



Argenta Spaarbank

Financial Results Full Year 2022

March 2023





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Agenda

1. Argenta Spaarbank Key Takeaways
2. FY 2022 overview
3. Financial Performance
4. Asset Quality
5. Solvency and Liquidity
6. ESG
7. Wrap-up
8. Appendices

1. Argenta Spaarbank Key Takeaways

- Argenta Spaarbank delivered a solid commercial growth and **net profit of EUR 196m** or +8% vs. 2021. ROE at 8.2% vs. 7,9% in 2021.
 - The balance sheet total increased by EUR 4.7bn or 10% vs. 2021 and passed the **50bn mark** for the first time.
 - The stock market correction created a drop in the market value of the investment funds. However, this was soothed by a **resilient net fee production**, resulting in stable asset management income (+2% YoY).
 - Funding sources were further diversified by **4 bond issuances in 2022**.
 - The increase of interest rates lifted the **recurring net interest income by 12%**.
 - Sharp inflation increase and worsened economic outlook triggered **higher impairments** for EUR 19.7m.
 - Operating expenses increased by approx. 9% as a result of intensified IT-investments and inflation, resulting in a stable **C/I ratio of 60%**.
- **Sound Solvency position and Liquidity ratio's** with a CET1-ratio of 21.5%, LCR of 186% and NSFR of 142%. In October '22 Argenta's S&P rating was upgraded to 'A' with a stable outlook.
- Peter Devlies succeeded Marc Lauwers as CEO of Argenta. Peter has 20 years of experience in the banking sector and was formerly CEO of Axa Bank Belgium.



1. Argenta Spaarbank Key Takeaways (2)

- 66 years of simple and transparent bank and insurance products with unrivalled levels of customer satisfaction
 - Top notch NPS level of 43 in 2022. This is one of the highest scores in the banking sector.
 - 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, awarded best in class according to 'Test Aankoop'.
 - The Fair Finance Guide (Bankwijzer) ranks Argenta among the best in social and environmental sustainability, confirmed by the low risk Sustainalytics rating of 11.3 (top 4 percentile).
- Proximity through a dense branch network complemented with a highly appreciated app
 - 406 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 (4.6/5 IOS and 4.5/5 Android, at par with best ranking Belgian banks).



2. FY 2022 overview

2. Argenta Group key financials FY 2022

Argenta Group

| | |
|------------------------|---------|
| Net result | 238.4 m |
| Return on Equity | 7.2% |
| Total assets | 59.6 bn |
| Total equity | 3.2 bn |
| Cost / Income | 59.4% |
| Total funds under mgmt | 57.8 bn |
| CET 1 | 22.0% |

Argenta Spaarbank

| | |
|------------------------|---------|
| Net result | 196.1 m |
| Return on Equity | 8.2% |
| Total assets | 53.4 bn |
| Total equity | 2.5 bn |
| Cost / Income | 60.5% |
| Total funds under mgmt | 52.4 bn |
| CET 1 | 21.5% |

Credit Rating

Standard & Poor's

| | |
|------------|--------|
| Short-term | A-1 |
| Long-term | A |
| Outlook | Stable |

Argenta Assuranties¹

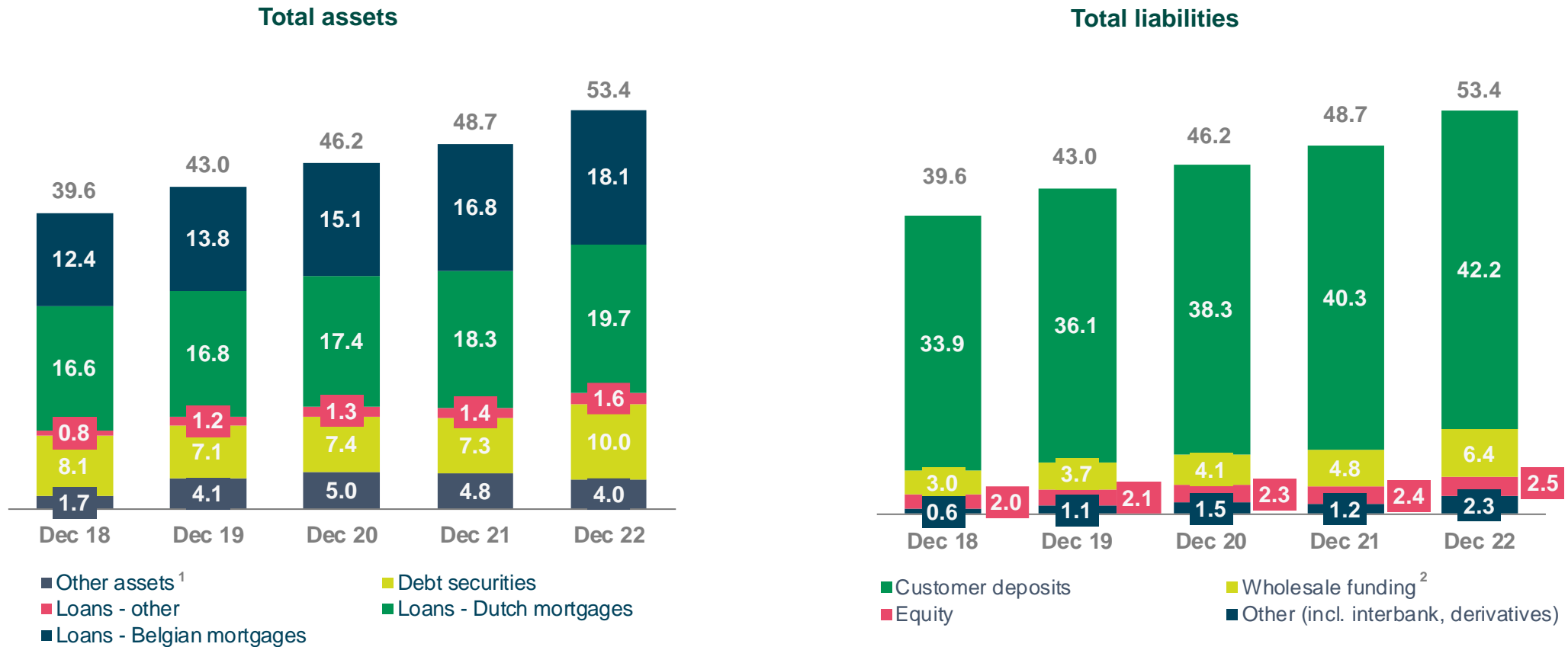
| | |
|------------------|--------|
| Net result | 65.0 m |
| Return on Equity | 11.4% |
| Total assets | 6.4 bn |
| Total equity | 0.6 bn |
| Premium Life | 438 m |
| Premium Non-life | 164 m |
| Solvency II | 241% |

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

2. Financial Objectives on Key Parameters

| Argenta Spaarbank | 2021 FY | 2022 FY | LT Target |
|---------------------------|---------|---------|-----------|
| Return on Equity | 7.9% | 8.2% | >8% |
| Leverage Ratio | 4.9% | 4.3% | >5% |
| Cost / Income Ratio | 61% | 60% | <55% |
| CET 1 Ratio | 21.6% | 21.5% | >18% |
| Total Capital Ratio | 21.6% | 21.5% | >20% |
| Net Interest Margin (NIM) | 1.22% | 1.12% | >1.25% |
| NSFR | 145% | 142% | >132% |
| LCR | 164% | 186% | >150% |

