



# **Green Apple 2017-I NHG Investor Presentation**

*September 2017*

# Executive Summary

## Argenta

- Argenta Spaarbank N.V. ('Argenta') is a wholly owned subsidiary of Argenta Bank- en Verzekeringsgroep N.V. ('Group')
- The Group provides retail banking and insurance services in Belgium and The Netherlands
- At 2016FY, Argenta's fully loaded CET1 ratio was 26.7% and the total balance sheet size was EUR 36bn
- S&P assigned A- credit rating (positive outlook) to Argenta

## Green Apple 2017-I NHG

- Green Apple 2017-I NHG is Argenta's new residential mortgage backed securitisation rated [AAA/Aaa] by Fitch and Moody's
- This is Argenta's first marketed RMBS transaction since Green Apple 2007-I
- One tranche of class of A notes offered to investors with a WAL of [4.9] years (based on 5% CPR)
- Credit enhancement of [13.0]% is provided by subordination of the B Notes and a reserve account
- The transaction is structured with an interest rate cap until the First Optional Redemption Date ('FORD')
- The strike of the interest rate cap is set at [3.0]%
- The cash advance facility of [2.0]% at closing provides liquidity support
- Strong call incentives included from the FORD through structural features. FORD is in [March 2024]
- Compliance with article 405 of the CRR through retention of Class B and C notes

## 100% NHG collateral

- All loans in the provisional pool benefit from an NHG guarantee
- Average outstanding loan balance of EUR [156,563]
- Weighted average CLTOMV is [91.1]%
- [93.2]% of the loans are amortising mortgage loans (annuity / linear)
- Loans have been originated through a network of financial intermediaries
- Quion acts as sub-servicer for the loan portfolio



1 Transaction summary

2 Argenta

3 Origination and underwriting

4 Servicing and arrears management

5 Provisional pool overview

6 Appendix

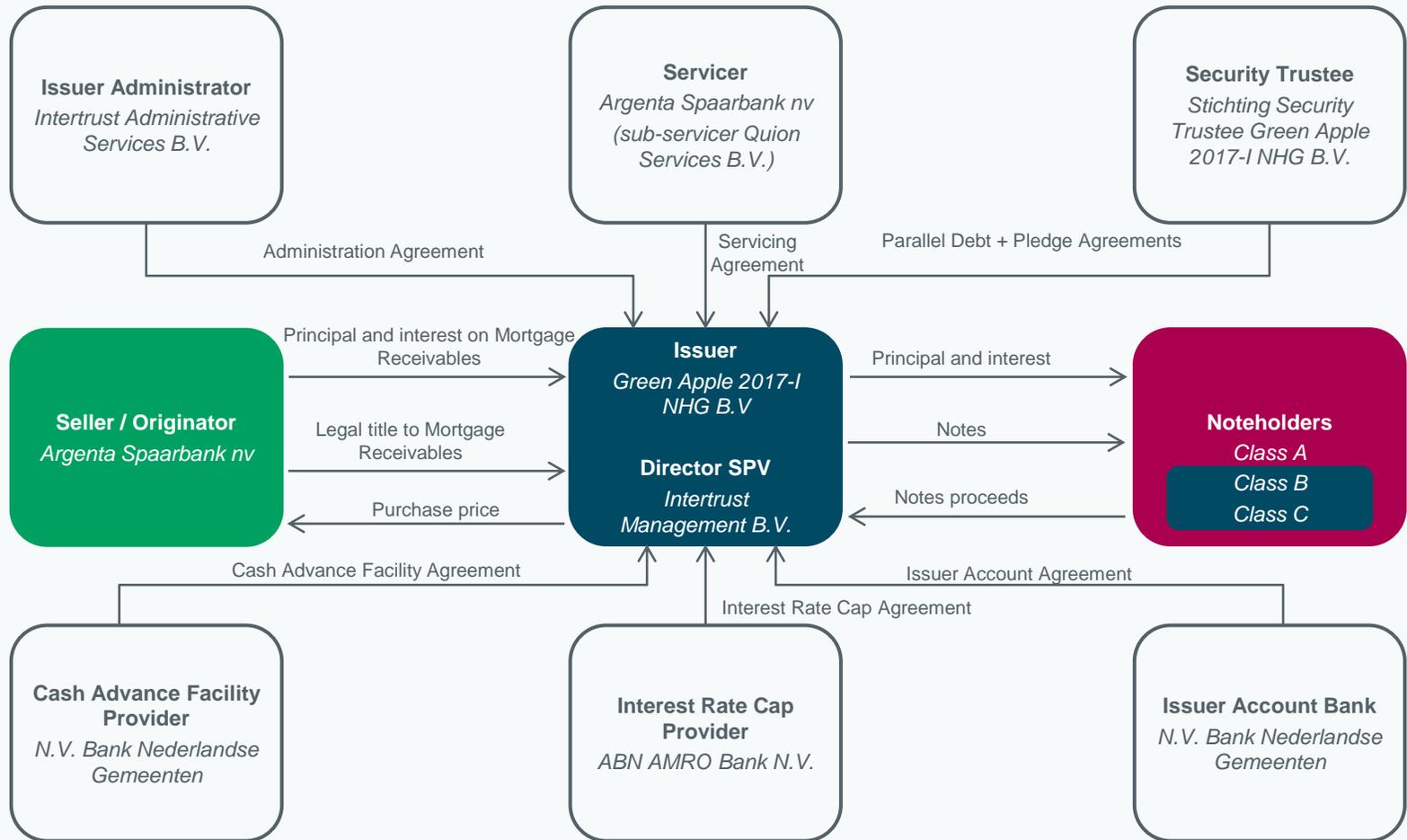
# Transaction highlights

Class	Amount (EUR)	CE (%)	Ratings (F/M)	Coupon	Step-up <sup>1)</sup>	Exp. WAL (yrs)	FORD	Final Maturity	Status
A	[88.5]%	[13.0]%	[AAA(sf)/Aaa(sf)]	Euribor 3M+[40]bps	+[40]bps	[4.9]	[March 2024]	[March 2056]	Offered
B	[11.5]%	[1.5]%	NR	n.a.	n.a.	[6.4]	[March 2024]	[March 2056]	Retained
<b>Total</b>	<b>[100]%</b>								
C	[1.5]%	-	NR	n.a.	n.a.	n.a.	[March 2024]	[March 2056]	Retained

(1) From the FORD, a step-up equal to the margin will be payable which will, together with the 3mE rate exceeding the EURIBOR Agreed Rate of [5]%, be subordinated to certain payments

- Argenta is offering EUR [●]m of Class A notes through Green Apple 2017-I NHG B.V.
- Class A and B notes are backed by 100% NHG mortgage loan receivables
- Credit enhancement for the Class A notes is provided through:
  - Subordination of the Class B notes [11.5]%
  - Reserve account of [1.5]%
  - Excess spread
- Compliance with article 405 of the CRR through retention of Class B and C notes
- Class A Notes intended to be Eurosystem eligible
- Application has been made for the Class A Notes to receive the PCS label
- Transaction is compliant with the RMBS standards of the Dutch Securitisation Association
- Transaction is modelled and available on Intex (code [GRAPP171]) and Bloomberg (GAPPL 17-1 MTGE)

# Transaction structure



# Credit enhancement and liquidity

## Credit enhancement

- The Reserve Account:
  - Proceeds of the Class C Notes, equivalent to [1.5]% of the initial pool balance, fund the Reserve Account at Closing
  - The Reserve Account Required Amount will not amortise as long as the Class A Notes are outstanding
- Subordination provided by the Class B Notes [11.5]%

## Excess spread

- Before FORD: the excess spread will be mainly determined by the difference between the weighted average interest rate received from the underlying mortgage portfolio ([2.95]% at Cut-Off Date) and the interest paid on the Notes
- After FORD: any excess spread will be diverted in the form of Class A Additional Amounts to the Principal Available Amount for the accelerated redemption of the Class A Notes

## Cash Advance Facility

- A Cash Advance Facility of [2.0]% of the aggregate Principal Amount Outstanding of the mortgage-backed Notes with a floor of [1.5]% of the mortgage-backed Notes at Closing is available to cover any timing mismatches and interest payable on the Notes

