Overall reversal in impairments



■ Mortgages BE  
■ Mortgages NL  
■ Consumer credit & other overdrafts  
■ Debt securities & non-retail loans

Total decrease of 21% in IFRS-9 provisions

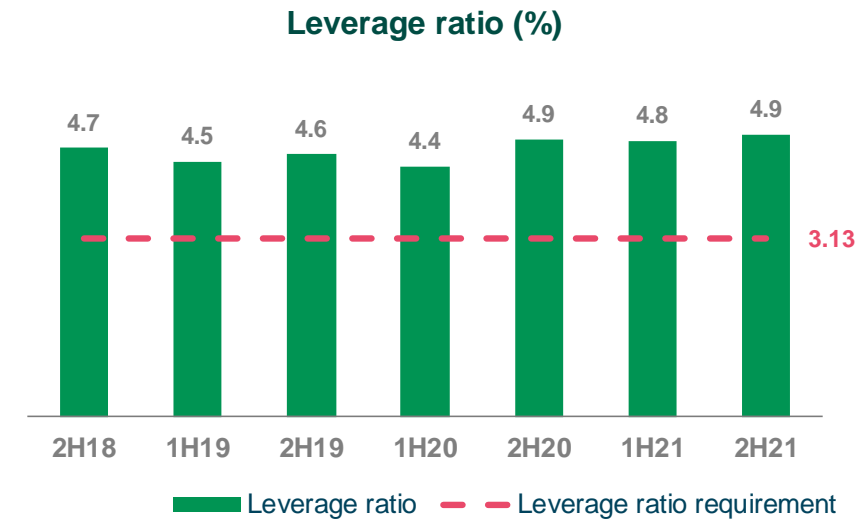
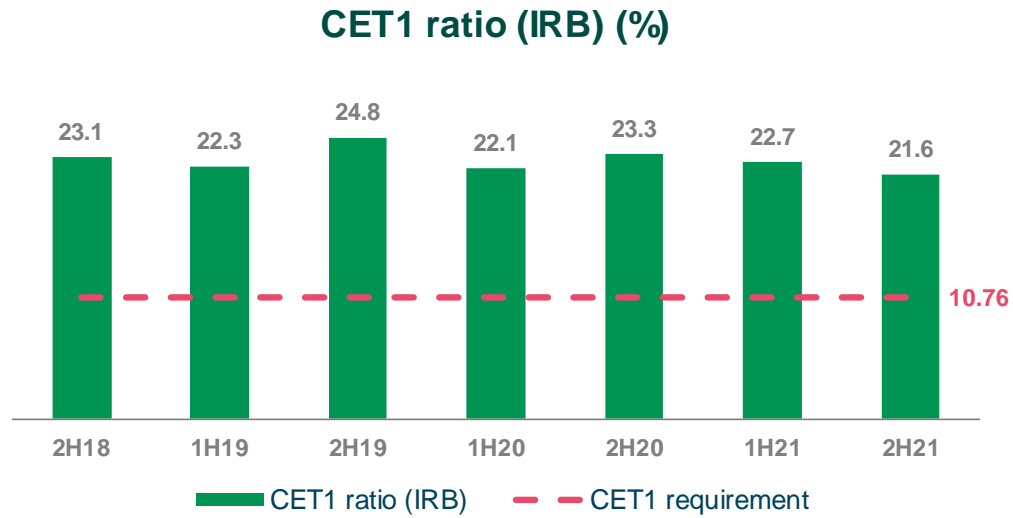
- Slightly higher impairments on Belgian mortgages mainly due to higher forbearance
- Lower impairments on Dutch mortgages following favourable macro-economic revision
- Higher impairments on consumer loans & credit cards due to softer acceptance criteria. In the meantime, these criteria have been tightened again
- Lower impairments on the investment portfolio resulting from favourable macro-economic expectations and rating upgrades on impaired positions



