

EXCELLENT RESULTS FOR ARGENTA ON THE BACK OF SUCCESSFUL DIVERSIFICATION

In 2021, Argenta celebrated its 65th birthday. A brilliant anniversary year that Argenta crowned with attractive commercial and financial results: a group profit of 268 million euros, an ROE of 8.6%, a CET-1 of 21.6% and a cost-income ratio of 55.6%. New mortgage loans totalling 7.3 billion euros were granted in Belgium and the Netherlands. Funds under management rose to 57.6 billion euros.

And there are more good results. Argenta boasts a rising customer NPS of 46 (vs. 40 in 2020), its highest level ever. The results of the employee survey are also brilliant. Argenta achieved the highest scores ever for commitment and ambassadorship, and this despite the high level of teleworking.

From traditional savings bank to fully-fledged four-pillar bank

In recent years, Argenta has successfully transitioned from savings and mortgage bank to financial trusted partner for families, while remaining true at all times to its DNA of simplicity and customer proximity. Argenta offers its customers complete answers in daily banking, investing, lending and insurance:

- **Daily banking:** Since February 2021, Argenta has offered its customers a selection of four packages for their payment services. With this updated offer, Argenta underlines its image of a price-conscious bank with a simple but complete product range for the retail customer, offering more-than-correct value for money.

In Belgium, Argenta is the only bank with an extensive branch network to offer, with its Green package, mobile and internet banking, a debit card and a standard credit card free of charge.

81 % of customers have opted for the free Green package. For customers requiring specific services or products on top of this free package, there are now paid packages at very competitive and transparent prices.

- **Investing:** Argenta optimized its fund range in 2021 in line with its value proposition of simplicity and low costs. In today's low-interest environment, this has made the investment funds an interesting alternative to saving, also for traditional savers.

This optimization involved creating a fifth core fund for the most dynamic investors. At the same time, the funds structure was simplified, thereby reducing the ongoing costs for customers of the profile funds. Four of the six accent groups were scrapped, leaving just thematic and sustainable accents, whilst the external partners (Robeco, Carmignac and Degroof-Petercam) were removed from the offering.

In this way, Argenta is focusing more on its own offering from its management companies Argenta Asset Management and Arvestar Asset Management. In 2021, funds managed by the Argenta management companies rose from 9.5 to 13.7 billion euros.

Sustainability is in the spotlight, with 14 investment funds carrying the Febelfin 'Towards Sustainability' label. At the end of 2021, Argenta customers had 1,429 million euros invested in products with this label, 172 % more than in 2020.

- **Lending:** Lending remains a traditional and vital building block of the Argenta product range. In 2021 Argenta produced a record 23,842 home loans, with customers receiving attractive discounts for sustainable projects. The EPC data and certificates for new and existing properties in the portfolio are gradually logged.

- **Insurance:** In 2021, Argenta launched a new insurance platform for Property and Motor. Increasingly digitalized operations are greatly reducing claims processing times.

In the July 2021 floods, Argenta proved that it is indeed close to its customers, living up to its value proposition even in difficult times. 1,000 claims in Property and 33 in Motor represented total claims of 13.3 million euros. The impact for Argenta after reinsurance amounted to 11.4 million euros.

The success of the four-pillar strategy is built on our slogan: 'It can be that simple'. With a rock-solid combination of digital service and personal approach through more than four hundred branches, Argenta continues to operate in a somewhat contrarian way compared to our competitors.

Argenta looks back on a very strong 2021¹

Argenta Bank- en Verzekeringsgroep posted a result of 268 million euros in 2021. This is 49 million euros higher than the result for 2020. Even so, the second corona year did not promise to be easy, with a number of new waves of contamination and associated macroeconomic and financial impacts. However, an in-depth vaccination strategy provided positive impulses to the financial markets, while Argenta's unabated pursuit of its strategy further diversified our sources of income with which to mitigate for the low interest rate environment. The bank-insurance combination also made a positive contribution to this diversification and once again proves its soundness. These factors together positively impacted the return on equity, which rose from 7.6 % in 2020 to 8.6 % in 2021.

In 2021 record figures were again achieved. Not least for funds under management. These rose from 52.4 billion euros at the end of 2020 to 57.6 billion euros at the end of 2021 (+ 16.5%). This enormous growth reflects both the stronger interest in and higher sales of investment products, and the positive effects of the stock markets. We see customers increasingly opting for Argenta's own funds, which also points to great confidence in Argenta as a financial products provider. In this way the diversification of income continued in 2021. 33% of income now comes from non-interest-driven products. The investment funds account for no less than 21 % of this. This provided a 28 million euros increase in 2021 in net income from asset management.