# Interest hedging arrangements until FORD

## Interest rate cap until FORD

- The Issuer will enter into an Interest Rate Cap Agreement (with a strike price of [3.0]%) for the Class A Notes up to and including the FORD
- The Interest Rate Cap Agreement is in line with the structured finance criteria of Fitch and Moody's
- The notional schedule of the cap is pre-determined and based on the total size of the Class A Notes with an amortisation profile of [4.5]% per annum

## Indicative Class A notes amortisation profile (CPR 5%) compared to the cap amortisation profile and interest



# Interest hedging arrangements post-FORD

## Interest rate cap post-FORD

- Post-Ford the Class A Notes will be paying a floating coupon based on 3m Euribor, capped at [5]% (“Euribor Agreed Rate”)
- The Euribor Agreed Rate is close to the historical high of October 2008
- The Post-FORD 3m Euribor exceeding [5]% and the Step-up Consideration (equal to the margin of the Class A Notes) are subordinated in the Post-FORD Revenue Priority of Payments

## Incentives to call at FORD

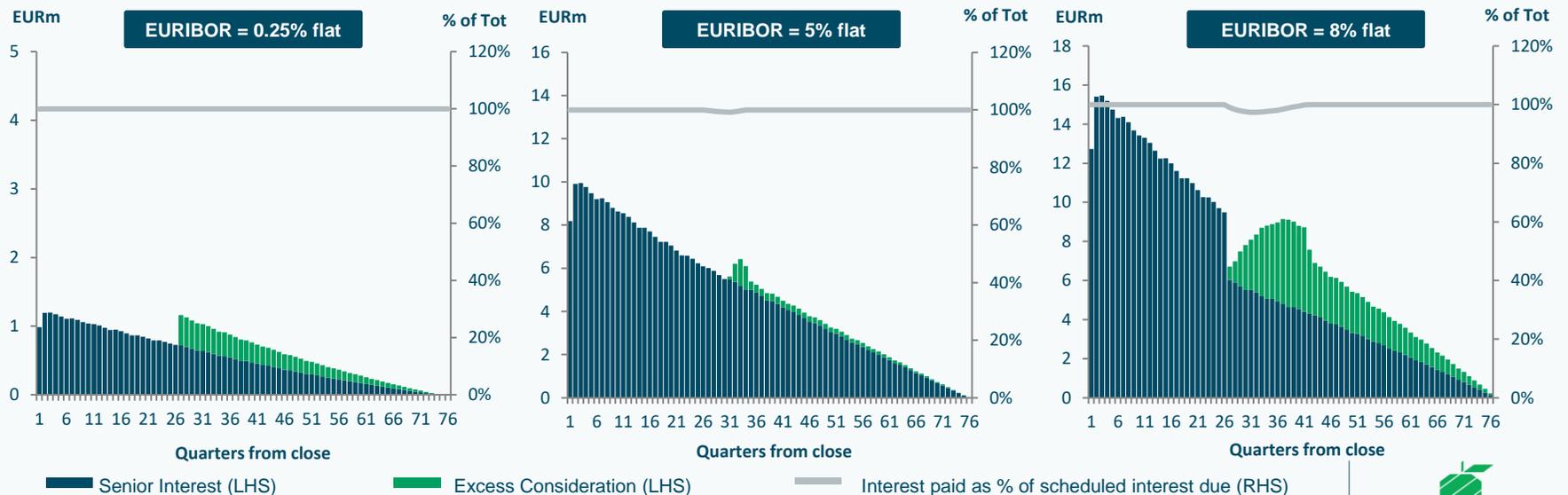
- Margin on the Class A Notes doubles
- The Coupon Excess Consideration (Deficiency Ledgers) rank ahead of the Class B Notes. This may lead to losses for Argenta as the Class B Noteholder in high interest rate scenarios
- After the FORD, available revenue funds remaining after paying the Coupon Excess Consideration (deficiency ledger) will be added to the Available Principal Funds for the accelerated redemption of the Class A Notes, serving as a mitigant to extension risk
- As from [September 2024], the Issuer will have the option to sell the loan portfolio if the sale would generate sufficient proceeds to redeem the Class A Notes only
- With an indicative credit enhancement of around [23]% (see slide 12 for assumptions) on the notes payment date falling in [September 2024], this effectively allows for a discount on the sale of the NHG mortgage portfolio to redeem the Class A Notes

# Indicative class A revenue breakdown

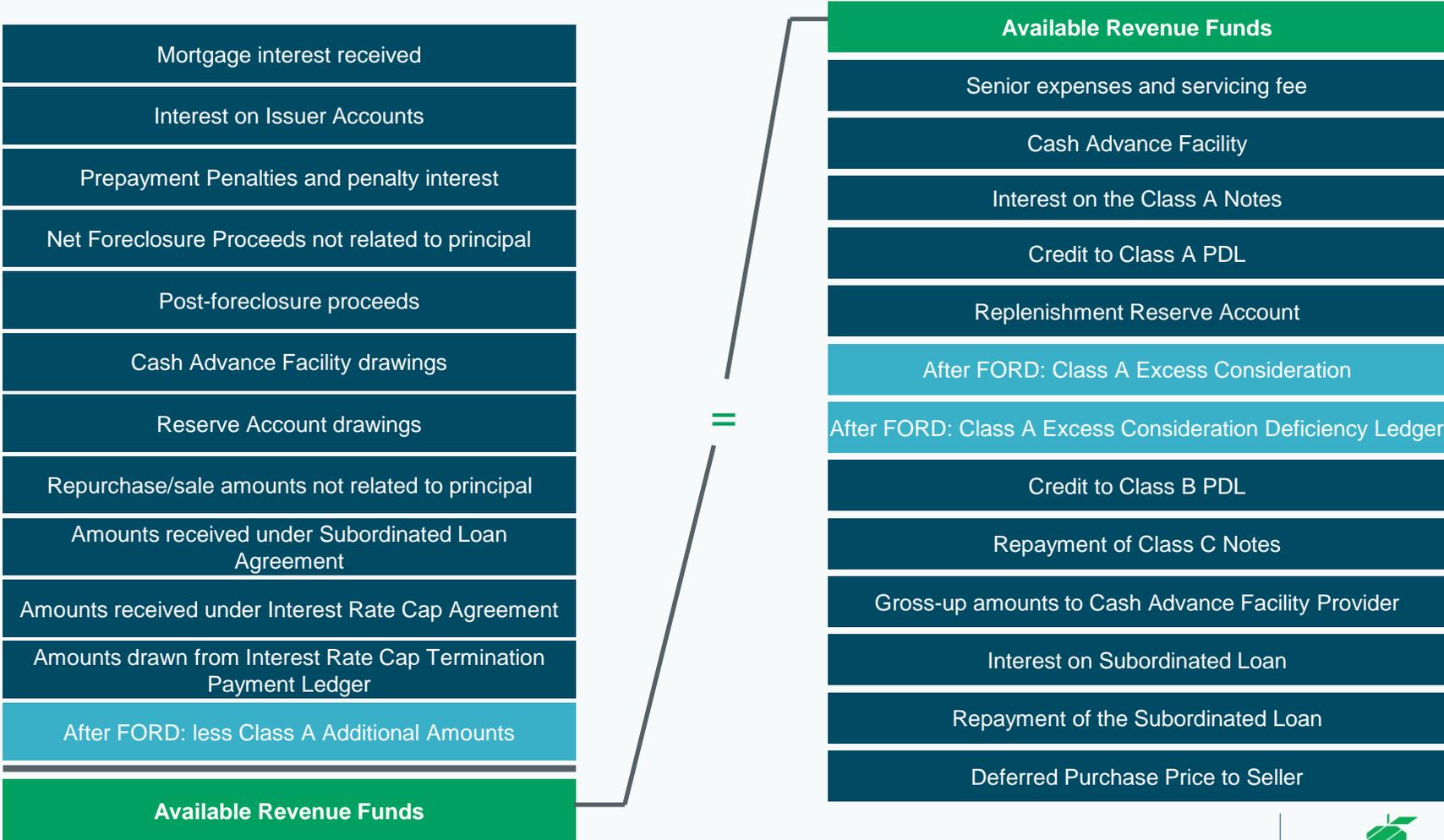
## Underlying assumptions

- Three interest rate scenarios: Euribor rates flat at 0.25%, 5% and 8%
- Asset repricing at reset dates of the mortgage loans is set at Euribor + [250]bp
- The cumulative expected losses are set at [20]bp
- The CPR is conservatively modelled at 4% throughout the life of the transaction