2. Balance Sheet Total surpasses EUR 50bn

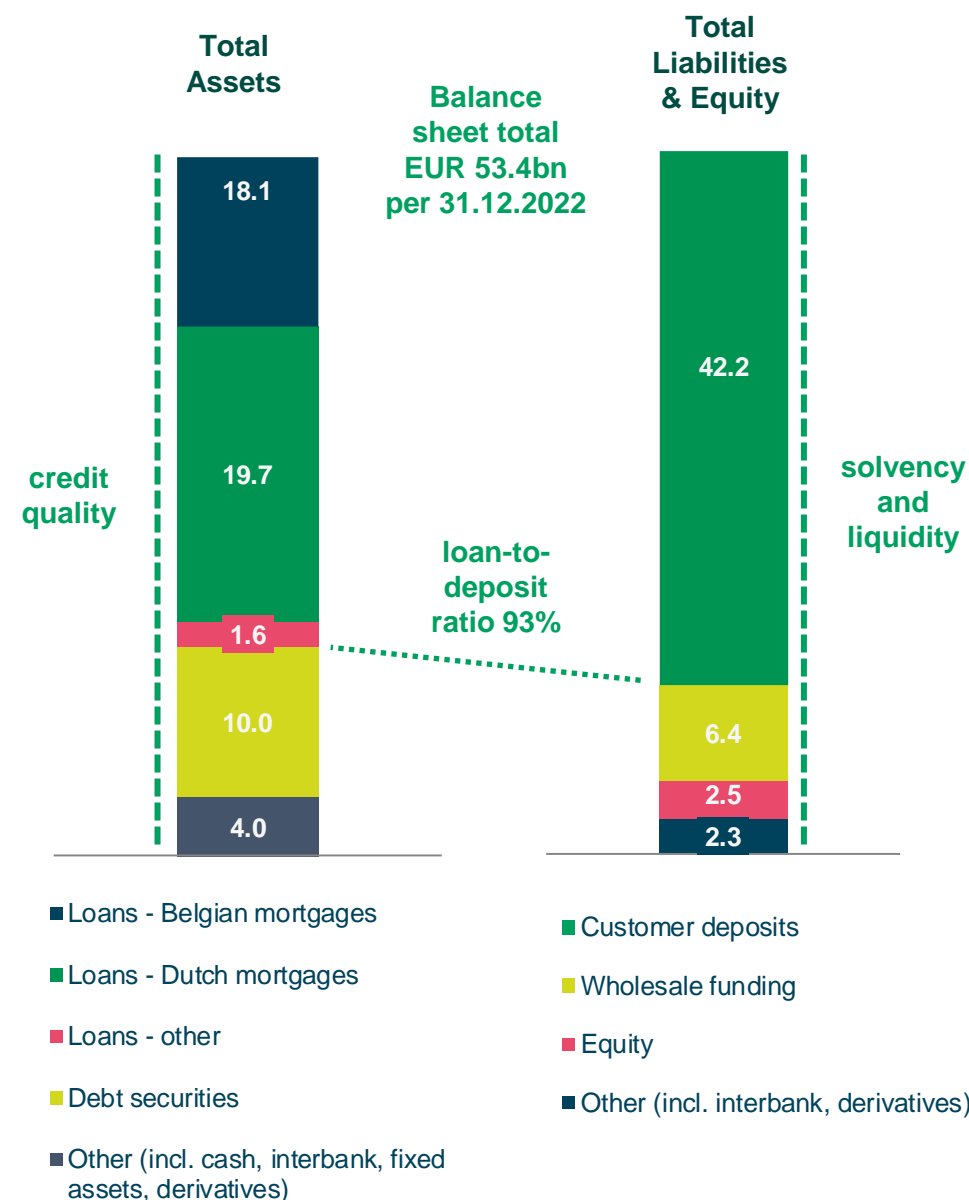


(1) Other assets including cash, interbank, fixed assets, derivatives

(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 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 93%.
- Wholesale funding of EUR 6.4bn outstanding.
 - EUR 1.9bn securitizations
 - EUR 0.5bn SP
 - EUR 2.1bn SNP
 - EUR 2.0bn covered bond
- Argenta Spaarbank successfully launched its Green Bond programme and raised a total of EUR 1.1bn in two issuances in 2022.
- In addition, 2 covered bonds were issued in 2022 for 500m each.

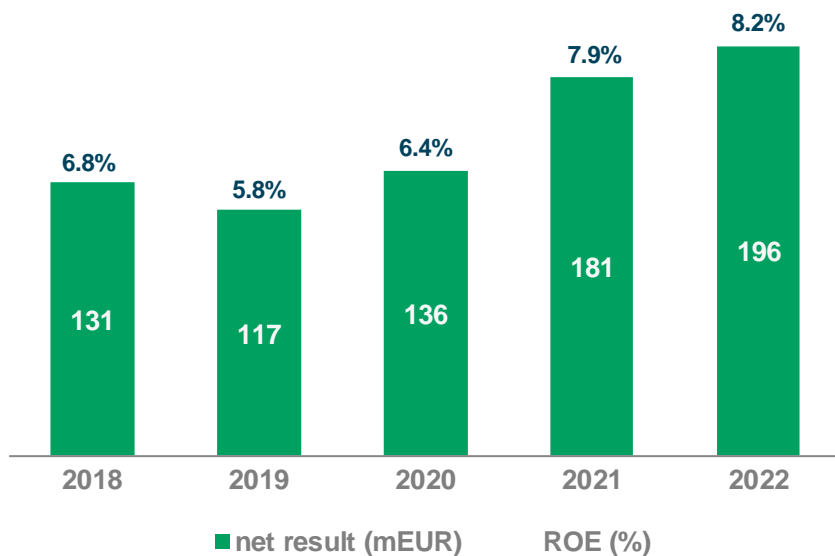




3. Financial Performance

3. Net Result YoY

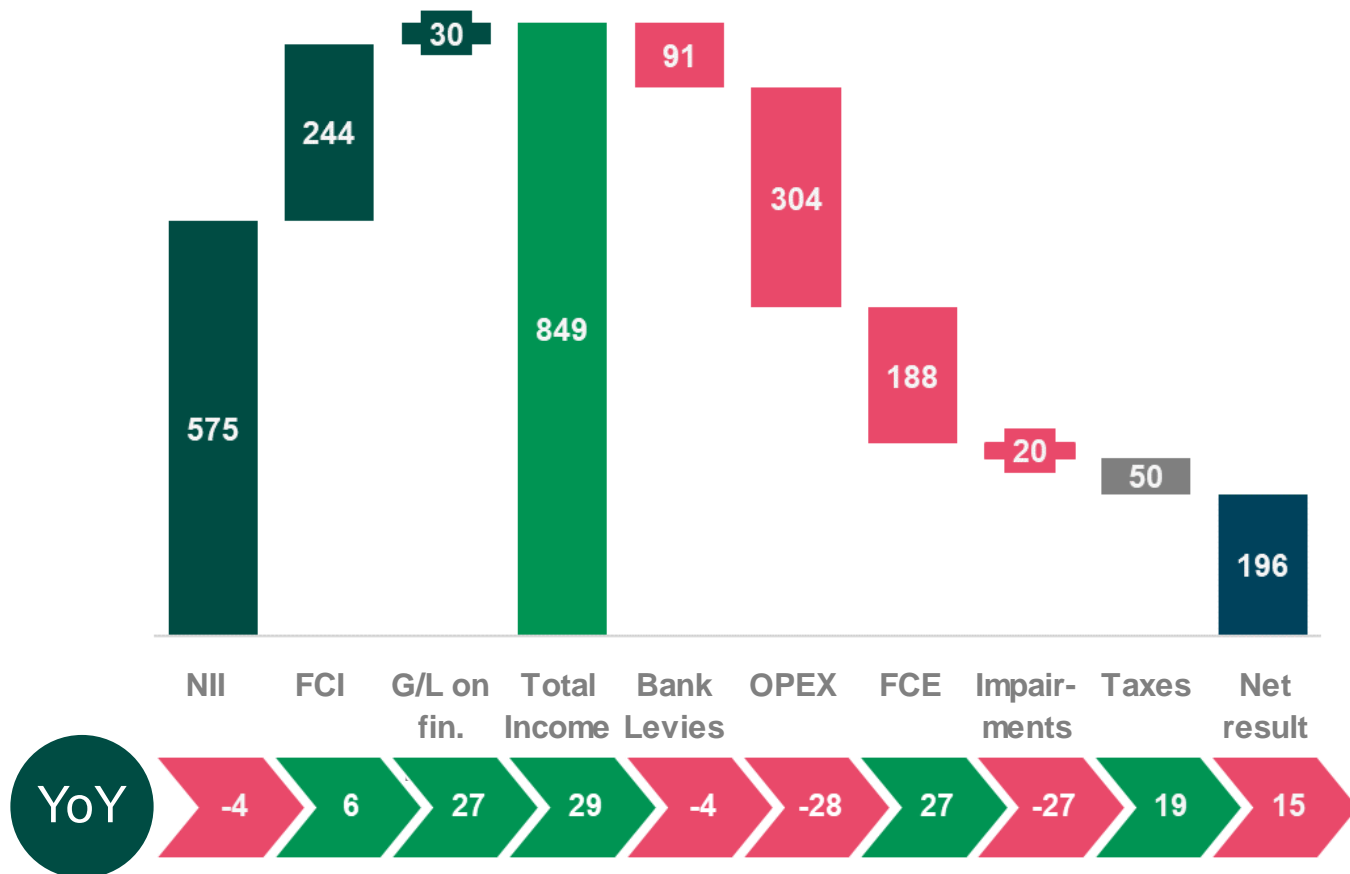
Net result and RoE



| In millions of EUR | 2021 | | | 2022 | | | Δ YoY |
|-------------------------------|-----------|------------|------------|-----------|------------|------------|------------|
| | 1H | 2H | FY | 1H | 2H | FY | |
| Net interest income | 284 | 295 | 579 | 253 | 322 | 575 | -4 |
| <i>recurring NII</i> | 257 | 259 | 517 | 254 | 325 | 579 | +62 |
| <i>prepayment fees</i> | 20 | 23 | 43 | 16 | 2 | 18 | -25 |
| <i>one-off impact MTM</i> | 6 | 13 | 19 | -17 | -5 | -22 | -41 |
| G/L on financial instruments | 3 | 0 | 3 | 28 | 2 | 30 | +27 |
| <i>general result</i> | -3 | -3 | -6 | -6 | -5 | -11 | -5 |
| <i>one-off impact MTM</i> | 6 | 3 | 9 | 34 | 7 | 41 | +32 |
| Net fee & commission result | 9 | 14 | 23 | 26 | 30 | 56 | +33 |
| <i>fee income</i> | 95 | 107 | 201 | 104 | 100 | 205 | +3 |
| <i>commissions to agents</i> | -86 | -93 | -179 | -78 | -71 | -149 | +30 |
| Bank levies | -86 | 0 | -86 | -91 | 0 | -91 | -4 |
| Net operating expenses | -135 | -142 | -276 | -147 | -157 | -304 | -28 |
| <i>other operating income</i> | 7 | 8 | 14 | 7 | 6 | 13 | -2 |
| <i>operating expenses</i> | -141 | -149 | -291 | -154 | -163 | -317 | -26 |
| Impairments | 2 | 6 | 7 | -8 | -13 | -20 | -27 |
| Income tax expense | -23 | -46 | -69 | -25 | -25 | -50 | +19 |
| Net profit | 53 | 128 | 181 | 37 | 159 | 196 | +15 |