2021 was again marked by low interest rates, with the savings continuing to be converted into loans at low yields. Net interest income remained stable compared to 2020, with the lower interest rates largely offset by the growth in both savings and mortgage volumes. Outstanding savings and current account balances totalled 31.3 billion euros and 6.7 billion euros respectively at year-end, representing a combined growth of 2.2 billion euros. Mortgage loans granted in Belgium and the Netherlands also increased by no less than 2.6 billion euros to 36.2 billion euros. This is a growth of 8 % in comparison with 2020. Argenta's interest costs were again optimised by the further expansion of bond issues to institutional investors. In 2021, Argenta both issued another Green Apple RMBS (650 million euros) and initiated a Belgian Covered Bonds programme (2 issues of 500 million euros each). In this way, Argenta maintains a diversified financing policy and strengthens its name as a reliable credit party on the bond markets.

In the more favourable macroeconomic conditions of 2021, Argenta was able to limit its provisions for loan losses. These fell from 51.2 million euros in 2020 to 38.3 million euros in 2021. 5.9 million euros of these reversals relate to the mortgage portfolio and 10.3 million to the bond portfolio.

Argenta also performed well in terms of costs, despite the heavy bank levies, which in 2021 increased by approximately 14 million euros to 99 million euros. At the same time, Argenta continued to invest strongly in new IT infrastructure, digitization and advisory services in order to continue to support our customer base as a responsible bank in a rapidly changing environment. Strict cost control and a focus on efficiency kept the total cost increase down to approximately 3 %. Together with further income growth, this once gain lowered our cost/income ratio, from 58.6% in 2020 to 55.6 % in 2021.

Solvency remained very strong with a Common Equity Tier 1 ratio of 21.6 %. This makes Argenta one of the best capitalized banking and insurance groups in the Eurozone. In 2021, after the ECB restrictions in 2020, dividend payments resumed and core capital grew by 38 million euros net to 2,497 million euros.

¹ Figures for Argenta Bank- en Verzekeringsgroep and Argenta Spaarbank are presented according to IFRS accounting standards. Figures for Argenta Assuranties follow the BGAAP accounting standard. Certain figures are a combination of reported IFRS and/or BGAAP figures.

The consolidated net result of **Argenta Spaarbank** amounted to 181 million euros, 45 million euros higher than in 2020. The Bank Pool's liquidity and capital ratios remain excellent and among the strongest in Europe. In 2021, the rating agency Standard & Poor's maintained Argenta's A- rating with stable outlook. With this, Standard & Poor's confirms the quality of the recently-issued bonds, which provide a supplementary funding source to customer deposits, and generally reduce Argenta's average funding costs.

Argenta Assuranties achieved a net result of 83 million euros, which is slightly higher than in 2020, but with the 2020 figures including the sale of the Dutch activities for approximately 21 million euros. The underlying results therefore exhibit good growth, despite the impact of the July floods, which produced 11.4 million euros of claims after reinsurance. Both the Non-life and the Life insurance activities contribute substantially to the results of Argenta Assuranties. With its fundamental contribution to group profits, the insurer demonstrates the added value of the bank-insurance model.

Financial results 2021

Solid results

- Net profit (IFRS): 268 million euros
- Return on equity: 8.6 %

Increasing income

- Net interest income: 669 million euros
- Net income from asset management: 117 million euros
- Premium income, insurance: 539 million euros

A declining cost-income ratio

- Cost-income ratio: 55.6 % (44.1% excluding bank levy)

Taxes and bank levy

- Effective tax rate: 26.3 % (53.4% including bank levy)

Loyal customers in Belgium and the Netherlands

- Total 1.71 million customers
 - Belgium: 1.42 million customers
 - Netherlands: 0.29 million customers

Strong growth

- Customer funds under management: 57.6 billion euros (+ 5.2 billion euros vs. 2020)

Healthy living - Belgium and Netherlands

- Residential loans to families in 2021: 7.9 billion euros, including 0.7 billion euros refinancing of existing residential loans at Argenta Belgium
- Residential loans in portfolio: 36.2 million euros

Safe bank-insurer

- Core capital ratio: 23.0 % (Danish compromise method, IRB)
- Solvency II ratio for the insurer: 236 %
- Liquidity Coverage Ratio: 164% (Aspa)

Healthy employment growth

2,573 employees at the head offices in Antwerp, Luxembourg and Breda and in the 415 independent branches.