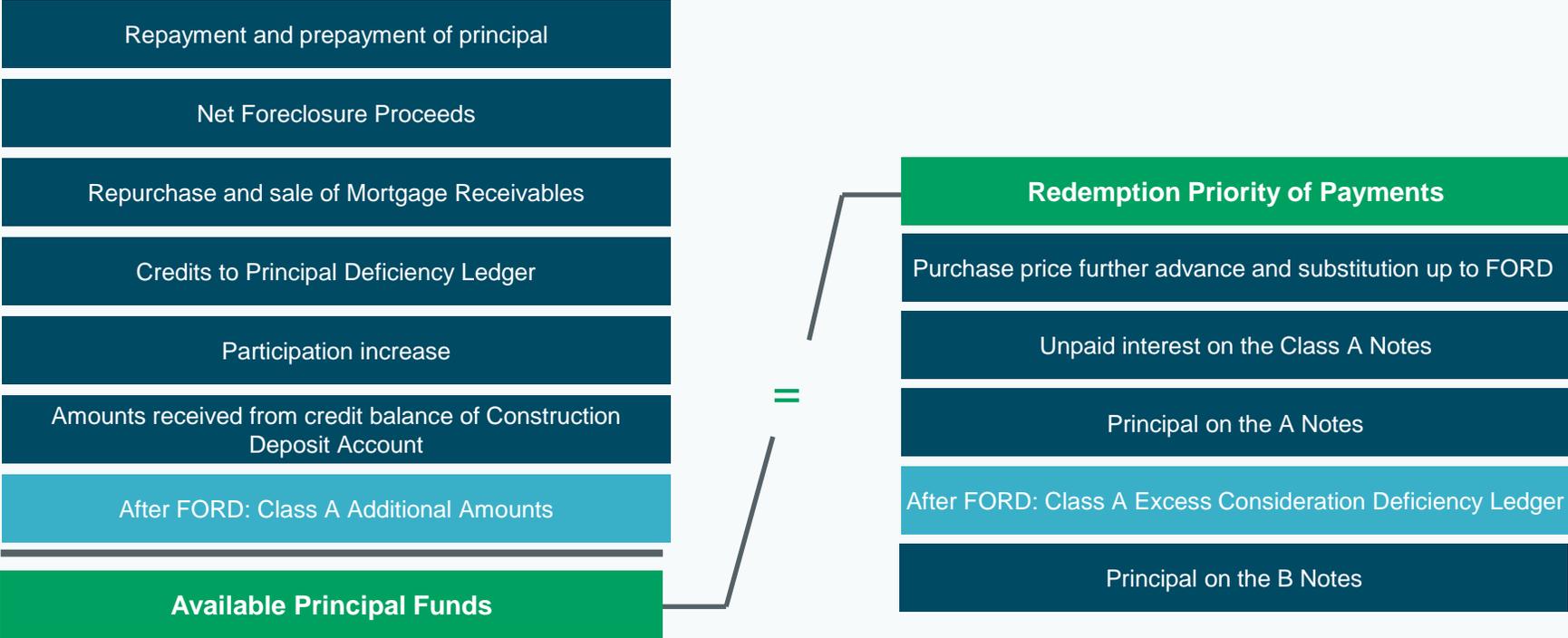
## Notes revenue breakdowns for different Euribor curve scenarios should the call not be exercised at the FORD



# Revenue priority of payments



# Redemption priority of payments



# Indicative amortisation profile of the notes

## Assumptions

- Call at the FORD [March 2024]
- No arrears and/or losses
- CPR of [5.0]%

Indicative amortisation profile of Class A and B notes (5% CPR)



## WAL table of the Class A Notes

CPR	0%	2.5%	5.0%	7.0%	10%
Class A	[5.9] yrs	[5.4] yrs	[4.9] yrs	[4.6] yrs	[4.1] yrs

# Transaction parties

<b>Issuer</b>	Green Apple 2017-I NHG
<b>Originator / Seller</b>	Argenta Spaarbank (A- (S&P))
<b>Servicer</b>	Argenta Spaarbank
<b>Sub-servicer</b>	Quion Services
<b>Issuer Administrator</b>	Intertrust Administrative Services
<b>Security Trustee</b>	Stichting Security Trustee Green Apple 2017-I
<b>Interest Rate Cap Provider</b>	ABN AMRO (A+ / A1 / A (F/M/S))
<b>Cash Advance Facility Provider</b>	Bank Nederlandse Gemeenten (AA+/ Aaa/AAA (F/M/S))
<b>Issuer Account Bank</b>	Bank Nederlandse Gemeenten
<b>Paying and Listing Agent, Agent Bank</b>	BNP PARIBAS Securities Services
<b>Credit Rating Agencies</b>	Moody's / Fitch
<b>Sole Arranger</b>	ABN AMRO
<b>Joint Lead Managers</b>	ABN AMRO, BNP PARIBAS

# Benchmark swapless transactions

	Green Apple 2017-I NHG	DRMP II	Arena NHG 2016-1	Penates-5
<b>Closing Date</b>	[October 2017]	November 2016	June 2016	November 2015
<b>Hedging</b>	<ul style="list-style-type: none"> <li>▪ Cap strike at [3.0]%</li> <li>▪ Up to FORD</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cap strike at 3.5%</li> <li>▪ 10 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cap strike at 3.5%</li> <li>▪ Up to FORD</li> </ul>	<ul style="list-style-type: none"> <li>▪ Cap strike at 3.5%</li> <li>▪ Up to FORD</li> </ul>
<b>Interest on the Class A Notes pre FORD</b>	A: 3mE + [40]bps (expected to price above par)	A: 3mE + 40bps (priced above par)	<ul style="list-style-type: none"> <li>– A1: 3mE + 24bps</li> <li>– A2: 3mE + 33bps</li> <li>– A3: 0.273%</li> </ul>	<ul style="list-style-type: none"> <li>– A1: 3mE + 30bps</li> <li>– A2: 3mE + 48bps</li> </ul>
<b>Interest on the Class A Notes post FORD</b>	<ul style="list-style-type: none"> <li>– <b>Coupon:</b> 3mE (up to [5.0]%) + applicable margin</li> <li>– <b>Excess Consideration:</b> <ol style="list-style-type: none"> <li>1. 3mE &gt; [5.0]%</li> <li>2. Step-up margin</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>– <b>Coupon:</b> 3mE (up to 5%) + applicable margin</li> <li>– <b>Excess Consideration:</b> <ol style="list-style-type: none"> <li>1. 3mE &gt; [5]%</li> <li>2. Step-up margin</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>– <b>Coupon:</b> 1mE (up to 5%) + applicable margin</li> <li>– <b>Excess Consideration:</b> <ol style="list-style-type: none"> <li>1. 3mE &gt; [5]%</li> <li>2. Step-up margin</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>– <b>Coupon:</b> 3mE + 2 x 30 / 48bps capped at 6%</li> <li>– <b>Excess Consideration:</b> <ol style="list-style-type: none"> <li>1. Max (3mE + 2 x 30 / 48bps bps - 6%,0)</li> </ol> </li> </ul>
<b>Additional Amounts</b>	Accelerated redemption of the Class A Notes	Paid out as additional revenue to the Class A Noteholders	Paid out as additional revenue to the Class A Noteholders	Accelerated redemption of the Class A Notes