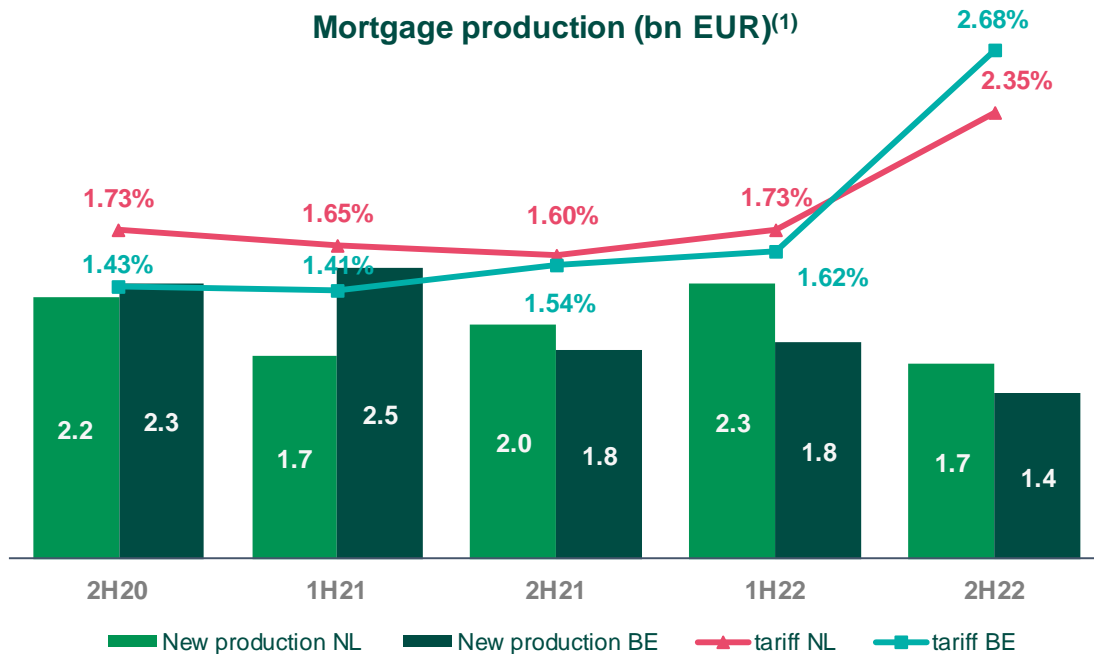
- The net profit is up EUR 15m with solid recovery of recurring NII. Market valuations impact NII negatively and gains/losses positively with a net impact of EUR +19m.
- Strong net fee & commission income compensate for higher operating expenses and bank levies.
- Impairments are up following worsened macroeconomic outlook.
- The IFRS effective tax rate fell from 28% to 20%, mainly due to a reversal of impaired tax losses due to a more positive outlook of the banking result.

3. Solid Financial Results



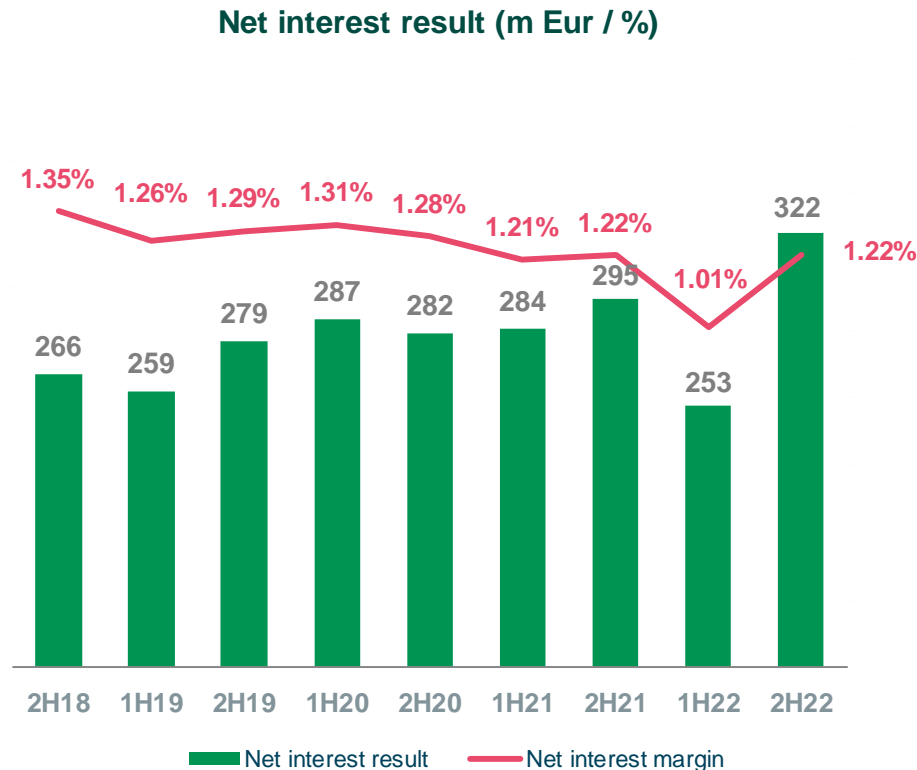
- Total NII decreased YoY due to non-recurring elements, while recurring NII is picking up strongly:
 - Strong increase of interest rates materially lowered the carry cost on swaps and increased the average yield of the bond portfolio. This was partly offset by an increase of the wholesale funding cost.
 - Income from prepayment fees down by 25m due to lower prepayment incentives for clients. In-the-money swaptions led to a decrease in the time value by 41m.
- Stable growth in Fee and Commission income (FCI) whereas expenses (FCE) declined as a result of a renewed commission agreement.
- Profit in gains & losses driven by positive hedging result of 41m (swaps & caps) given higher interest rates.
- Increased IT-investments and inflation impacted operating expenses. Bank levies increased further as a result of further growth in retail savings
- Worsened macro-economic expectations resulted in higher impairments.

3. Housing market slowing down



- EUR 7.2bn mortgage loans were granted in 2022 to Belgian and Dutch households.
- Production of mortgages slowed down in the second half of 2022, in line with market evolution.
 - As a result, Argenta's market share for Belgian mortgages remained stable at 6.6%.
 - In The Netherlands, the market share was 2.1%.
- The speed at which interest rates increased, triggered a material shift towards higher pricing.

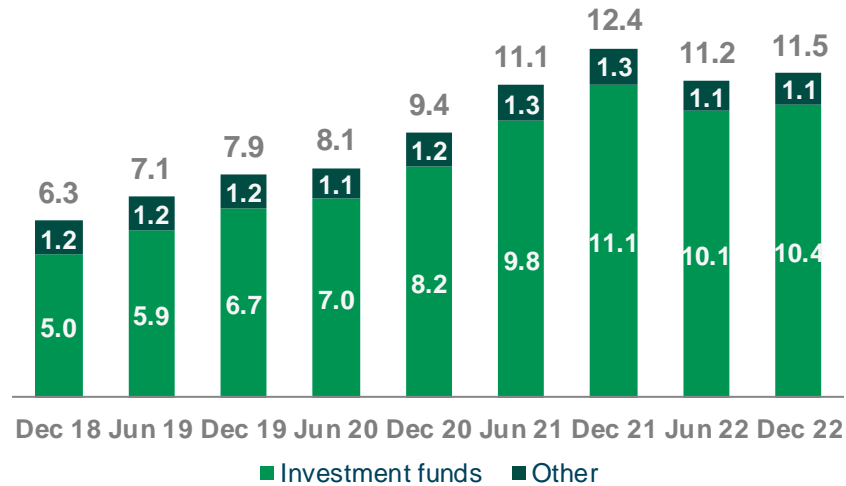
3. Recurring NII recovered after bottoming out in H1 2022



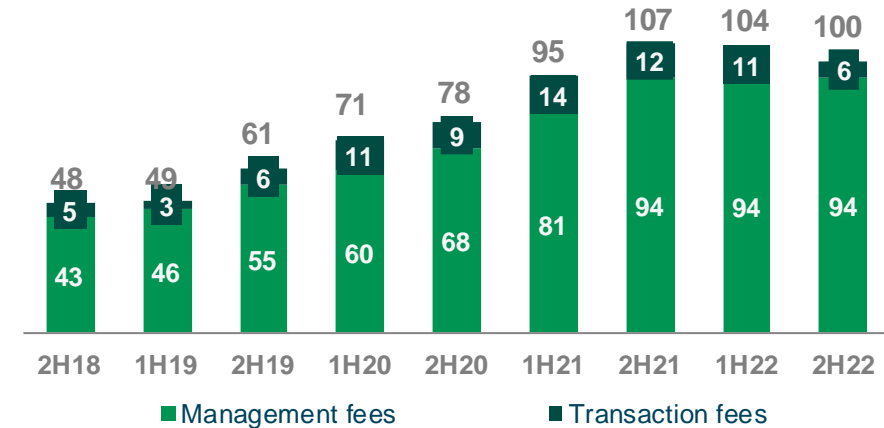
- Recurring NII up because:
 - the exposure of the bank to 3M Euribor improved the cost-of-carry on hedging instruments (+49m)
 - higher income from the bond portfolio (+31m)
 - partly compensated by increased wholesale funding cost (-22m).
- Non-recurring elements were negative and include the MtM decline of swaptions (decrease in time value, -41m YoY) and the sharp decrease of Dutch prepayment fees (-22m YoY).
- Corrected for the MtM of swaptions and above-average prepayment fees, the recurring NIM rose from 1.09% in 2021 to 1.13% in 2022.