# 5. Solvency and liquidity



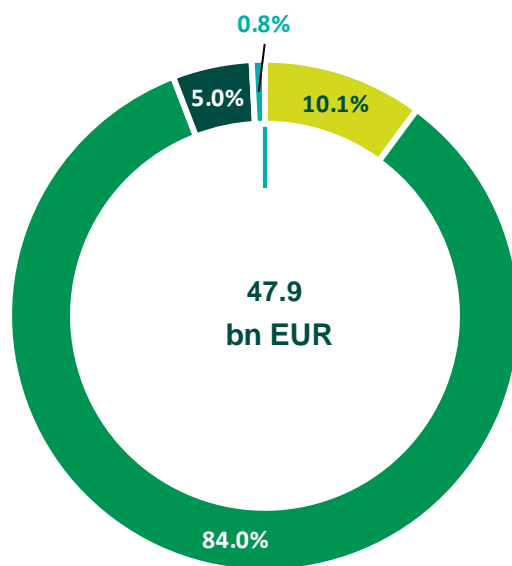
## 5. Solvency well above SREP requirement



- CET1 ratio remains strong at 21.6%. The main driver of the decrease is the strong mortgage production, reinforced by a shift to more non-NHG mortgages in the Netherlands
- Leverage ratio is stable at 4.9% despite the balance sheet increase. In addition, the relief measure to exclude central bank reserves is extended until end of March 2022. The ratio including central bank reserves amounts to 4.6%

# 5. Funding and Liquidity Position

EOY 2021

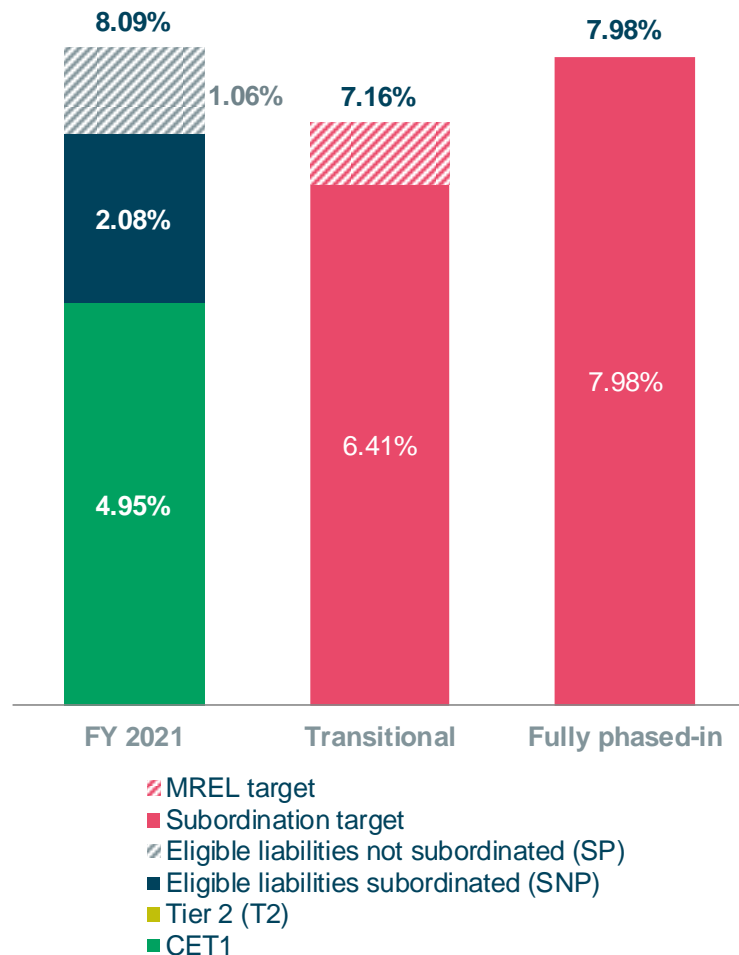


■ Wholesale Funding 
 ■ Retail Funding 
 ■ Equity 
 ■ Other

In %	1H20	2H20	1H21	2H21
Liquidity coverage ratio <sup>1</sup>	156	159	160	164
Net stable funding ratio <sup>2</sup>	135	136	146	145

- Strong liquidity position, well above regulatory limits for both LCR and NSFR.
  - LCR increases on excess cash position
  - NSFR increase mainly of a technical nature (change in composition - CRR2 definition)
- Retail deposits remain by far the most dominant funding source
- Argenta further developed its range of wholesale funding by introducing a Belgian Covered bond out of which two benchmark issues were generated

## 5. MREL ratio (in terms of LRE)



- The 2022 intermediate MREL target is 7.16% and the intermediate subordination target is 6.41% (SP not included)
- The MREL ratio is at 8.09% (=35.28% TREA) and the subordination ratio is at 7.03% (=30.66% TREA)
- Both targets will move towards a final target of 7.98% in 2024, which will be complied to by SNP issuances over the next years.