1 Transaction summary

2 Argenta

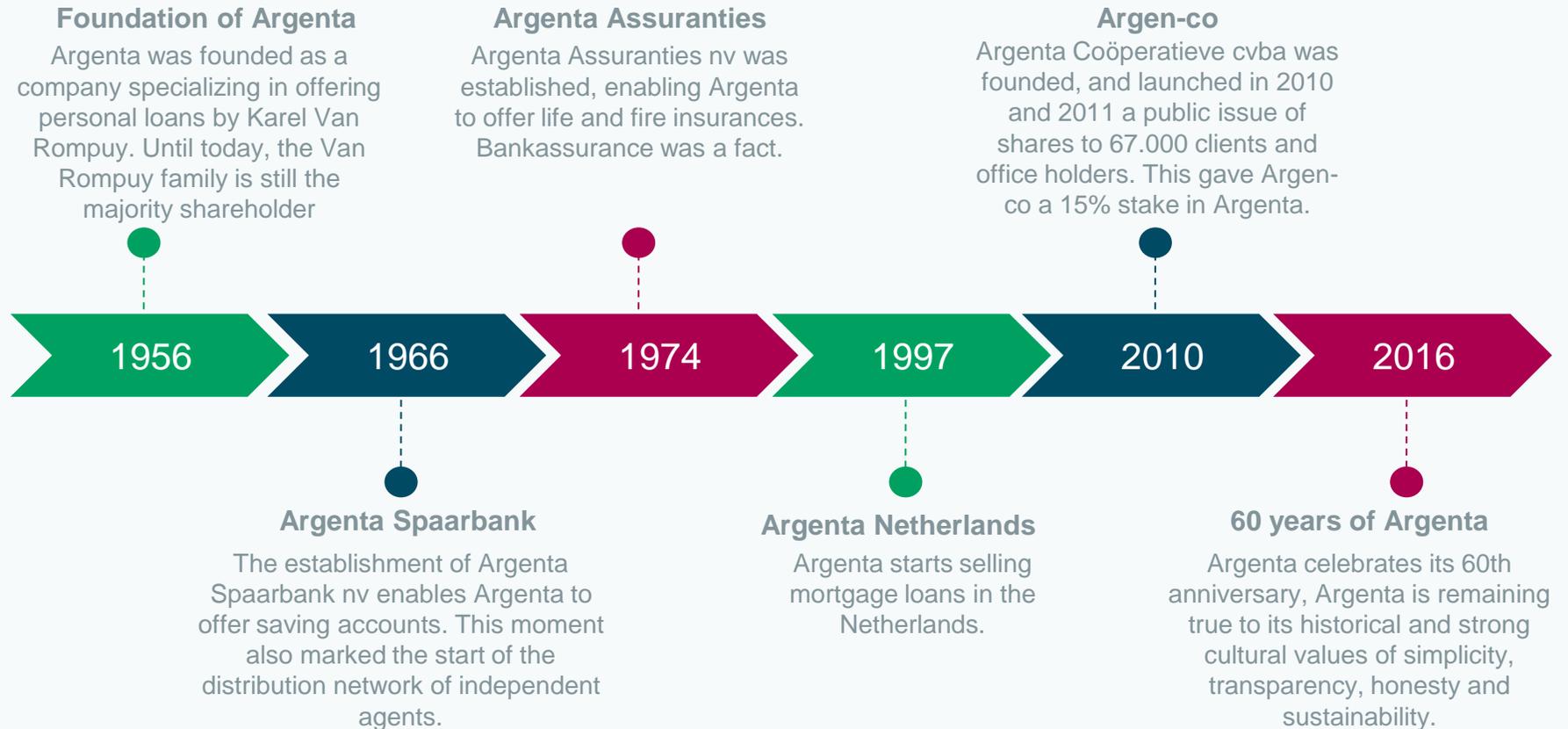
3 Origination and underwriting

4 Servicing and arrears management

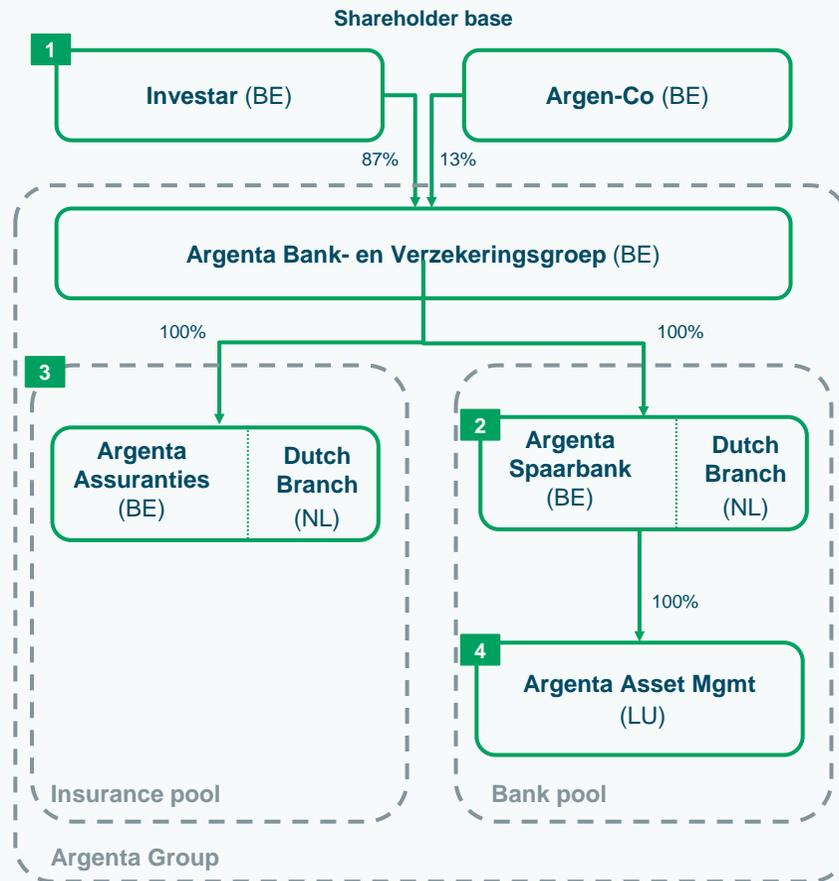
5 Provisional pool overview

6 Appendix

# Company history



# Group structure: full-fledged retail bank-insurer



## A transparent group structure

- 1** Stable family shareholder base Investar (holding company of founding family) and Argen-Co (cooperative capital held by employees and clients)
- 2** Banking operations in Belgium and the Netherlands
- 3** Insurance operations in Belgium and the Netherlands
- 4** Asset Management operation incorporated in Luxembourg

# Business profile

Market share <sup>1</sup>	
Deposits	0.7%
Mortgage loans	2.5%



Market share <sup>1</sup>	
Deposits	8.0%
Investment funds	3.3%
Mortgage loans	5.6%
Life insurance <sup>2</sup>	6.6%
Non-life insurance <sup>2</sup>	2.2%



- Integrated bank-assurance business model focussed on fruitful long term relationships with its retail clients, employees, tied agents, family shareholders and investors
- Offering simple and transparent bank and insurance products and free of charge payment and custody services
- Broad reach through a strong network of independent agents in Belgium, third party distribution in the Netherlands, complemented by a user-friendly digital platform
- Unrivalled levels of customer satisfaction, loyalty and brand strength:
  - Internal and external NPS surveys show top notch results
  - Five consecutive times voted best bank of Belgium by Bankshopper.be and second best in 2016
  - Strongest bank brand strength in Flanders in 2016<sup>3</sup>
- Integrated operating model creating cost synergies and efficiencies



(1) Portfolio market share as per end of June 2017, for investment funds and Dutch mortgage loans as per end of March 2017  
 (2) Premium collection / sales market share as per end of March 2017  
 (3) Study published by the Benchmark Company

# Overview of key financial data

## Argenta Bank en Verzekeringsgroep (31/12/2016)

Net result	246.3 m
Return on Equity	10.4%
Total assets	42.3 bn
Total equity	2.6 bn
Cost / Income <sup>2</sup>	51%
Total funds under mgmt	42.5 bn
CET 1 (BIII transitional) <sup>3</sup>	25.1%
CET 1 (BIII fully loaded) <sup>3</sup>	26.0%

### Argenta Spaarbank<sup>1</sup>

Net result	190.0 m
Return on Equity	11.4%
Total assets	36.2 bn
Total equity	1.8 bn
Cost / Income <sup>2</sup>	55%
CET 1 (BIII transitional) <sup>3</sup>	25.7%
CET 1 (BIII fully loaded) <sup>3</sup>	26.7%

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

Net result	59.0 m
Return on Equity	10.2%
Total assets	6.5 bn
Total equity	0.6 bn
Premium Life <sup>4</sup>	512 m
Premium Non-life	128 m
Solvency II	282%