3. Asset management income remained stable despite bearish markets

Assets under custody (bn EUR)

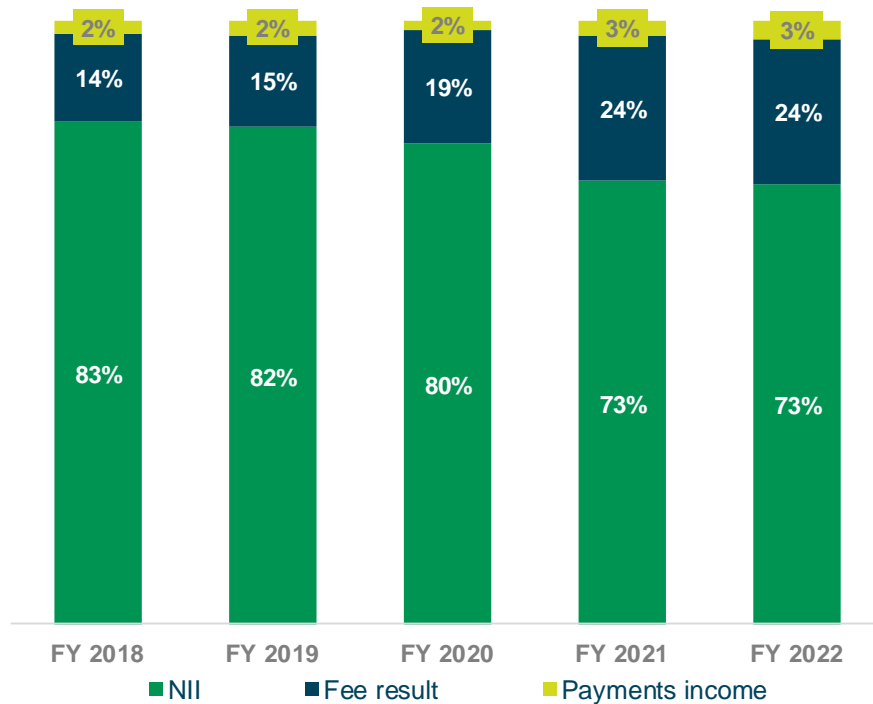


Asset Management income (mEUR)



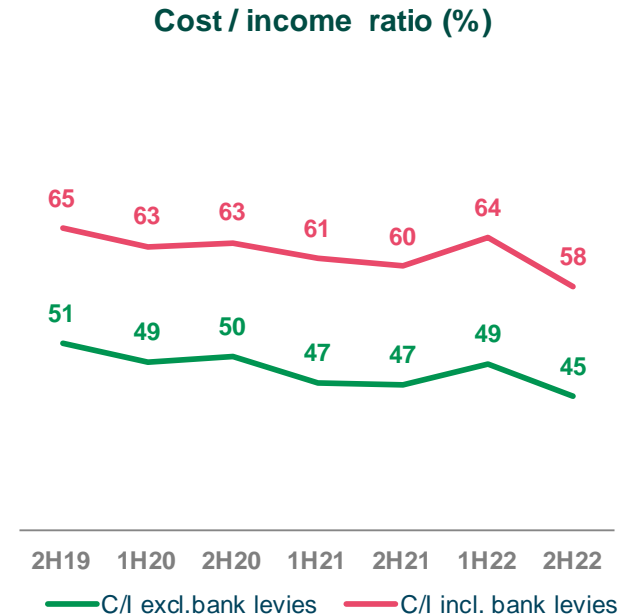
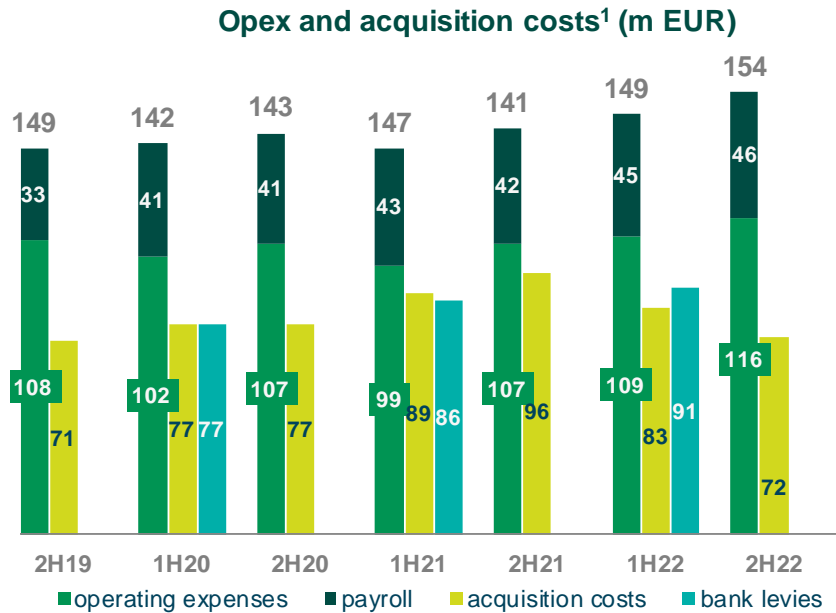
- Market turmoil led to a drop in portfolio levels despite solid net positive inflow.
- Slight increase in Asset Management fee income of 2%, to EUR 205m in '22. Despite negative market value changes on the portfolio, management fees stabilized due to resilient net production levels.

3. Income diversification



- Focus on diversification towards non-interest related income:
 - The launch of charged daily banking packages added to income diversification
 - Continued focus on Assets under Custody supports asset management fee income.
- Despite the increase in NII, diversification to other income sources remained stable at 27%.

3. Improvement in C/I ratio largely NII-driven



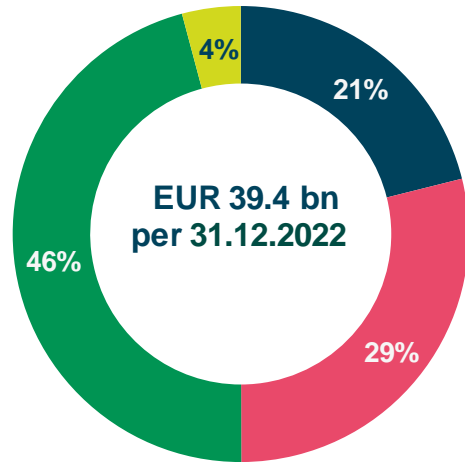
- Rise in income due to a strong NII result in H2, especially on the back of the 3M Euribor increase.
- This compensated for higher operating expenses from increased IT-investments, inflation and bank levies. Acquisition costs were substantially lower primarily due to a renewed commission agreement.
- H2 C/I ratio improved to 58% and to 45% excluding bank levies. FY C/I improved slightly from 61% to 60%.



4. Asset Quality

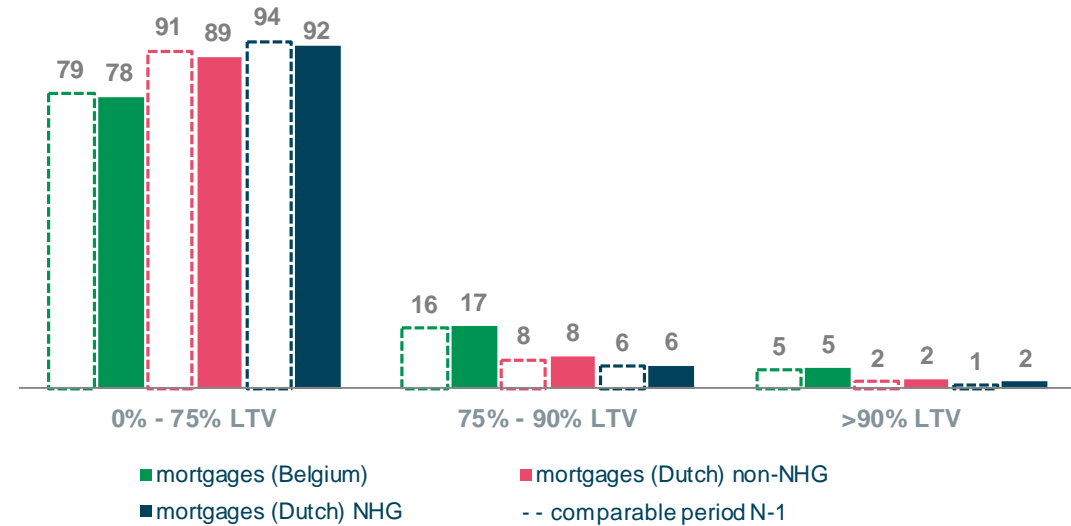
4. High-Quality Loan Book dominated by Mortgages

Composition of loan book (%)



