
ARGENTA CONTINUES ITS GROWTH STORY

Antwerp, 30/03/2023

With a group profit of 238 million euros, an ROE of 7.2%, a CET 1 of 22% and a cost-income ratio of 59.4%, Argenta has once again earned a very solid result in 2022. 7.2 billion euros in new mortgage loans were granted in Belgium and the Netherlands. The savings grew by 1.6 billion euros.

Argenta invests in continuous delivery of customer-oriented digital flows and functionalities, both in the area of family and in the area of investment and housing.

Resilience and sustainability is the common thread in what we do

With a close-to-customers, simple offering, Argenta makes banking and insurance as accessible as possible so that customers understand their finances and insurance well and can take reasoned decisions: this makes them more resilient, now and in the future. The network of 406 branches is available as a trusted partner for personal advice in addition to the digital channel for everyday transactions.

This has a strong impact, because at present Argenta is second in the rankings of banks in Flanders in terms of the number of its retail customers. The impressive customer NPS of 43 proves that Argenta customers are still satisfied.

In addition, Argenta aims to create value as sustainably as possible for its customers and employees and for society. After all, a sustainable approach is crucial to the main challenges of our time: the environment and the climate. Our sustainable strategy includes our present and future actions to limit the effects of climate change as much as possible for our customers and society. And these are and will be realistic and ambitious.

Argenta is therefore strongly committed to sustainable renovations. With targeted advice on renovation, we support customers in making the right choices in their renovation projects and strive for sustainable and affordable living for everyone.

This also applies to sustainable mobility, where financing of ecologically friendly vehicles rose by 54% compared to 2021 and bicycle loans by 41% compared to 2021. The demand for finance for vehicles running on fossil fuels, in turn, fell by 27%.

Argenta's investment offering is now fully sustainable: all Argenta investment funds and investment insurance policies comply with article 8+ or article 9 SFDR (Sustainable Finance Disclosure Regulation). Argenta applies the same sustainability principles to both the investment offering to customers and to the investment portfolios of its bank and insurance company.

In order to make the social impact even more tangible, Argenta invests 88% of the funds from customers' savings and payment accounts in mortgages and 9.2% in sustainable and local projects through loans and bonds to local government institutions, such as cities and municipalities, and local infrastructure projects.

As a result of all these activities, Argenta achieves excellent ESG ratings (Sustainalytics: top 4 %, Bankwijzer: 4th place, Vigeo Eiris: top 8 %).

Part of Argenta's success is due to the strong commitment of its employees: the Employee Opinion Survey (EOS) conducted in early 2022 resulted in an engagement score of no less than 93% and an employee Net Promotor Score (e-NPS) of 34.

Peter Devlies, CEO: *"Argenta takes responsibility for increasing its customers', employees' and society's resilience in every area. That remains the basis for continuing our growth story."*

Solid financial results based on strong foundations

Argenta Bank- en Verzekeringsgroep Group posted a result of 238 million euros in 2022. In 2022, we had put the impact of the Covid 19 pandemic largely behind us. The year looked promising, but the war in Ukraine swiftly led to a change in sentiment. The economy was on the brink of a recession, inflation rates shot up rapidly and the ECB started the process of raising the policy rate. The turnaround from negative interest rates to rising market rates happened suddenly and the increase was steep. Our diversified income from banking and insurance with a balanced mix of interest rate products and investment products makes an important contribution to the stability of our income and ensures that Argenta has a wide commercial range. Despite the challenging economic conditions, the return on equity therefore still resulted in an attractive 7.2%, below the 8.6% of 2021, due to normalisation of the net interest income and the unfavourable trend in the valuation of the equity portfolio in the insurance division, and the proactive establishment of provisions for credit losses based on less favourable macroeconomic expectations.

Customers' funds under management remained almost stable at 57.8 billion euros (with growth of 240 million euros), with 35% of the income coming from non-interest products. Commercial growth remained strong with an increase of savings and sight balances, at 1.6 billion euros, and net production in investment funds of 1.3 billion euros, which, however, was more than offset by the negative impact of the stock market evolution on the market value of the investment funds (-2.3 billion euros). As a result, the net income from asset management for 2022 is therefore 13.6 million euros higher, rising to a record figure of 130.5 million euros. In September 2022, our market share had risen further to 5.5%.

With the year 2022, a long period of low interest rates was also brought quite clearly to an end. The impact of the upward trend in interest curves was not yet fully reflected in the results for 2022. The reported net interest income remained stable compared to 2021, but the recurrent interest income displayed a cautious recovery and was 62 million euros higher than in 2021 because the costs of hedging the interest rate risk fell and the income from bonds rose. On the other hand, the financing costs for our own issued bonds increased and the negative market valuation of a number of hedging instruments diminished this recovery to some extent.

Our portfolio of mortgage loans in Belgium and the Netherlands saw robust growth, with a rise of 7% or 2.6 billion euros. Argenta grew further, reaching a market share of 6.6% in Belgium and slightly over 2% in the Netherlands.

Argenta does not finance its activities solely from its customers' savings and sight balances but is also diversifying increasingly by issuing bonds on the financial markets. For example, 4 issues were placed in 2022 for the total amount of 2.1 billion euros, two of which were green issues totalling 1.1 billion euros. With this step towards green financing, Argenta is once more consolidating its sustainable commitment.

In view of the greater macro-economic uncertainty in 2022, more provisions have been set up for future credit losses. These are rising by around 20 million euros to 58.1 million euros.