# 6. Wrap-up



## 6. Wrap-up

### 2021 Argenta Spaarbank

- Continued strong commercial performance with strong mortgage volumes and very strong fee production.
- Net profit increases 33% YoY, driven by a 35% increase in fee income, a stable net interest income, lower impairments and stable expenses.
- Fee income increases EUR 53m YoY with assets under custody in excess of EUR 12 bn.
- Stable recurring net interest income continues to be supported by higher than average received prepayments penalties on Dutch mortgages and MtM of swaptions
- Cost containment measures result in a C/I-ratio decrease to 61% while continuing to focus on investments in digitalization.
- Very strong solvency, funding and liquidity position, as before.



# 7. Appendices



## 7. Appendices Overview

### Group Structure

- Appendix 1: Entity structure

### Additional financial information

- Appendix 2: Balance sheet – Assets
- Appendix 3: Balance sheet – Liabilities
- Appendix 4: Balance sheet – Equity
- Appendix 5: Income statement
- Appendix 6: Bank levies (IFRIC 21)
- Appendix 7: Net interest income

### Additional information on solvency

- Appendix 8: Regulatory capital
- Appendix 9: Regulatory risk exposures
- Appendix 10: Solvency ratios
- Appendix 11: Investments

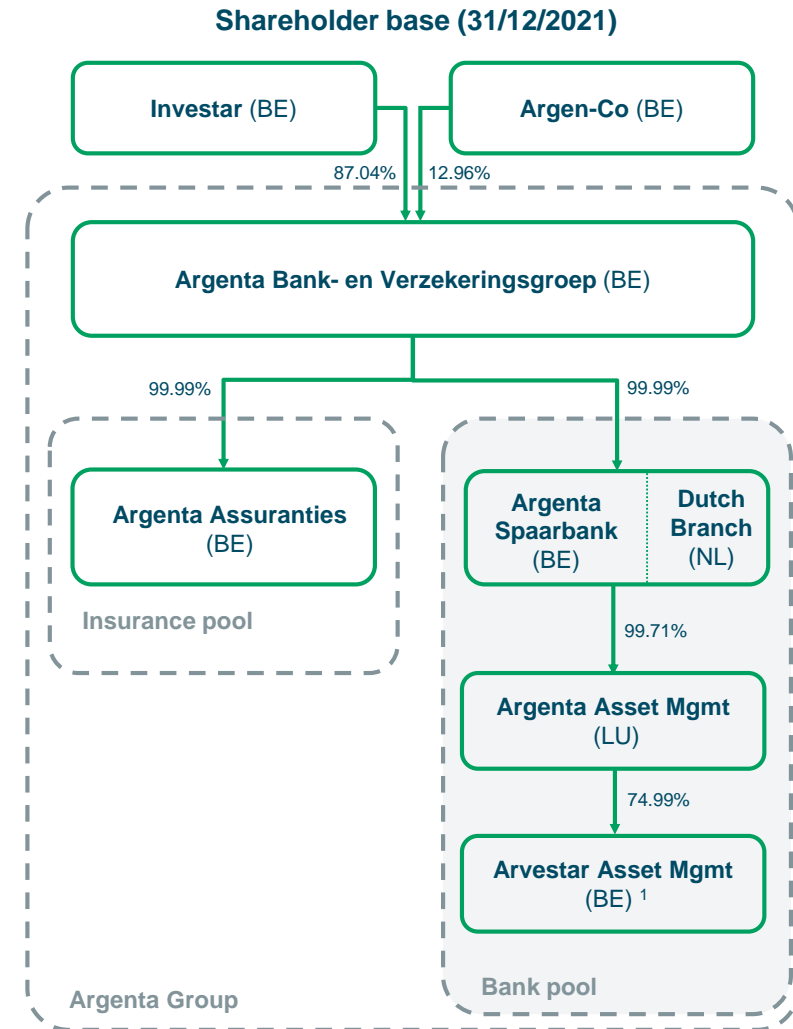
### Glossary

# 7. Appendix 1

## Group structure (share % rounded)

### A transparent group structure

- Stable shareholder base Investar (holding company of founding family) and Argen-Co (cooperative capital held by employees and clients).
- Banking operations in Belgium and the Netherlands.
- Insurance operations in Belgium.
- Asset management operation incorporated in Luxembourg.
- Arvestar Asset Management (AAM) is a consolidated joint venture with Bank Degroof Petercam Asset Management N.V. (DPAM).