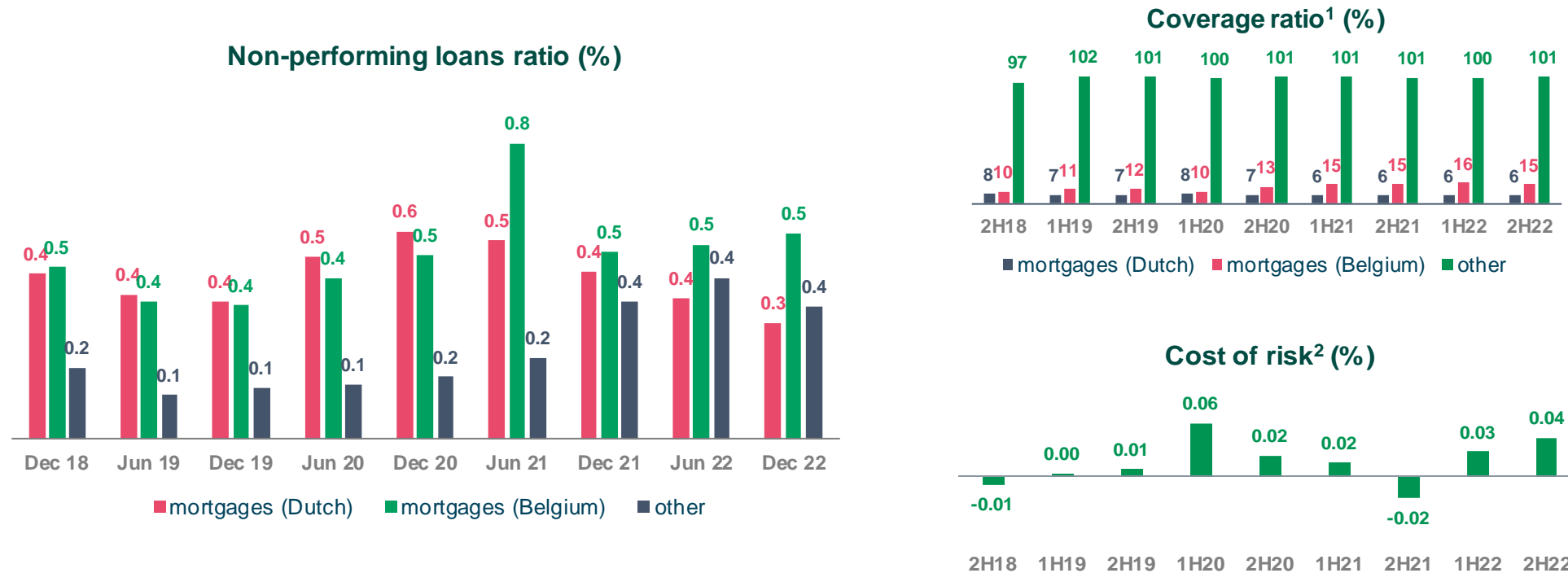
■ mortgages (Belgium) ■ mortgages (Dutch) non-NHG
■ mortgages (Dutch) NHG ■ other

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



- Per 31/12/2022, 96% of the total loan book consisted of mortgage loans in Belgium and the Netherlands. The remaining 4% were consumer loans, loans to local and regional governments and public-private partnerships.
- The share of non-NHG¹ mortgages in the Netherlands increased further YoY from 53% to 58%.
- Average LTVs continued their declining trend, spurred by house price indexation and amortization. The total average portfolio-LTV decreased from 56% to 53%.

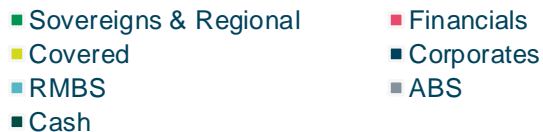
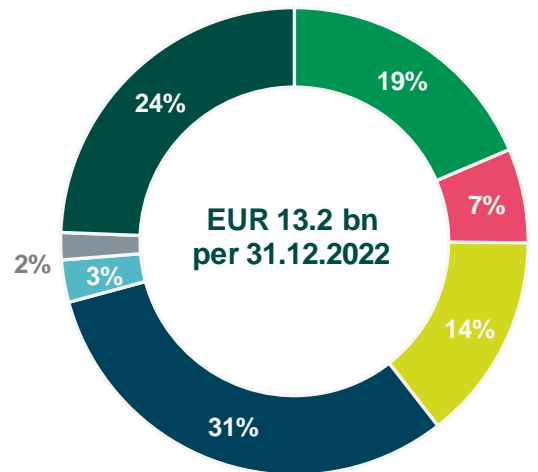
4. Risk indicators remained low despite changed market sentiment



- Slight increase in cost of risk mainly driven by stage 1 and 2 impairments based on a worsened economic outlook.
- Nonetheless, NPL-ratios remain stable at low levels, and the average coverage ratio of 15% again reflects the high quality of the prime mortgage collateral.

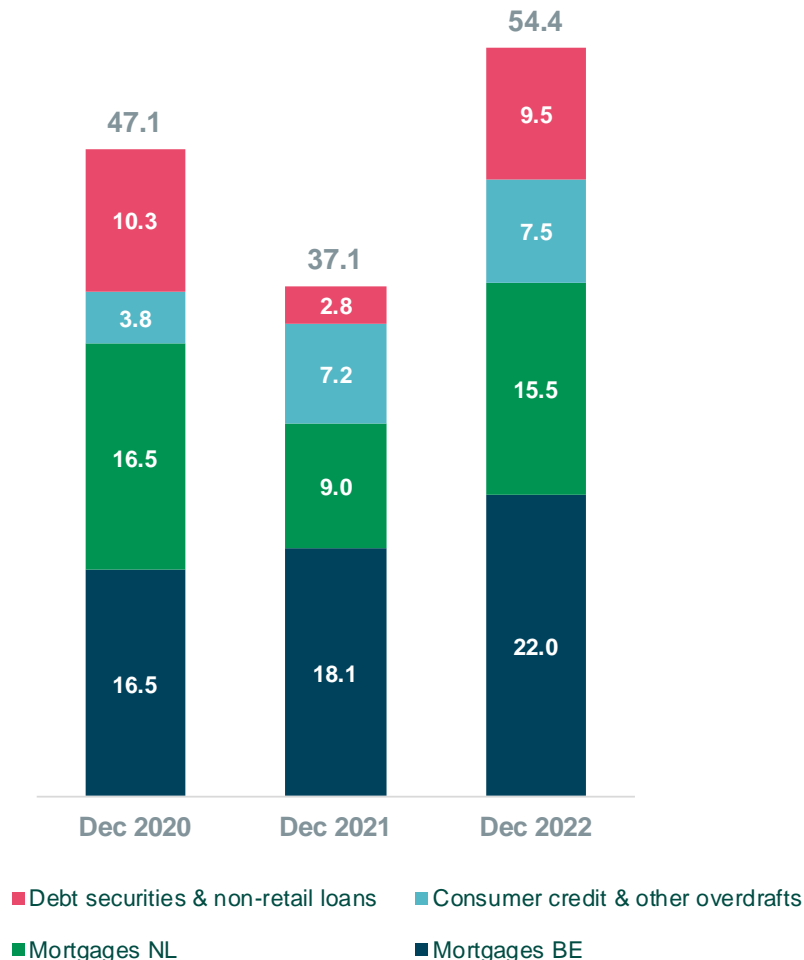
4. Diversified and Liquid Investment Portfolio

Exposure-type of investments (%)



- Increased portfolio from EUR 10.9bn at the end of 2021 to EUR 13.2bn.
- Balanced investment of the excess cash from wholesale issuances and cash collateral inflow, with a relative increase in covered bonds and sovereigns.
- Low-risk portfolio with sustainable exclusion criteria for activities such as coal, tobacco, nuclear energy,...
- High quality investments: 47% of the portfolio is rated AA (up 3%) and above, and 99% of the portfolio is investment grade
- Exclusively euro-denominated with focus on European markets: 97% of portfolio in European Economic Area.
- The rise in the yield curves reduced the fair value of the investment portfolio. The unrealized result at fair value through OCI amounted to EUR -160m.

4. Changed macro-economic outlook resulted in higher provisions



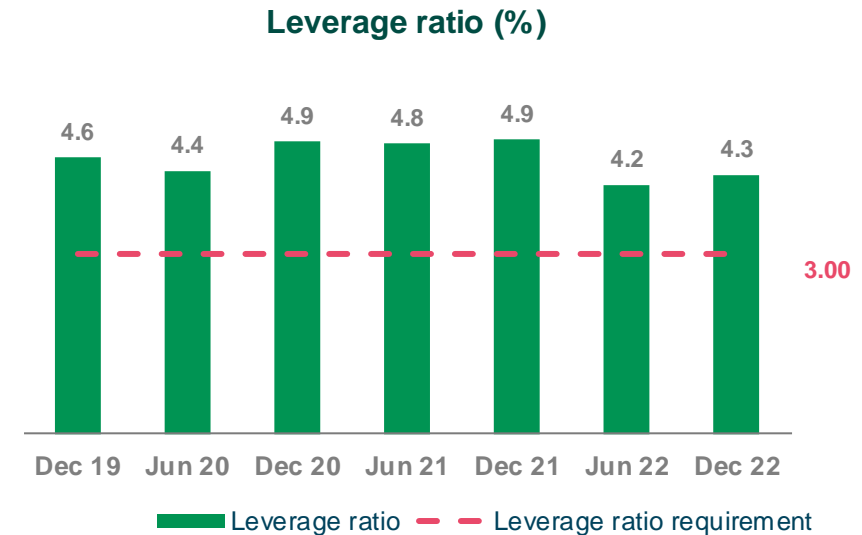
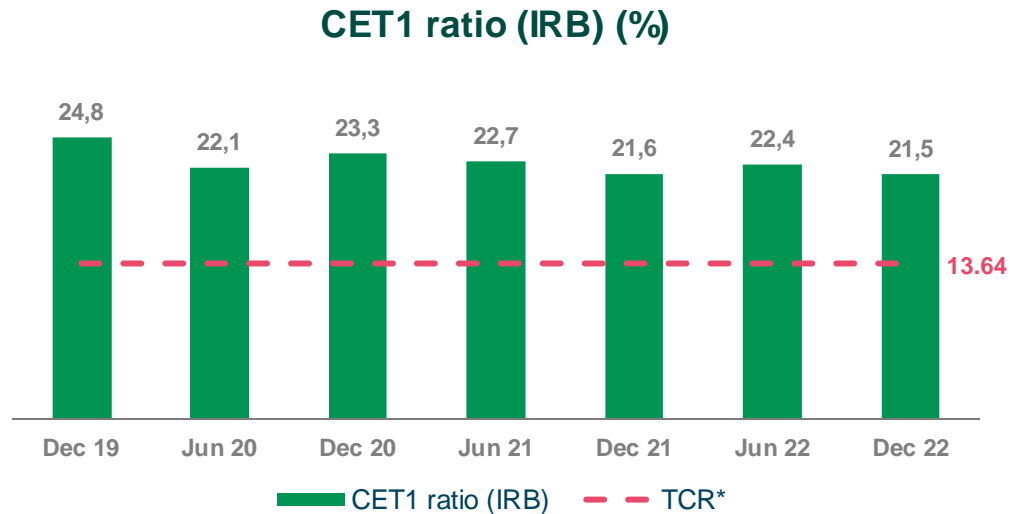
Impairments up EUR 17.3m YoY:

- Higher impairments on Belgian mortgages (+3.9m) due to the incorporation of additional data from the central credit register for individuals of the NBB and to the staging of clients who are most vulnerable to high inflation (combination high DTI / poor Energy label).
- Higher impairments on Dutch mortgages (+6,5m) due to a deteriorating macro-economic outlook (declining housing prices), the staging of clients with high LTI/Poor energy label and staging for bullet loans. Partly offset by a decrease in stage 3 UTP.
- Higher impairments on the investment portfolio (+6.7m) because of the worsened economic outlook and the increase in stage 2 provisions.



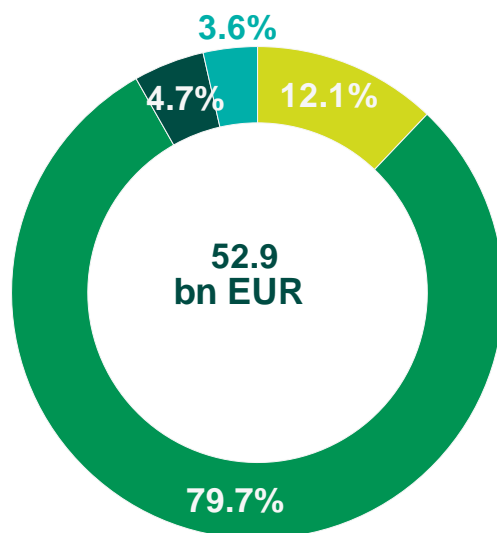
5. Solvency and Liquidity

5. Solvency well above SREP requirement



- The CET1 is stable YoY at 21.5%. The elimination of the RWA add-on from the NBB on Belgian mortgages was largely compensated by the volume growth in the mortgage and investment portfolio. In addition, the accumulated OCI on the investment portfolio negatively impacts the CET1 capital.
- The decline of the Leverage ratio was triggered by the combination of higher funding, collateral inflow from the hedging book and the reintroduction of the central bank reserves (+3.1bn) in the leverage basis since April '22.

5. Funding and Liquidity Position

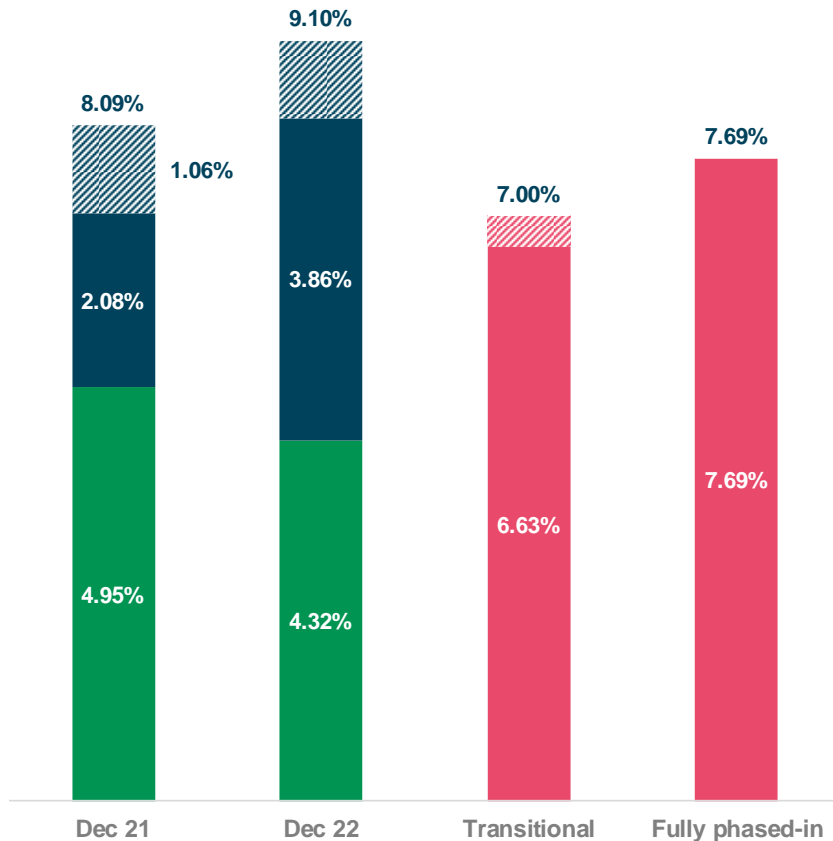


- Wholesale Funding
- Retail Funding
- Equity
- Other

| In % | Jun 21 | Dec 21 | Jun 22 | Dec 22 |
|---------------------------------------|--------|--------|--------|--------|
| Liquidity coverage ratio ¹ | 160 | 164 | 197 | 186 |
| Net stable funding ratio ² | 146 | 145 | 145 | 142 |

- Strong liquidity position, well above regulatory limits for both LCR and NSFR.
 - LCR remains high due to an excess cash position from 4 wholesale issuances and large inflow of cash collateral.
 - The NSFR decreased slightly compared to H1 '22 due to the increase in loans on the balance sheet.
- Retail deposits remained by far the most dominant funding source.
- Argenta further developed its range of wholesale funding by introducing a Green Bond programme in Feb '22. Two issues from this programme were brought to the market for a total amount of EUR 1.1bn.

5. MREL ratio (in terms of LRE)



▨ Target not subordinated (SP) ■ Target subordination
▨ Eligible liabilities not subordinated (SP) ■ Eligible liabilities subordinated (SNP)
■ CET1

- The 2022 intermediate MREL target is 7.00% and the intermediate subordination target is 6.63% (SP not included).
- The MREL ratio is at 9.10% (=45.18% TREA) and the subordination ratio is at 8.18% (=40.60% TREA). As a result, both requirements are comfortably met.
- The eligible liabilities increased by 1.1bn of new Senior Non-Preferred debt. The CET1 capital remained stable with the interim result offsetting the negative impact of rising interest rates on OCI.
- Both ratios will move towards a final requirement of 7.69% in 2024.



6. ESG

Purpose of Argenta

An unpredictable world
needs a
responsible bank.

*We are entrepreneurial, but not overconfident.
Decisive, without being impulsive.*

*Providing banking and insurance responsibly is now more than ever
an act of resistance.*

ESG ambitions

Compliant All financial institutions must comply with new ESG- and climate related **regulations** in order to keep their **license to operate**

Credible Argenta is **frontrunner** as an intrinsically sustainable bank, because it is part of our **purpose, mission/vision and value proposition**. We want to maintain this strong **competitive advantage**.

Distinctive **Our aim is to be distinctive** towards our customers, sourcing from our purpose and company values, but in a **pragmatic and authentic manner**.