### Credit Rating

#### Standard & Poor's

Short term	A-2
Long term	A-
Outlook	Positive <sup>5</sup>

- (1) Consolidated
- (2) Cost / Income ratios excluding bank levies are 42% for Argenta Group and 45% for Argenta Spaarbank
- (3) BIII IRB solvency ratio
- (4) Including universal life unit linked
- (5) S&P revises the outlook to positive from stable 15 September 2017

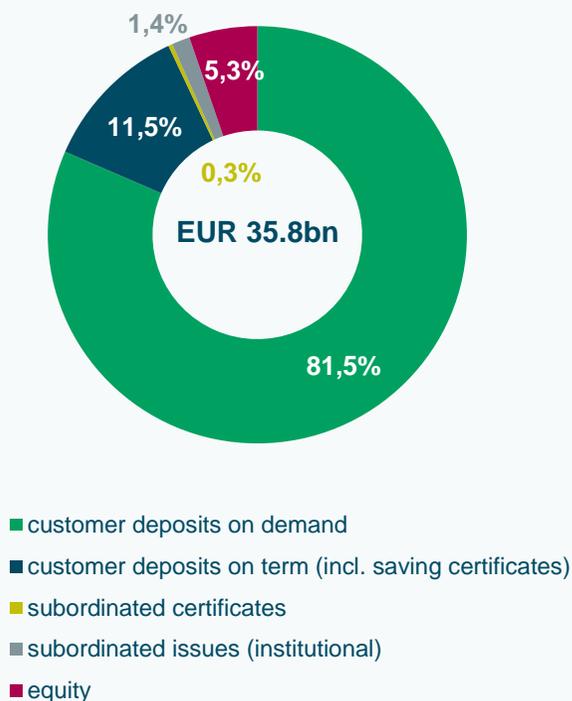
# Financial objectives

Argenta Spaarbank	FY 2016	1H 2017	Target
Net Result <sup>1</sup>	190.0m	76.6m	-
Return on Equity <sup>1</sup>	11.4%	8.3%	>8%
Leverage Ratio (fully loaded)	4.8%	4.8%	>4%
Cost / Income Ratio <sup>2</sup>	45%	48%	40%
CET 1 Ratio (BIII fully loaded) <sup>3</sup>	26.7%	25.9%	>18%
Total Capital Ratio (BII fully loaded) <sup>3</sup>	34.1%	33.0%	>20%
Net Interest Margin (NIM)	1.64%	1.39%	>1.4%
NSFR	145%	145%	>120%
LCR	179%	167%	>125%

- (1) Adjusted for IFRIC21 (which requires full year bank levies to be recognised on 1 January)  
 (2) Excluding bank levies  
 (3) BIII IRB solvency ratio Argenta Spaarbank FY 2017

# Funding and liquidity position

1H 2017 Funding mix (%)



In %	1H14	2H14	1H15	2H15	1H16	2H16	1H17
Liquidity coverage ratio <sup>1</sup>	223	182	181	180	168	179	167
Net stable funding ratio <sup>2</sup>	150	145	146	144	142	145	145

## Funding mix

- Stable deposit funding base mainly consisting of customer deposits on demand
- In 2Q 2016 Argenta issued a Tier 2 of EUR 500mln
- More diversification of funding sources is foreseen to fund the growth of the mortgage business

## Liquidity

- Strong liquidity position, well above regulatory limits, for both LCR and NSFR
- Loan-to-funding ratio stands at 79%

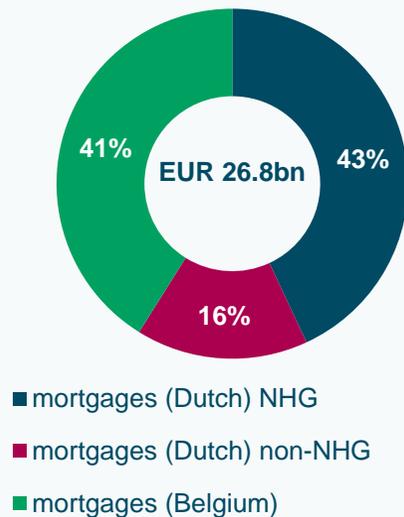
(1) Basel III

(2) Basel III until 1H 2015, thereafter according to EU Delegated Act

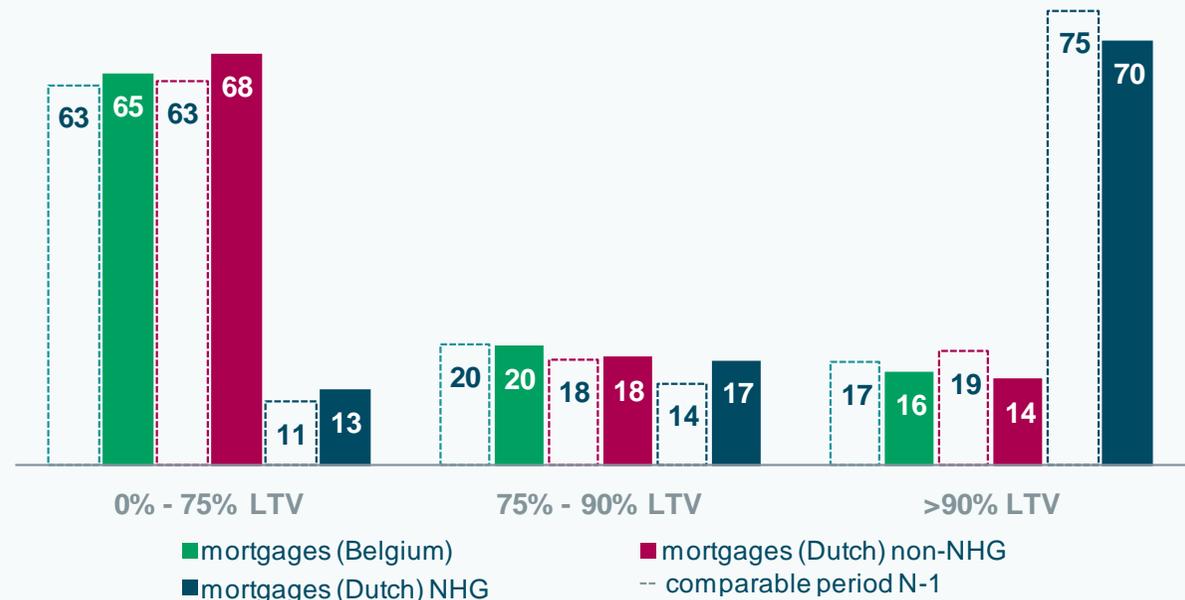
# A high-quality mortgage loan book

## 2H 2016 Argenta Spaarbank

Composition of loan book (%)



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



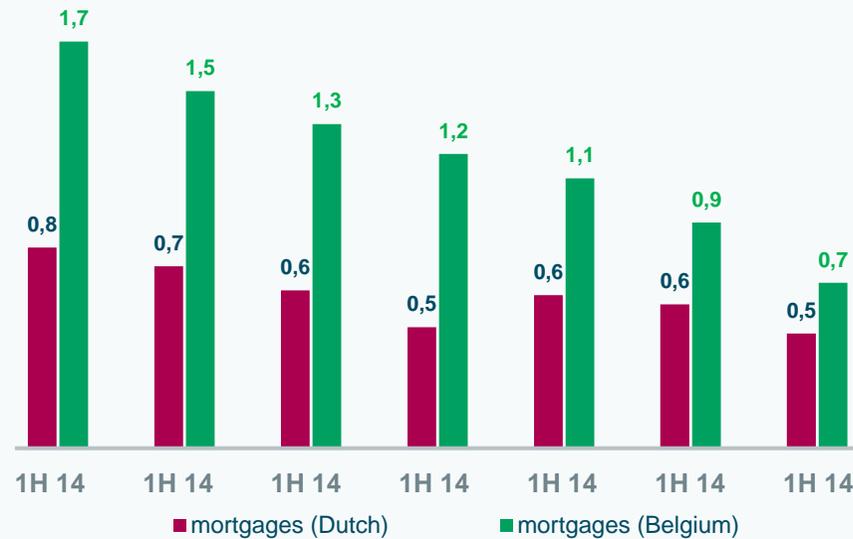
- Residential mortgage loan portfolio in Belgium and the Netherlands
- The Belgian portfolio consists of ~180k loans and the Dutch portfolio consists of ~100k loans
- 90% of the mortgage loan book has a loan-to-value of less than 90% or has a Dutch State guarantee (NHG<sup>1</sup>)
- Total portfolio average loan-to-value is at 74%