## 7. Appendix 2

### Argenta Spaarbank balance sheet – Assets

<b>In millions of EUR</b>	<b>FY 2020</b>	<b>H1 2021</b>	<b>FY 2021</b>	<b>▲FY-FY</b>
<b>Cash and cash equivalents</b>	<b>3,023</b>	<b>3,318</b>	<b>3,537</b>	<b>514</b>
<b>Loans and advances</b>	<b>34,624</b>	<b>35,968</b>	<b>36,996</b>	<b>2,371</b>
o.w. to credit institutions	576	401	276	-300
o.w. to customers	34,048	35,567	36,719	2,671
<b>Debt securities and equity instruments</b>	<b>7,386</b>	<b>7,422</b>	<b>7,344</b>	<b>-42</b>
o.w. at fair value through P&L	68	47	41	-27
o.w. at fair value through OCI	3,667	3,626	3,726	59
o.w. at amortized cost	3,650	3,749	3,577	-74
<b>Derivatives incl. hedge adjustment</b>	<b>773</b>	<b>585</b>	<b>460</b>	<b>-312</b>
<b>Other assets</b>	<b>426</b>	<b>463</b>	<b>401</b>	<b>-25</b>
<b>Total assets</b>	<b>46,232</b>	<b>47,756</b>	<b>48,738</b>	<b>2,507</b>

## 7. Appendix 3

### Argenta Spaarbank balance sheet – Liabilities

<u>In millions of EUR</u>	<u>FY 2020</u>	<u>H1 2021</u>	<u>FY 2021</u>	<u>▲ FY-FY</u>
<b>Financial liabilities at amortised cost</b>	<b>42,793</b>	<b>44,434</b>	<b>45,529</b>	<b>2,736</b>
o.w. deposits from central banks	236	259	258	22
o.w. deposits from credit institutions	10	30	49	40
o.w. deposits from other than central banks and credit institutions	38,319	39,484	40,280	1,961
o.w. senior debt securities issued - saving certificates	0	0	0	0
o.w. senior debt securities issued - other	3,629	4,576	4,848	1,219
o.w. subordinated debt securities issued	511	0	0	-511
o.w. other financial liabilities	88	86	93	6
<b>Derivatives</b>	<b>890</b>	<b>654</b>	<b>508</b>	<b>-382</b>
<b>Other liabilities</b>	<b>261</b>	<b>335</b>	<b>300</b>	<b>39</b>
<b>Total liabilities</b>	<b>43,944</b>	<b>45,423</b>	<b>46,337</b>	<b>2,393</b>

## 7. Appendix 4

### Argenta Spaarbank balance sheet – Equity

In millions of EUR	FY 2020	H1 2021	FY 2021	▲ FY-FY
<b>Core equity</b>	<b>2,232</b>	<b>2,285</b>	<b>2,360</b>	<b>128</b>
Paid-in share capital	816	816	888	73
Retained earnings	1,280	1,416	1,291	11
Profit of current period	136	53	181	45
<b>Gains and losses not recognised in the income statement</b>	<b>56</b>	<b>48</b>	<b>41</b>	<b>-14</b>
Reserve at fair-value-through-OCI	58	48	41	-16
Reserve cash flow hedge	-1	0	0	1
Revaluation pension plan	0	0	0	0
<b>Minority interests</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total equity</b>	<b>2,288</b>	<b>2,333</b>	<b>2,402</b>	<b>114</b>