Environment

Banking should not cost trees

- Support transition towards climate-neutral economy
- Reduce our financed emissions
- Implement adequate climate risk action plan
- Reduce own carbon footprint with 50% by 2023



Social

Maximum resilience
Every euro is valuable

- Min. customer NPS of 50, at least 80% of employees engaged
- Integrate ESG in product offering, sourcing from purpose objectives
- Sustainable investment policy
- 100% engaged suppliers on sustainable principles



Governance

Ethics & transparency

- Embed ESG in strategy, governance & risk mgt
- Strong ethics & integrity policy
- Promote diversity in board and Exco: min 33% women
- Belong to top 10% most sustainable companies (cfr. Sustainalytics ESG-rating)

TARGETS

2022 REALIZATIONS

- Climate policy & action plan in place
- Successful green bonds allocation (€ 1.1bn)
- 75% taxonomy-eligible activities (Aspa)
- 1 in 3 customers chose a home with a favorable EPC
- Growth of 54% in ecological car loans
- 46% CO₂-reduction (ref. 2017, scope 1, 2, 3)

- 93% engaged employees
- Customer NPS of 43
- Launch of Financial Health Study
- All Argenta funds are min. art.8 & art.9 SFDR-aligned
- 14 funds awarded with Towards Sustainability Label (€ 4,5bn)
- More than 1 bio invested in local projects
- All strategic suppliers signed the sustainability charter

- CEO appointed as CSO, strong support of the board
- 4th percentile cfr. ESG-risk rating Sustainalytics
- Publication of Climate Report, TCFD-aligned
- Diversity on the board: 36%, exco: 50%
- Integrity Charter implemented

Recognised by the market for our performance

Highlights



SUSTAINALYTICS

**4th
percentile**

- Excellent ESG-risk rating (2022)
- Low risk
- Strong overall management of material ESG issues
- Strong performance on data privacy & security, product governance and ESG-integration

vigeo
eiris

**8th
percentile**

- ESG overall performance score of 53/100 (2021)
- Above average compared to sector average

BankWijzer

**4th
place**

- Local initiative of Fairfin (NGO), evaluating the sustainable investment policies of the Belgian banking scene
- Performance of 63%, ahead of the 4 largest banks



7. Wrap-up



7. Wrap-up

FY 2022 Argenta Spaarbank

- Despite the challenging macro-economic environment, the commercial performance remained resilient, both in mortgage volumes and the asset management business.
- The balance sheet is in excess of EUR 50bn, +10% since YE 2021.
- Net profit was up 8% to EUR 196m and resulted in an ROE of 8.2%.
- Recurring interest income increased EUR 62m YoY driven by the positive impact of rising interest rates on the investment portfolio and the cost-of-carry of swaps.
- Net Asset Management income slightly increased on the back of high net production in 2021 and 1H 2022 but was impacted by the negative NAV effect YoY.
- Further diversification of funding sources with a new green bond issuance programme and a total of EUR 2.1bn issuance in 2022.
- The cost-income ratio decreased slightly to 60% despite intensified IT investments.
- Very strong solvency, funding and liquidity position as before, which supports growth and resilience through the current period of high volatility.



8. Appendices



8. 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

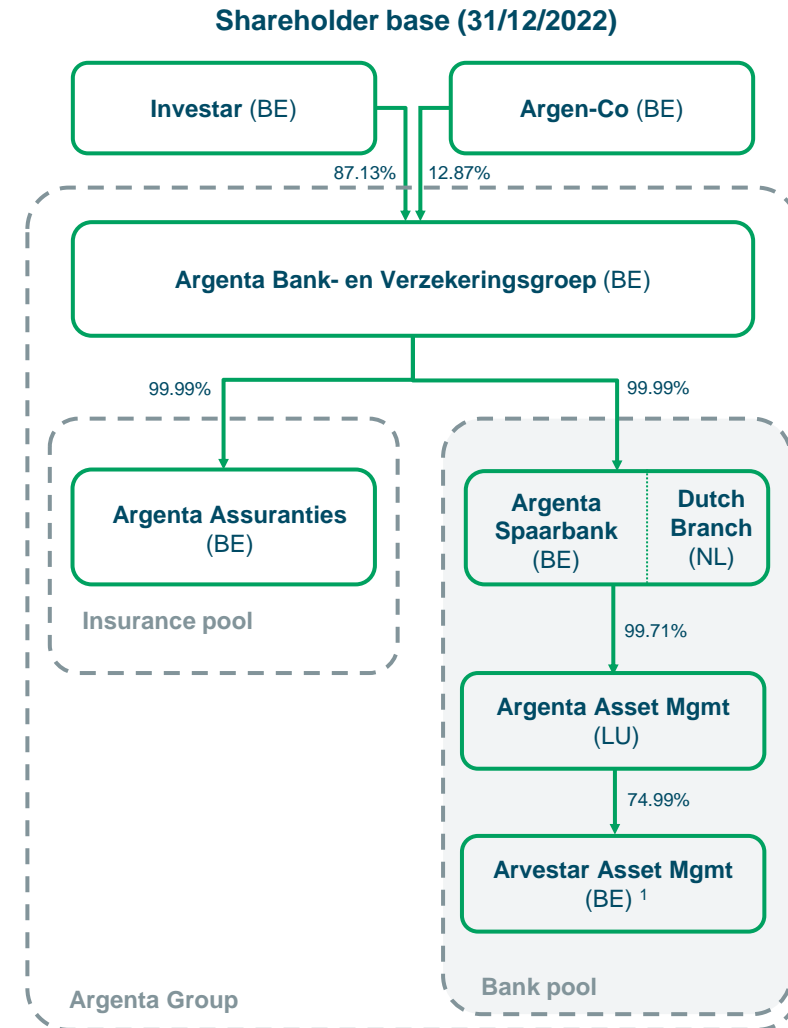
Glossary

8. 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).



⁽¹⁾ Arvestar Asset Management (AAM) is a consolidated joint venture with Bank Degroof Petercam Asset Management N.V. (DPAM)

8. Appendix 2

Argenta Spaarbank conso balance sheet – Assets

| (in m EUR) | FY 2021 | H1 2022 | FY 2022 | ▲ FY-H1 |
|---|---------------|---------------|---------------|--------------|
| Cash and cash equivalents | 3,537 | 3,670 | 3,231 | -439 |
| Loans and advances | 36,996 | 38,310 | 39,519 | 1,209 |
| o.w. to credit institutions | 276 | 38 | 58 | 20 |
| o.w. to customers | 36,719 | 38,272 | 39,461 | 1,189 |
| Debt securities and equity instruments | 7,344 | 9,203 | 10,015 | 812 |
| o.w. at fair value through P&L | 41 | 37 | 33 | -4 |
| o.w. at fair value through OCI | 3,726 | 3,721 | 3,467 | -254 |
| o.w. at amortized cost | 3,577 | 5,445 | 6,515 | 1,070 |
| Derivatives incl. hedge adjustment | 460 | 136 | 171 | 36 |
| Other assets | 401 | 572 | 455 | -116 |
| Total assets | 48,738 | 51,890 | 53,391 | 1,501 |

8. Appendix 3

Argenta Spaarbank conso balance sheet – Liabilities

| (in m EUR) | FY 2021 | H1 2022 | FY 2022 | ▲ FY-H1 |
|---|---------------|---------------|---------------|--------------|
| Financial liabilities at amortised cost | 45,529 | 49,100 | 50,472 | 1,372 |
| o.w. deposits from central banks | 258 | 257 | 0 | -257 |
| o.w. deposits from credit institutions | 49 | 1,321 | 1,786 | 466 |
| o.w. deposits from other than central banks and credit institutions | 40,280 | 41,760 | 42,184 | 423 |
| o.w. senior debt securities issued - saving certificates | 0 | 0 | 0 | 0 |
| o.w. senior debt securities issued - other | 4,848 | 5,661 | 6,405 | 744 |
| o.w. subordinated debt securities issued | 0 | 0 | 0 | 0 |
| o.w. other financial liabilities | 93 | 100 | 97 | -3 |
| Derivatives | 508 | 147 | 220 | 73 |
| Other liabilities | 300 | 278 | 230 | -48 |
| Total liabilities | 46,337 | 49,524 | 50,922 | 1,398 |

8. Appendix 4

Argenta Spaarbank conso balance sheet – Equity

| (in m EUR) | FY 2021 | H1 2022 | FY 2022 | ▲ FY-H1 |
|--|----------------|----------------|----------------|----------------|
| Core equity | 2,360 | 2,397 | 2,539 | 142 |
| Paid-in share capital | 888 | 888 | 934 | 46 |
| Retained earnings | 1,291 | 1,472 | 1,409 | -63 |
| Profit of current period | 181 | 37 | 196 | 159 |
| Gains and losses not recognised in the income statement | 41 | -31 | -70 | -39 |
| Reserve at fair-value-through-OCI | 41 | -31 | -68 | -37 |
| Reserve cash flow hedge | 0 | 0 | 0 | 0 |
| Revaluation pension plan | 0 | 0 | -2 | -2 |
| Minority interests | 0 | 0 | 0 | 0 |
| Total equity | 2,402 | 2,366 | 2,469 | 103 |

8. Appendix 5

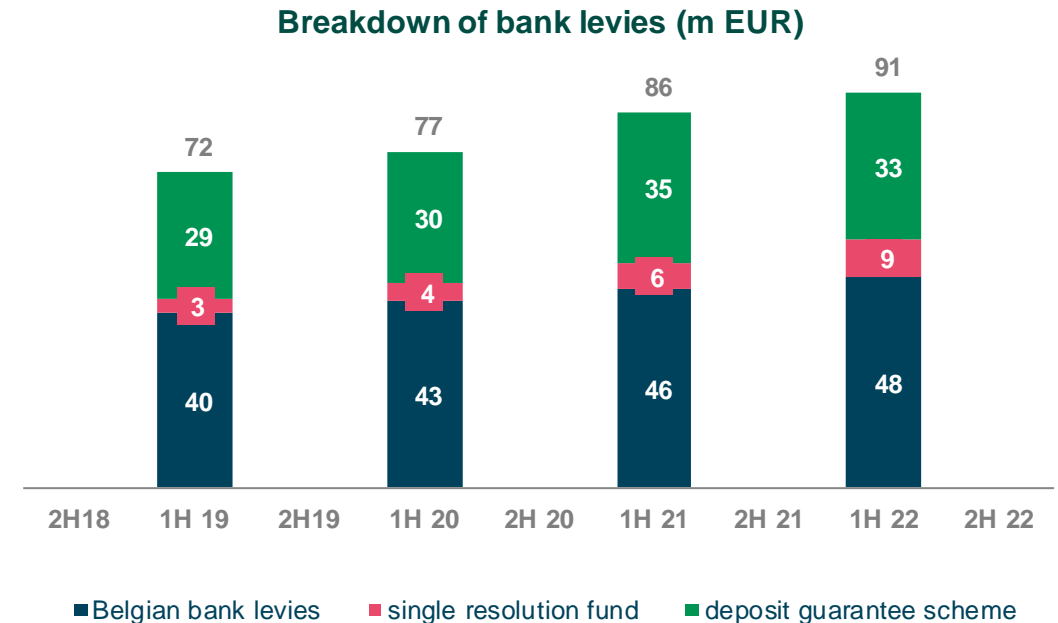
Argenta Spaarbank conso income statement