(1) NHG (National Mortgage Guarantee) is a guarantee scheme by the Dutch State

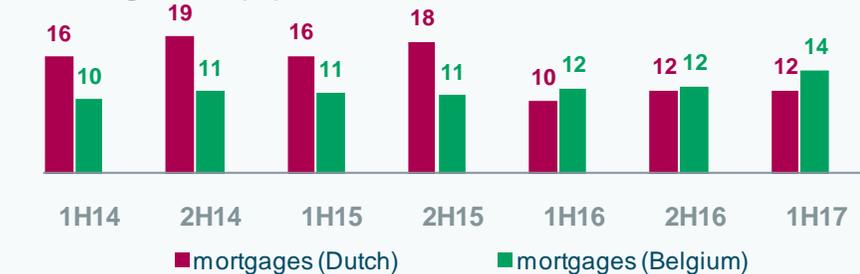
# Very low risk mortgage loan portfolio

## 1H 2017 Argenta Spaarbank

Non-performing loans ratio (%)



Coverage ratio (%)



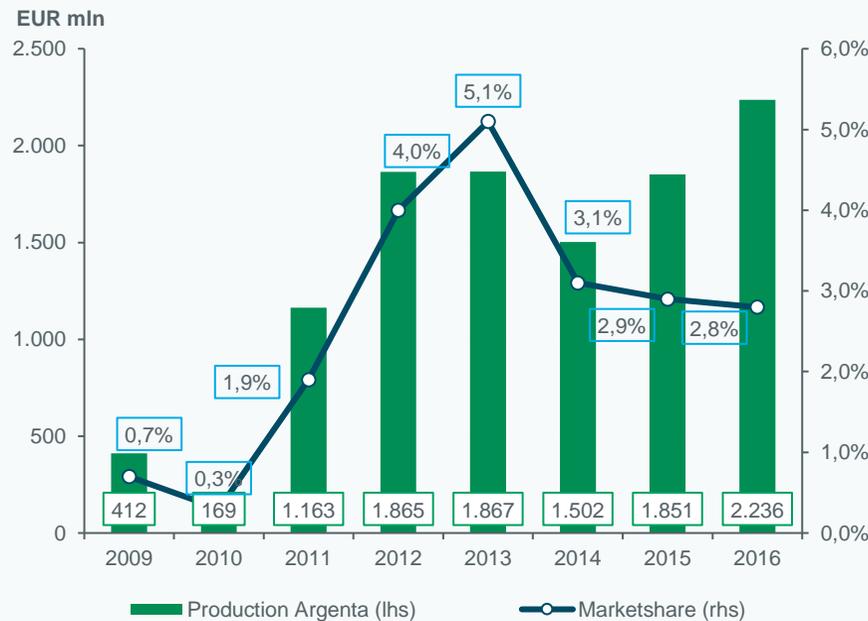
Cost of risk (%)



- Non-performing loans ratio confirms high-quality of mortgage loan book and remains at historically low level. Less than 1% of the mortgage loan book is non-performing
- Average coverage ratio of 15% given high quality of prime mortgage collateral
- Cost of risk remains close to zero

# Dutch mortgage origination & outstanding balance

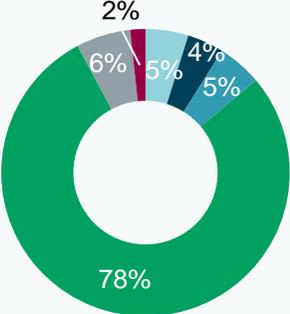
- Argenta is a stable mortgage loan provider in the Netherlands
- As a result, it's portfolio has grown at a steady pace since 2011, due to a yearly stable production
- In the last three years the Dutch mortgage market grew rapidly. Given Argenta's stable production, this resulted in portfolio growth in line with the markets CAGR



Source: Kadaster and Statline.cbs.nl

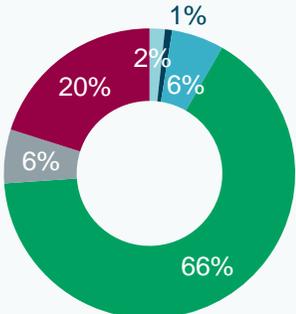
# Evolution Dutch portfolio distribution

Initial re-pricing terms portfolio 2013



■ ≤ 1 year ■ ≤ 3 years ■ ≤ 5 years ■ ≤ 10 years ■ ≤ 15 years ■ > 15 years

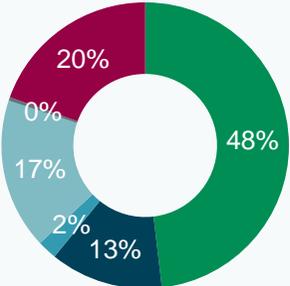
Initial re-pricing terms portfolio 2016



■ ≤ 1 year ■ ≤ 3 years ■ ≤ 5 years ■ ≤ 10 years ■ ≤ 15 years ■ > 15 years

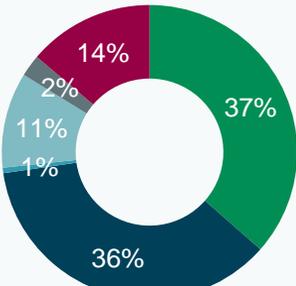
- Increasing repricing term due to market evolution

Portfolio distribution by repayment type 2013



■ Interest only ■ Annuity ■ Investment ■ Life ■ Linear ■ Savings

Portfolio distribution by repayment type 2016



■ Interest only ■ Annuity ■ Investment ■ Life ■ Linear ■ Savings

- Less interest only, due to changes in fiscal policy

# Green Apple 2007-I NHG and 2008-I NHG

## Argenta's Dutch RMBS securitisations in the past

- In 2007 and 2008, Argenta issued two Dutch RMBS transactions
- The first transaction was pre-placed and the B and C notes were retained by Argenta. The 2008 transaction was fully retained
- All mortgage loans were granted under the NHG guarantee

## Arrears performance Green Apple 2007-I NHG



Characteristics	Green Apple 2007-I NHG	Green Apple 2008-I NHG
Placement type	Pre-placed	Retained
Net balance (EUR)	1.5bn	2.0bn
Number of loans	8,927	12,525
WA seasoning (months)	9.5	45.3
WA interest rate	4.22%	4.07%
WA OLTMV	92.1%	96.7%
WA CLTMV	92.1%	96.6%
NHG	100%	100%
Early redemption	Dec 2015	Jan 2014