## 7. Appendix 5

### Argenta Spaarbank income statement

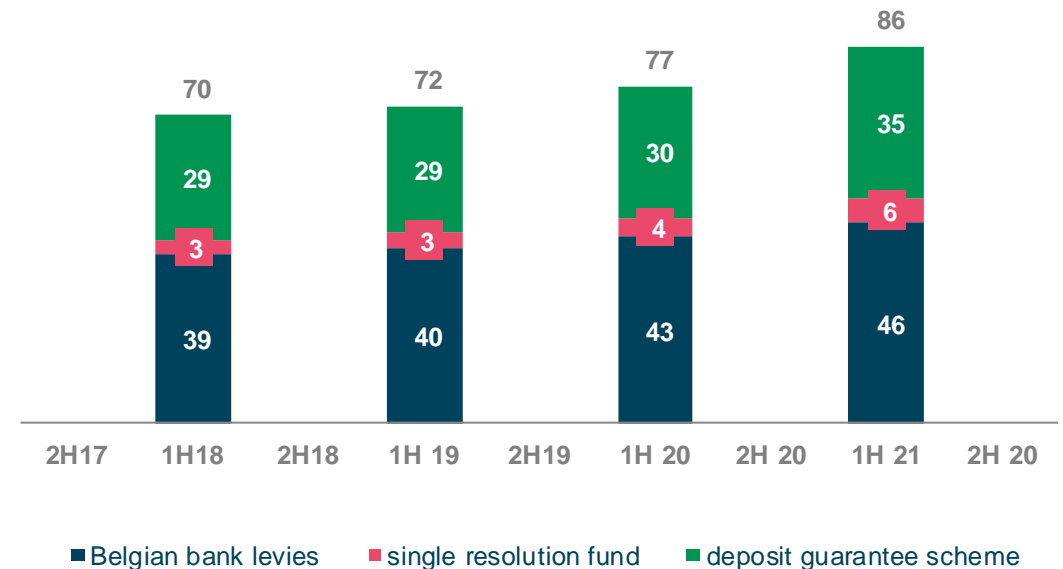
In millions of EUR	2H 2020	1H 2021	2H 2021	▲2H-1H	FY 2020	FY 2021	▲FY-FY
<b>Net interest income</b>	<b>282</b>	<b>284</b>	<b>295</b>	<b>13</b>	<b>569</b>	<b>579</b>	<b>-10</b>
<b>Net commissions and fees</b>	<b>1</b>	<b>9</b>	<b>14</b>	<b>13</b>	<b>-8</b>	<b>23</b>	<b>-31</b>
<b>Net gains and losses</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>-2</b>	<b>5</b>	<b>3</b>	<b>2</b>
o.w. at fair value through OCI	1	0	0	-1	1	0	1
o.w. at amortized cost	0	0	0	0	0	0	0
o.w. at fair value through P&L	1	2	0	-1	3	3	1
o.w. other	0	0	0	0	0	0	0
<b>Dividend income</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other net operating income</b>	<b>9</b>	<b>7</b>	<b>8</b>	<b>-1</b>	<b>19</b>	<b>14</b>	<b>4</b>
<b>Total income</b>	<b>294</b>	<b>302</b>	<b>317</b>	<b>23</b>	<b>585</b>	<b>619</b>	<b>-34</b>
<b>Operating expenses</b>	<b>-147</b>	<b>-227</b>	<b>-149</b>	<b>-2</b>	<b>-368</b>	<b>-377</b>	<b>9</b>
o.w. payroll expenses	-41	-43	-42	-2	-82	-85	3
o.w. operating expenses	-107	-99	-107	0	-209	-206	-3
o.w. bank levies	0	-86	0	0	-77	-86	9
<b>Operating profit</b>	<b>147</b>	<b>75</b>	<b>168</b>	<b>21</b>	<b>218</b>	<b>243</b>	<b>-25</b>
<b>Impairments</b>	<b>-4</b>	<b>2</b>	<b>6</b>	<b>10</b>	<b>-19</b>	<b>7</b>	<b>-27</b>
o.w. at fair value through OCI	0	2	0	0	-2	2	-4
o.w. at amortized cost	-4	0	5	9	-17	5	-22
o.w. other	0	0	0	0	0	0	0
<b>Modification loss</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3</b>	<b>0</b>	<b>-3</b>
<b>Share in result from associates / subsidiaries (equity method)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current assets held for sale</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Profit before tax</b>	<b>143</b>	<b>76</b>	<b>174</b>	<b>31</b>	<b>195</b>	<b>250</b>	<b>-55</b>
<b>Income tax expense</b>	<b>-45</b>	<b>-23</b>	<b>-46</b>	<b>-1</b>	<b>-59</b>	<b>-69</b>	<b>10</b>
<b>Net profit</b>	<b>98</b>	<b>53</b>	<b>128</b>	<b>30</b>	<b>136</b>	<b>181</b>	<b>-45</b>

# 7. Appendix 6

## Bank Levies

- IFRIC 21 (Levies) was approved by the European Union in June 2014 and became effective on 1 January 2015. The main consequence of IFRIC 21 is that most bank levies have to be recognised in advance.
- Advance recognition adversely impacts the result for the first half year. For this reason Argenta Spaarbank published an adjusted net result figure, which prorates the levies throughout the financial year.