Argenta Bank- en Verzekeringsgroep

<i>in million euros</i>	2021	2020
Balance sheet total	55,451	52,992
Loans to individuals	36,570	33,942
Funds under management	57,564	52,415
Gross insurance premiums	539	558
Net profit	268	219
Equity	3,296	3116

<i>in units or %</i>	2021	2020
Sales outlets in Belgium	415	428
Employees	2,573	2,612
Return on equity	8.6%	7.6 %

Argenta Spaarbank

<i>in million euros</i>	2021	2020
Balance sheet total	48,738	46,232
Loans to individuals	35,470	32,808
Securities portfolio	7,344	7,386
Deposits and debt certificates	45,529	42,793
Equity	2,402	2,288

Net interest income	579	569
Net fee and commission result	+ 23	- 8
Operating expenses and bank levy	- 362	- 349
Impairments	+ 7	- 20
Other	+ 4	+ 3
Taxes	- 69	- 59
Net profit	181	136

Argenta Assuranties

<i>in million euros</i>	2021	2020
Balance sheet total	6,807	6,717
Technical provisions - branch 21 and non-life	3,091	3,178
Technical provisions - branch 23	3,020	2,643
Equity	571	560

Gross premium income	539	558
Net operating costs	-112	-112
Net result	83	81

Not only are the financial figures excellent, but other key indicators also confirm Argenta's success story:

Satisfied customers

In 2021 our NPS (Net Promotor Score) increased further from 40 to 46. This is remarkable in a year which saw a significant change in Argenta's history with the introduction of the paid packages. With the successful introduction of our Green, Silver and Gold packages, our 1.4 million customers each found a personal answer from their financial partner.

The NPS remains exceptionally high for the financial sector. We are very proud of this. Argenta customers appreciate the combination of physical and digital service.

Committed employees

The cliché 'happy employees make for happy customers' also applies at Argenta, as shown by the annual Employee Opinion Survey (MOO). This exercise maps the engagement and ambassadorship of Argenta's employees and their interpretation of its corporate values. Argenta also probes the motivation climate in detail, with a five-point focus on job content, working relationships, employment conditions, working conditions and work organisation.

The results of 2022 are simply excellent. Argenta achieves the highest scores ever for engagement and ambassadorship. Motivation and well-being also score very well.

In the course of 2021, Argenta moved from full teleworking to hybrid working whenever possible. It is a pleasure to see how flexibly our employees continued to deal with the ever-changing situation. The business value 'close to customers' took on an additional dimension in 2021. The togetherness and drive remained, despite the physical distance. The branch offices remained accessible to customers and were able to provide excellent customer service, providing a sense of calm in these turbulent times.

External recognition

Various recognitions illustrate the appreciation for Argenta's distinctive approach:

- Consumer guide Test Aankoop crowned our Green package as its best buy, and Argenta also received the top customer satisfaction label.
- On 17 March 2021, the Argenta pension savings fund of fund manager Arvestar took gold for the third time in a row at the prestigious De Tijd/L'Echo Fund Awards. A total of 11 pension savings funds were shortlisted for awards.
- Spaargids awarded Argenta its prize for the best branch network.
- In 2021, consultancy and management firm SIA examined the apps of 79 banks from nine countries, including ten from Belgium. Argenta came number three among the Belgian banking apps in this annual study.
- Sustainalytics awarded Argenta the very exceptional ESG rating of 8.5. This makes Argenta one of Europe's top financial institutions in terms of sustainability.
- Argenta came out on top in an analysis by Fairfin on gender equality (March 2022)

PRESS RELEASE

Argenta Bank- en Verzekeringsgroep nv



This press release contains inside information on the annual figures of Argenta Bank- en Verzekeringsgroep nv, Argenta Spaarbank nv and 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 31 March 2022 at 10.45 am, with the press conference taking place at 11.00 am.

END 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 1.71 million customers. The bank activity is grouped around Argenta Spaarbank and the insurance activity around Argenta Assuranties.

The Group has total assets of 55.451 billion euros (31 December 2021). The annual net profit of Argenta Bank- en Verzekeringsgroep amounted to 268 million euros for the year to 31 December 2021.

You can also find Argenta's press releases at www.argenta.eu under [investor-relations](#).