On the cost front, we are seeing a material increase of 9%. This is primarily due to the link between a sharp increase in inflation and the wage development which is legally regulated in Belgium. In addition, investments in the IT infrastructure continued and the growth of the savings balances led to a further rise in bank levies. Higher income meant that Argenta was able to keep the cost/income ratio under control at a level of 59%.

Solvency remained very strong with a Common Equity Tier 1 ratio of 22.0%. This makes Argenta one of the better capitalized banking and insurance groups in the eurozone. The core capital increased by a net 70 million euros to 2,567 million euros.

The consolidated net result of **Argenta Spaarbank** amounted to 196 million euros, which represented an ROE of 8.2%. The liquidity and capital ratios of the Bank Pool also remain excellent and are among the strongest in Europe. Rating agency Standard & Poor's increased the credit rating score in 2022, taking Argenta Spaarbank to an A rating with stable outlook. This is a welcome recognition of the solid foundations on which the savings bank is built. Standard & Poor's thereby also confirm the quality of the bonds issued, which are supplementary to the funds raised through customer deposits.

Argenta Assuranties achieved a net result of 65 million euros or an ROE of 11.4% (BGAAP). Both the Non-life and the Life insurance activities made a substantial contribution to the results. The non-life branch's technical result improved despite the spring storms, resulting in a combined ratio after reinsurance of 85%. As expected, the result for the Life branch was lower because of the normalisation of the insurance result compared to 2021 and because of higher costs due to the investments in a new Life insurance platform. Argenta Assuranties' solvency rose further to 241% (+5%).

With this fundamental contribution, the insurer once more confirms the added value of the bank-insurance model.

Financial results 2022

Solid results

- Net profit (IFRS): 238 million euros
- Return on equity: 7.2 %

Diversified income

- Net interest income: 647 million euros
- Net income from asset management: 131 million euros
- Premium income, insurance: 602 million euros

A healthy cost-income ratio

- Cost-income ratio: 59.4% (46.9% excluding bank levy)

Taxes and bank levy

- Effective tax rate: 22.5 % (55.6 % including bank levy)

Loyal customers in Belgium and the Netherlands

- Total 1.74 million customers
- Belgium: 1.45 million customers
- Netherlands: 0.29 million customers

Stable funds under management

- Customer funds under management: 57.8 billion euros (+240 million euros vs. 2021).

Healthy living - Belgium and Netherlands

- Residential loans to families in 2022: 7.2 billion euros
- Residential loans in portfolio: 38.8 billion euros

Safe bank-insurer

- Core capital ratio: 22.0 % (Danish compromise method, IRB)
- Solvency II ratio for the insurer: 241 %
- Liquidity Coverage Ratio: 186 % (Aspa)

Healthy employment growth

2,572 employees at the head office in Antwerp, in Luxembourg and in Breda and in the 406 independent branches.

Argenta Bank- en Verzekeringsgroep

| <i>in million euros</i> | 2022 | 2021 |
|--------------------------|-------------|-------------|
| Balance sheet total | 59,528 | 55,451 |
| Loans to individuals | 39,140 | 36,570 |
| Funds under management | 57,805 | 57,564 |
| Gross insurance premiums | 602 | 539 |
| Net profit | 238 | 268 |
| Equity | 3,230 | 3,296 |

| <i>in units or %</i> | 2022 | 2021 |
|--------------------------|-------------|-------------|
| Sales outlets in Belgium | 406 | 415 |
| Employees | 2,572 | 2,573 |
| Return on equity | 7.2 % | 8.6 % |

Argenta Spaarbank

| <i>in million euros</i> | 2022 | 2021 |
|--------------------------------|-------------|-------------|
| Balance sheet total | 53,391 | 48,738 |
| Loans to individuals | 38,166 | 35,470 |
| Securities portfolio | 10,015 | 7,344 |
| Deposits and debt certificates | 50,472 | 45,529 |
| Equity | 2,469 | 2,402 |

| | | |
|----------------------------------|-------|-------|
| Net interest income | 575 | 579 |
| Net fee and commission result | + 56 | + 23 |
| Operating expenses and bank levy | - 394 | - 362 |
| Impairments | - 20 | + 7 |
| Other | + 30 | + 4 |
| Taxes | - 50 | - 69 |
| Net profit | 196 | 181 |

Argenta Assuranties

| <i>in million euros</i> | 2022 | 2021 |
|---|-------------|-------------|
| Balance sheet total | 6,432 | 6,807 |
| Technical provisions - branch 21 and non-life | 2,903 | 3,091 |
| Technical provisions - branch 23 | 2,755 | 3,020 |
| Equity | 596 | 571 |

| | | |
|----------------------|------|------|
| Gross premium income | 602 | 539 |
| Net operating costs | -119 | -112 |
| Net result | 65 | 83 |

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 30/03/2023 at 10.45 am, with the press conference taking place at 11.00 am.

Confirmation of the auditor with regard to 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 in the accounting data included in today's press release.

END PRESS RELEASE

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Argenta Bank- en Verzekeringsgroep nv, Belgiëlei 49- 53, 2018 Antwerp

Background information on Argenta

Argenta Bank- en Verzekeringsgroep is a bank-insurer for families, with operations in Belgium and the Netherlands, and 1.74 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 59.528 billion (31 December 2022). The annual net profit of Argenta Bank- en Verzekeringsgroep amounted to EUR 238 million for the year to 31 December 2022.

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