Breakdown of bank levies (mEUR)



# 7. Appendix 7

## Net Interest Income - composition

In millions of EUR	FY 2020	FY 2021
<b>Interest income</b> <i>(excl. hedging)</i>	<b>809</b>	<b>803</b>
<b>Loans</b>	<b>745</b>	<b>740</b>
Mortgages	726	719
<i>Belgium</i>	242	256
of which prepayment penalties	5	6
<i>Netherlands</i>	483	463
of which prepayment penalties	35	37
Consumer credit	6	7
Other loans	13	14
<b>Debt securities</b>	<b>63</b>	<b>63</b>
<b>Other interest income</b>	<b>1</b>	<b>1</b>
<b>Interest expenses</b> <i>(excl. hedging)</i>	<b>-101</b>	<b>-86</b>
<b>Deposits</b>	<b>-66</b>	<b>-58</b>
Saving accounts	-28	-28
<i>Belgium</i>	-26	-28
<i>Netherlands</i>	-2	0
Term savings	-21	-14
<i>Belgium</i>	-19	-13
<i>Netherlands</i>	-2	-1
Deposits related to mortgages	-16	-15
<b>Debt certificates<sup>1</sup></b>	<b>-29</b>	<b>-21</b>
Retail saving certificates	0	0
Wholesale debt	-28	-21
<b>Other interest expenses</b>	<b>-7</b>	<b>-7</b>
<b>Hedging result</b>	<b>-138</b>	<b>-138</b>
Carry cost swaps	-134	-146
Premium paid for swaptions	-9	-12
MtM swaptions	4	19
<b>Net interest result</b>	<b>569</b>	<b>579</b>

<sup>1</sup>both debts evidenced by certificates and subordinated liabilities

## 7. Appendix 8

### Regulatory Capital

In millions of EUR	Fully loaded	
	31.12.2020	31.12.2021
<b>Total equity</b>	<b>2,288</b>	<b>2,401</b>
<b>Part of interim or year-end profit not eligible</b>	<b>0</b>	<b>0</b>
<b>Prudential filters</b>	<b>-7</b>	<b>-11</b>
Reserve cash flow hedge	1	0
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-4	-7
Value adjustments due to the requirements for prudent valuation	-4	-4
<b>Items to deduct</b>	<b>-18</b>	<b>-17</b>
Other intangible assets	-20	-21
Deferred tax assets	5	5
DTs that rely on future profitability	-3	-1
<b>IRB shortfall of credit risk adjustments to expected losses</b>	<b>0</b>	<b>-16</b>
<b>Other</b>	<b>3</b>	<b>-3</b>
<b>Common equity tier 1 (IRB)</b>	<b>2,265</b>	<b>2,354</b>
<b>Tier 2 instruments</b>	<b>504</b>	<b>0</b>
Tier 2 (BIII eligible)	499	0
IRB Excess of provisions over expected loss eligible	5	0
<b>Total regulatory capital (IRB)</b>	<b>2,770</b>	<b>2,354</b>

# 7. Appendix 9

## Regulatory Risk Exposures

<u>In millions of EUR</u>	<u>31.12.2020</u>	<u>31.12.2021</u>
Central and regional governments	192	80
Public sector	16	23
Institutions and covered bonds	716	459
Corporates	1,663	1,872
Securitisations	129	120
Retail	223	255
Covered by mortgage	5,254	6,574
Operational risk	1,079	1,147
Other	441	377
<b><u>Risk weighted assets (IRB)</u></b>	<b><u>9,712</u></b>	<b><u>10,907</u></b>



# 7. Appendix 10

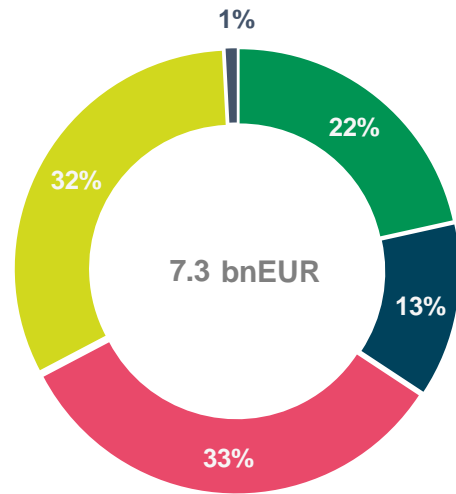
## Solvency ratios

<u>In millions of EUR and %</u>	<u>31.12.2020</u>	<u>31.12.2021</u>
Regulatory capital	2,265	2,354
Tier 2 capital	499	0
Risk-Weighted assets	9,712	10,907
<b>CET 1</b>	<b>23.3%</b>	<b>21.6%</b>
<b>TCR</b>	<b>28.5%</b>	<b>21.6%</b>