| (in m EUR) | 2H 2021 | 1H 2022 | 2H 2022 | ▲ H2-H1 | FY 2021 | FY 2022 | ▲ FY-FY |
|---|-------------|-------------|-------------|------------|-------------|-------------|------------|
| Net interest income | 295 | 253 | 322 | 26 | 579 | 575 | -4 |
| Net commissions and fees | 14 | 26 | 30 | 15 | 23 | 56 | 33 |
| Net gains and losses | 0 | 28 | 2 | 2 | 3 | 30 | 27 |
| o.w. at fair value through OCI | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| o.w. at amortized cost | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| o.w. at fair value through P&L | 0 | 28 | 2 | 1 | 3 | 29 | 26 |
| o.w. other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dividend income | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other net operating income | 8 | 7 | 6 | -1 | 14 | 13 | -2 |
| Total income | 317 | 314 | 359 | 42 | 619 | 674 | 54 |
| Operating expenses | -149 | -244 | -163 | -13 | -377 | -407 | -30 |
| o.w. payroll expenses | -42 | -45 | -46 | -4 | -85 | -91 | -6 |
| o.w. operating expenses | -107 | -109 | -116 | -9 | -206 | -226 | -20 |
| o.w. bank levies | 0 | -91 | 0 | 0 | -86 | -91 | -4 |
| Operating profit | 168 | 70 | 197 | 29 | 243 | 267 | 24 |
| Impairments | 6 | -8 | -13 | -18 | 7 | -20 | -27 |
| o.w. at fair value through OCI | 0 | -1 | -1 | -1 | 2 | -1 | -3 |
| o.w. at amortized cost | 5 | -7 | -12 | -17 | 5 | -19 | -24 |
| o.w. other | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Modification loss | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Share in result from associates / subsidiaries (equity method) | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Non-current assets held for sale | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Profit before tax | 174 | 62 | 184 | 11 | 250 | 246 | -3 |
| Income tax expense | -46 | -25 | -25 | 21 | -69 | -50 | 19 |
| Net profit | 128 | 37 | 159 | 31 | 181 | 196 | 15 |

8. 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 fully recognised in the beginning of the year.
- Advanced recognition adversely impacts the result for a partial year. For this reason, Argenta Spaarbank (also) published an adjusted net result figure, which spreads the levies evenly throughout the financial year.



8. Appendix 7

Net Interest Income - composition

| In millions of EUR ⁽¹⁾ | FY 2020 | FY 2021 | FY 2022 |
|---|-------------|-------------|-------------|
| Interest income <i>(excl. hedging)</i> | 808 | 800 | 815 |
| Loans | 745 | 740 | 711 |
| Mortgages | 726 | 719 | 686 |
| <i>Belgium</i> | 242 | 256 | 270 |
| of which prepayment penalties | 5 | 6 | 3 |
| <i>Netherlands</i> | 483 | 463 | 415 |
| of which prepayment penalties | 35 | 37 | 15 |
| Consumer credit & other overdrafts | 6 | 7 | 9 |
| Non-retail loans | 13 | 14 | 17 |
| Debt securities | 62 | 59 | 90 |
| Other | 1 | 1 | 14 |
| of which interbank deposits | 0 | 0 | 10 |
| Interest expenses <i>(excl. hedging)</i> | -100 | -83 | -107 |
| Deposits | -66 | -58 | -56 |
| Saving accounts | -28 | -28 | -32 |
| <i>Belgium</i> | -26 | -28 | -30 |
| <i>Netherlands</i> | -2 | 0 | -2 |
| Term savings | -21 | -14 | -10 |
| <i>Belgium</i> | -19 | -13 | -10 |
| <i>Netherlands</i> | -2 | -1 | -1 |
| Deposits related to mortgages | -16 | -15 | -14 |
| Debt certificates | -28 | -18 | -40 |
| Retail saving certificates | 0 | 0 | 0 |
| Wholesale debt | -27 | -18 | -40 |
| <i>Covered Bond</i> | 0 | 0 | -9 |
| <i>GA notes</i> | 3 | 5 | -5 |
| <i>EMTN</i> | -11 | -17 | -27 |
| <i>TLTRO</i> | 1 | 3 | 2 |
| <i>Tier II</i> | -20 | -8 | 0 |
| Other interest expenses | -7 | -7 | -12 |
| Hedging result | -138 | -138 | -133 |
| Swaps | -134 | -146 | -97 |
| Carry cost | -134 | -146 | -97 |
| Swaptions | -4 | 7 | -36 |
| Premium | -9 | -12 | -14 |
| Mark-to-market | 4 | 19 | -22 |
| Net interest result | 569 | 579 | 575 |

8. Appendix 8

Regulatory Capital

| (in m EUR) | Fully loaded | |
|--|--------------|--------------|
| | 31.12.2021 | 31.12.2022 |
| Total equity | 2,401 | 2,469 |
| Part of interim or year-end profit not eligible | 0 | -40 |
| Prudential filters | -11 | -27 |
| Reserve cash flow hedge | 0 | 0 |
| Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities | -7 | -23 |
| Value adjustments due to the requirements for prudent valuation | -4 | -4 |
| Items to deduct | -17 | -33 |
| Other intangible assets | -21 | -15 |
| Deferred tax assets | 5 | 4 |
| DTs that rely on future profitability | -1 | -22 |
| IRB shortfall of credit risk adjustments to expected losses | -16 | 0 |
| Other | -3 | -6 |
| Common equity tier 1 (IRB) | 2,354 | 2,363 |
| Tier 2 instruments | 0 | 2 |
| Tier 2 (BIII eligible) | 0 | 0 |
| IRB Excess of provisions over expected loss eligible | 0 | 2 |
| Total regulatory capital (IRB) | 2,354 | 2,366 |

8. Appendix 9

Regulatory Risk Exposures

| <u>In millions of EUR</u> | <u>31.12.2021</u> | <u>31.12.2022</u> |
|--|----------------------|----------------------|
| Central and regional governments | 80 | 98 |
| Public sector | 23 | 25 |
| Institutions and covered bonds | 459 | 718 |
| Corporates | 1,872 | 2,317 |
| Securitisations | 120 | 91 |
| Retail | 255 | 297 |
| Covered by mortgage | 6,574 | 5,806 |
| Operational risk | 1,147 | 1,227 |
| Other | 377 | 438 |
| <u>Risk weighted assets (IRB)</u> | <u>10,907</u> | <u>11,017</u> |



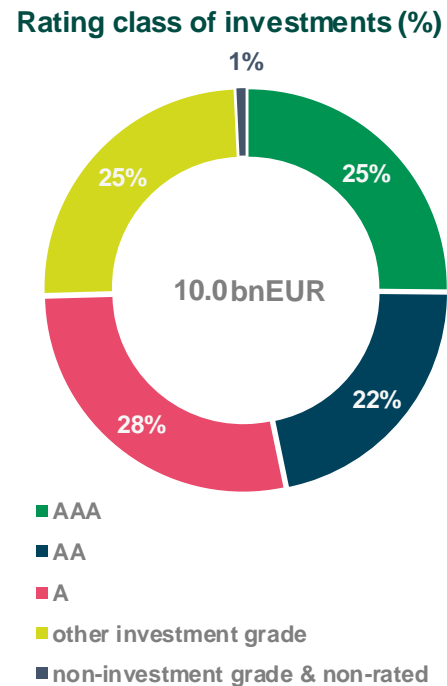
8. Appendix 10

Solvency ratios

| <u>In millions of EUR and %</u> | <u>31.12.2021</u> | <u>31.12.2022</u> |
|---------------------------------|-------------------|-------------------|
| Regulatory capital | 2,354 | 2,363 |
| Tier 2 capital | 0 | 2 |
| Risk-Weighted assets | 10,907 | 11,017 |
| CET 1 | 21.6% | 21.5% |
| TCR | 21.6% | 21.5% |

8. Appendix 11

Investment Portfolio excluding cash (31.12.2022)



| <u>Investments per country</u> | <u>%</u> |
|--------------------------------|----------|
| Belgium | 26.7% |
| Netherlands | 16.9% |
| France | 14.7% |
| Germany | 6.7% |
| Spain | 5.6% |
| Luxembourg | 4.1% |
| Sweden | 3.4% |
| Austria | 3.2% |
| Finland | 2.9% |
| Ireland | 2.6% |
| Iceland | 1.3% |
| Slovenia | 1.3% |
| Canada | 1.2% |
| Denmark | 1.1% |
| Poland | 1.1% |
| Other | 6.9% |

8. 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] |

8. 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 |
| Operating Expenses | Expenses excluding payroll, bank levies and commissions paid to independent branch agents |
| 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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