1 Transaction summary

2 Argenta

3 Origination and underwriting

4 Servicing and arrears management

5 Provisional pool overview

6 Appendix

# Origination and servicing

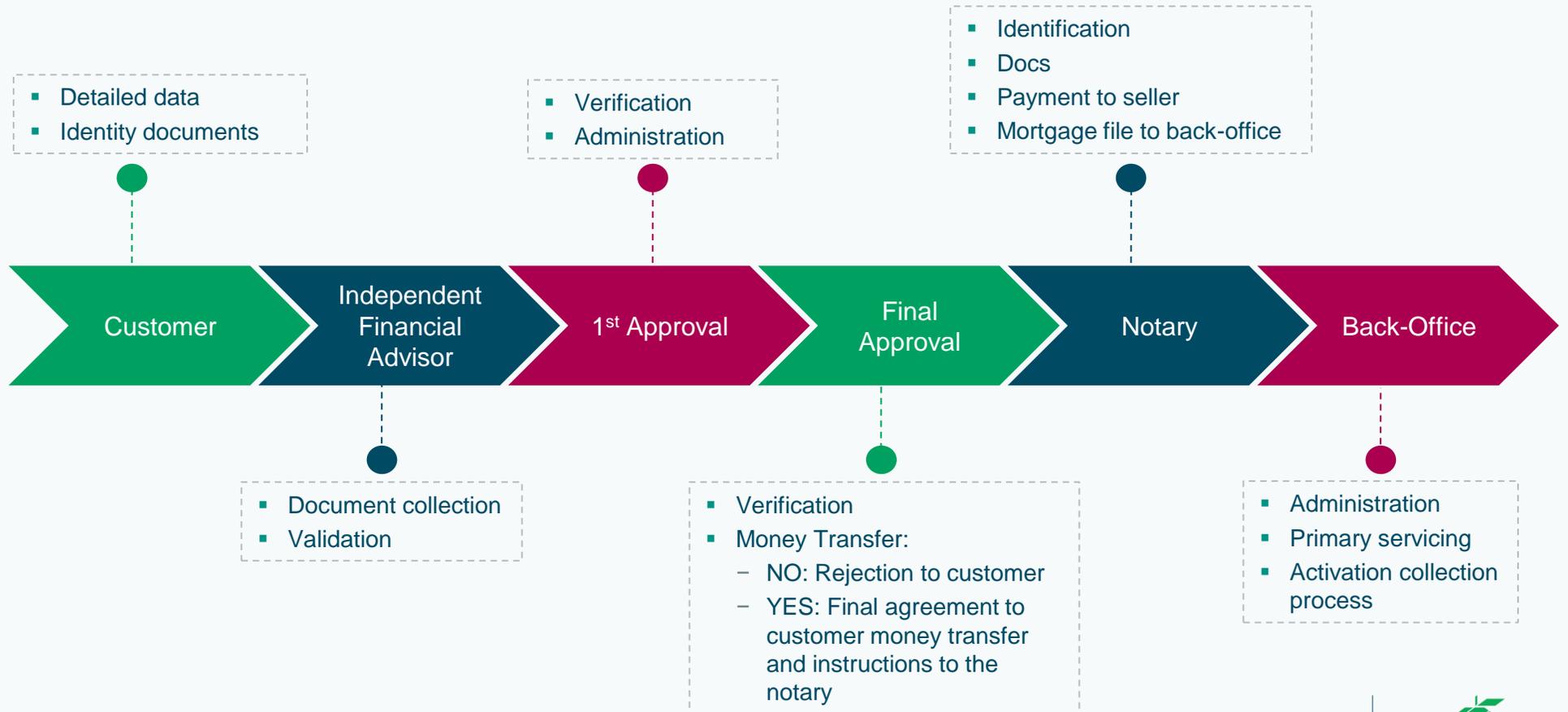
- Argenta originates its mortgages through a network of intermediaries (approximately 750 different intermediaries)
- Before an intermediary is allowed to originate loans for Argenta, Argenta carries out an own internal audit, verifies the financial condition of the organisation and ensures the appropriate licences are held at the AFM (Dutch Financial Services Authority).
- In the origination process, Argenta has no formal contact with the intermediaries. Argenta relies on Quion's front-office system
- The intermediaries have access to Quion's systems. Quion's system can approve applications that comply with Argenta's standard underwriting criteria. Applications that almost reach the limits of the underwriting criteria are referred to Argenta who has the possibility to decline the application
  - The NHG loans must be strictly underwritten in accordance with NHG criteria
- Quion carries out fraud checks against the databases of SFH (*Stichting Fraudebestrijding Hypotheken*) and credit checks at BKR (Dutch Credit Bureau)
- Quion services EUR 16bn (31/12/16) of Argenta's mortgage portfolio

# Channels used



(1) DVM = Dienstverlening Verzekeringsmaatschappijen

# Underwriting procedure



# Credit risk assessment and signing authority

- Since 06/2016 Argenta uses a 'Risk based acceptance' decision engine which is organized, maintained and managed by Argenta, based developed internal risk models
- The outcome that is generated will determine if the dossier needs to be analysed further by Management. The outcome does not reject any clients, but triggers a further analysis.
- Scope of the decision engine
  - Credit risk based outcome in an automated manner on client level
  - Outcome is based on elements from the credit application and the credit worthiness of the client which is available from the application itself or from client behaviour
- **Signing Authority**
  - Principal Amount  $\leq$  350K
    - Quion
  - Principal Amount (incl bridge loan)  $>$  € 350K
    - 1 senior employee + 1 manager + 1 director NL
  - Principal Amount (excl bridge loan)  $>$  € 500K
    - 1 senior employee + 1 manager + 1 director NL + 2 directors BE
  - Principal Amount (incl bridge loan)  $>$  € 750K
    - 1 senior employee + 1 manager + 1 director NL + 2 directors BE

# Underwriting criteria

- Argenta sets the underwriting criteria
- Origination in line with relevant regulations (Wft Mortgages, Mortgage Credit Directive (MCD), GHF Code of Conduct) and special underwriting legislation (“Tijdelijke regeling hypothecair krediet”)
- Max LTV
  - NHG 101% Market value
  - Non NHG 100% Market value
- Maturity 5-30yrs (bridge loan 2yr)
- Current redemption formats
  - Annuity
  - Linear
  - Interest Only
- Maximum mortgage loan amount EUR 1mln (including bridge loan)
- Maximum loan burden is in accordance with the Dutch Code of Conduct for Mortgage Loans
- LTI: NIBUD compliant
- Owner occupied properties (no buy-to-let)
- Only first mortgage rights (second only if first right is also with Argenta)
- Minimum property market value EUR 100,000
- BKR (Dutch Credit Bureau) checks
- Identification checks: VIS (Verification Identification System)
- Fraud checks SFH (Stichting Fraudebestrijding Hypotheken), EVA (Externe Verwijzings Applicatie)

# Underwriting process – NIBUD affordability

- In the Netherlands, the maximum loan amount is based on affordability rather than loan to value
- In order to comply to the Dutch Code of Conduct, mortgage lenders have to use the affordability matrix of the National Institute for Family Finance Information (“NIBUD”) for max. and therefore realistic loan amount calculations
- NIBUD calculates the amount of gross income available for interest and principal repayment, taking into account other household expenditures
  - An example, a household with a gross income of EUR 58,000 and an interest rate of 3.0 – 3.5% has 24% of its income available for interest and principal repayments
  - Calculations are based on a 30 year annuity

## NIBUD affordability figures 2017

Gross Income	Mortgage Loan Interest Rate									
	<= 1.000%	1.001%- 1.500%	1.501%- 2.000%	2.001% - 2.500%	2.501% - 3.000%	3.001% - 3.500%	3.501% - 4.000%	4.001% - 4.500%	4.501% - 5.000%	5.001% - 5.500%
-	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.0%	13.5%	14.0%
<b>20,000</b>	10.0%	10.5%	11.0%	11.5%	12.0%	12.5%	13.0%	13.0%	13.5%	14.0%
<b>26,000</b>	15.0%	16.0%	17.0%	18.0%	19.0%	20.0%	21.0%	22.0%	23.0%	24.0%
...	...	...	...	...	...	...	...	...	...	...
<b>52,000</b>	18.5%	19.5%	20.5%	21.5%	22.5%	23.5%	24.5%	26.0%	27.0%	28.0%
<b>58,000</b>	19.0%	20.0%	21.0%	22.0%	23.0%	24.0%	25.0%	26.0%	27.0%	28.0%
<b>61,000</b>	20.0%	21.0%	22.0%	23.0%	24.0%	25.0%	26.0%	27.0%	28.0%	29.0%
...	...	...	...	...	...	...	...	...	...	...
<b>75,000</b>	20.5%	21.5%	23.0%	24.5%	26.0%	27.0%	28.5%	30.0%	31.0%	32.0%
<b>77,000</b>	20.5%	22.0%	23.5%	24.5%	26.0%	27.5%	28.5%	30.0%	31.0%	32.5%
<b>79,000</b>	20.5%	22.0%	23.5%	25.0%	26.0%	27.5%	29.0%	30.0%	31.5%	32.5%
...	...	...	...	...	...	...	...	...	...	...
<b>96,000</b>	21.5%	23.0%	24.5%	25.5%	27.0%	28.5%	30.0%	31.5%	32.5%	34.0%
<b>110,000</b>	21.5%	23.0%	24.5%	25.5%	27.0%	28.5%	30.0%	31.5%	32.5%	34.0%

Source: NIBUD website ( 31 August 2017)