# 7. Appendix 11

## Investment Portfolio excluding cash (31.12.2021)

Rating class of investments (%)



- AAA
- AA
- A
- other investment grade
- non-investment grade & non-rated

Investments per country

country	%
Belgium	30.9%
Netherlands	17.1%
France	12.8%
Spain	6.6%
Germany	5.8%
Luxembourg	4.2%
Ireland	3.5%
Sweden	2.3%
Poland	2.1%
Canada	2.1%
Slovenia	2.0%
Finland	1.9%
United States of America	1.7%
Denmark	1.4%
Iceland	1.3%
Other	4.4%

## 7. Glossary (1/2)

ABS	Asset-backed security
Argenta Assuranties	Consolidation scope of the legal entities Argenta Assuranties (parent) and Argenta-Life Nederland (subsidiary).
Argenta Group	Consolidation scope of the legal entities Argenta Bank- en Verzekeringsgroep (parent) and Argenta Spaarbank, Argenta Asset Management, Argenta Assuranties, Argenta-Life Nederland (subsidiaries).
Argenta Spaarbank	Consolidation scope of the legal entities Argenta Spaarbank (parent) and Argenta Asset Management (subsidiary).
Assets under Custody or AuC	Client investment products held on custody accounts.
Common Equity Tier 1 ratio or CET 1	[common equity tier 1 capital] / [total weighted risks]
Cost of Risk or CoR	[net changes in specific and portfolio-based impairments for credit risks] / [average outstanding loan portfolio]
Cost/income or C/I	[operating expenses of the period] / [financial and operational result of the period] Operating expenses include administration expenses, depreciation and provisions. Financial and operational result includes net interest income, dividend income, net income from commissions and fees, realised gains and losses on financial assets and liabilities not measured at fair value in the income statement, gains and losses on financial assets and liabilities held for trading, gains and losses from hedge accounting, gains and losses on derecognition of assets other than held for sale and other net operating income. The numerator is adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments relate to bank levies which are included pro rata and hence spread over all halves of the year instead of being recognised upfront (as required by IFRIC21).
Cost/income or C/I excl. Bank levies	[operating expenses of the period - bank levies of the period] / [financial and operational result of the period]
CRR	Capital Requirements Regulation
IFRIC	International Financial Reporting Interpretations Committee
Leverage Ratio or LR	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
Liquidity Coverage Ratio or LCR	[stock of high quality liquid assets] / [total net cash outflow over the next 30 calendar days].
Loan-to-deposit or LTD	[loans-and-receivables] / [customer deposits and customer debt certificates]

## 7. Glossary (2/2)

MREL	Minimum requirement for own funds and eligible liabilities
Margin on mortgages	Gross margin or [Client rate] - [Swap rate]
Net interest income or NII	[revenues generated by interest-bearing assets] - [cost of servicing (interest-burdened) liabilities]
Net interest margin or NIM	[net interest income of the period] / [average total assets of the period] Total assets are used as a proxy for the total interest-bearing assets.
Net stable funding ratio or NSFR	[available amount of stable funding] / [required amount of stable funding]
NFCI	Net Fee and Commission Income
NHG	Nationale Hypotheek Garantie (National Mortgage Guarantee) is a guarantee scheme by the Dutch government on residential mortgages
Non-performing loans ratio or NPL ratio	[total outstanding non-performing loans] / [total outstanding loans]
NPS	Net Promotor Score
O-SII	Other systemic important institutions
Return on equity or RoE	[net profit of the period] / [equity at the beginning of the period]
RMBS	Residential mortgage-backed security
SREP	Supervisory Review and Evaluation Process performed by the European Central Bank
Tier 2	Tier 2 capital is the secondary component of bank capital, in addition to Tier 1 capital
Total Capital ratio or TCR	[common equity tier 1 capital + additional tier 1 instruments + tier 2 instruments] / [total weighted risks]



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