# Marketing strategy

- **Mortgage rate:** Top 5 of the market (soft target)
- **Flexibility**
  - Mortgage rate: guaranteed for 4 months
  - Client receives the lowest interest rate of 2 measure points (offer and mortgage deed transfer date)
  - 15% redemption possible without penalty
- **Distribution channel:**
  - Face-to-face: Independent advisors / intermediaries
  - Online: Cross channel and execution only, as of 01/07/2017
    - Research of GfK and IG&H indicates the added value of execution only. The customers journey for a mortgage starts often online
    - The client is obliged to pass a knowledge test
    - It is the client's choice to apply for a mortgage online or through an advisor
- Increasing focus on non-NHG, due to lowered NHG ceiling and increasing housing prices
- Transparant underwriting criteria

# Borrower profile

## Argenta focuses on low risk profile

- NHG
- Non-NHG at max 100% LTV
- No buy-to-let
- Clients with good payment behaviour
- Geographical diversification

## Portfolio versus population<sup>(1)</sup> per province



Source: CBS

(1) Between brackets



1 Transaction summary

2 Argenta

3 Origination and underwriting

4 Servicing and arrears management

5 Provisional pool overview

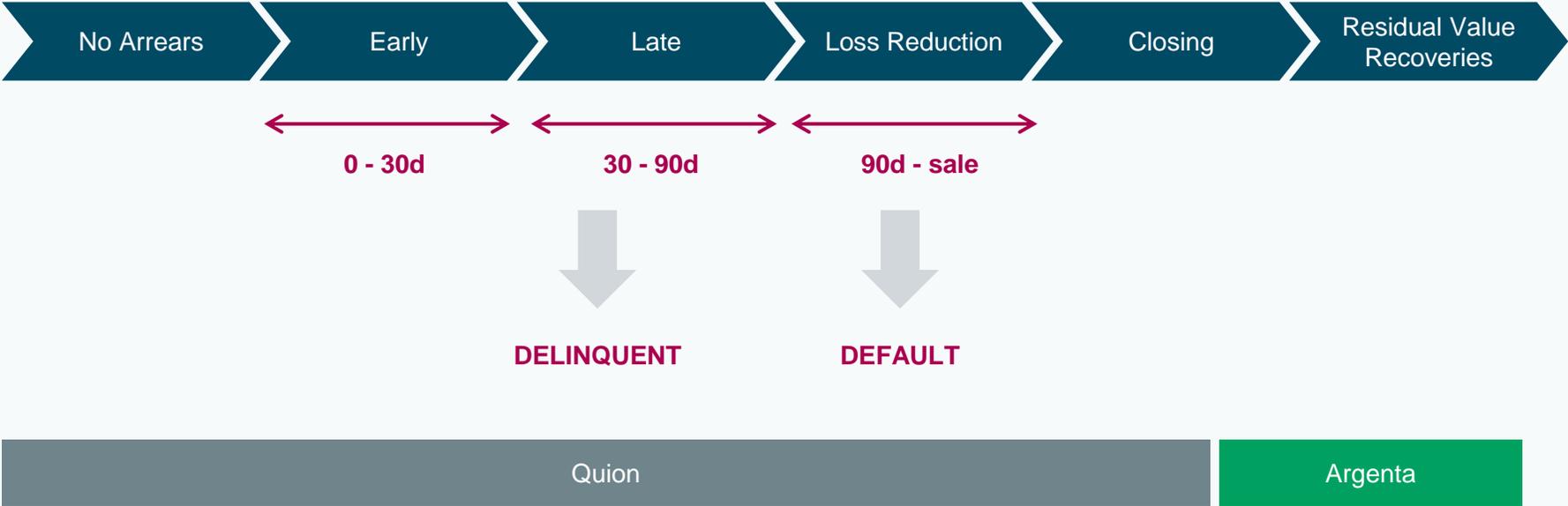
6 Appendix

# Loan administration and outsourcing strategy

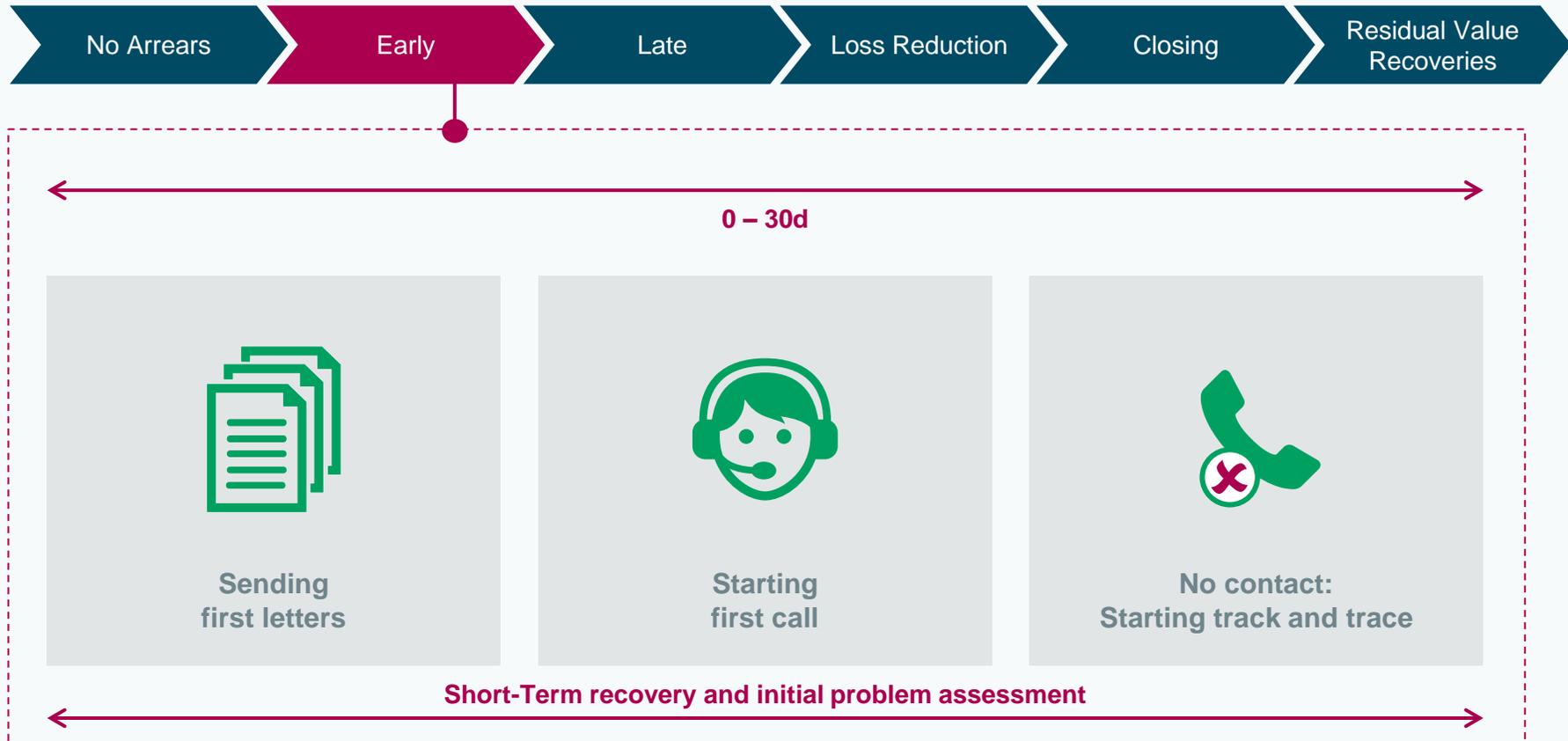
## **Servicing and loan administration is outsourced to Quion**

- Quion is one of the two independent third party servicers in the Netherlands
- Quion, established in 1993, provides origination and servicing systems for residential mortgage lenders and prepares portfolio and loan level reports to lenders and RMBS issuers
- Fitch notes Quion a primary servicer rating of RPS2 and a special servicer rating of RSS2
- Quion is fully ISAE 3402, ISO 270001 (DNB Approved), Type II compliant
- Day to day management of the mortgage loans in the portfolio is performed by Quion (amongst others):
  - Client contact
  - Monthly statements
  - Validation checks
  - First reminders in case of non-payment
  - Payment of construction amounts
  - Any changes to the mortgage loans or requests for further advances or loan increases
  - Substitution / management of the mortgage loan portfolio
  - Reporting to Argenta Spaarbank on arrears / portfolio performance
  - Transaction monitoring to detect suspicious financial flows

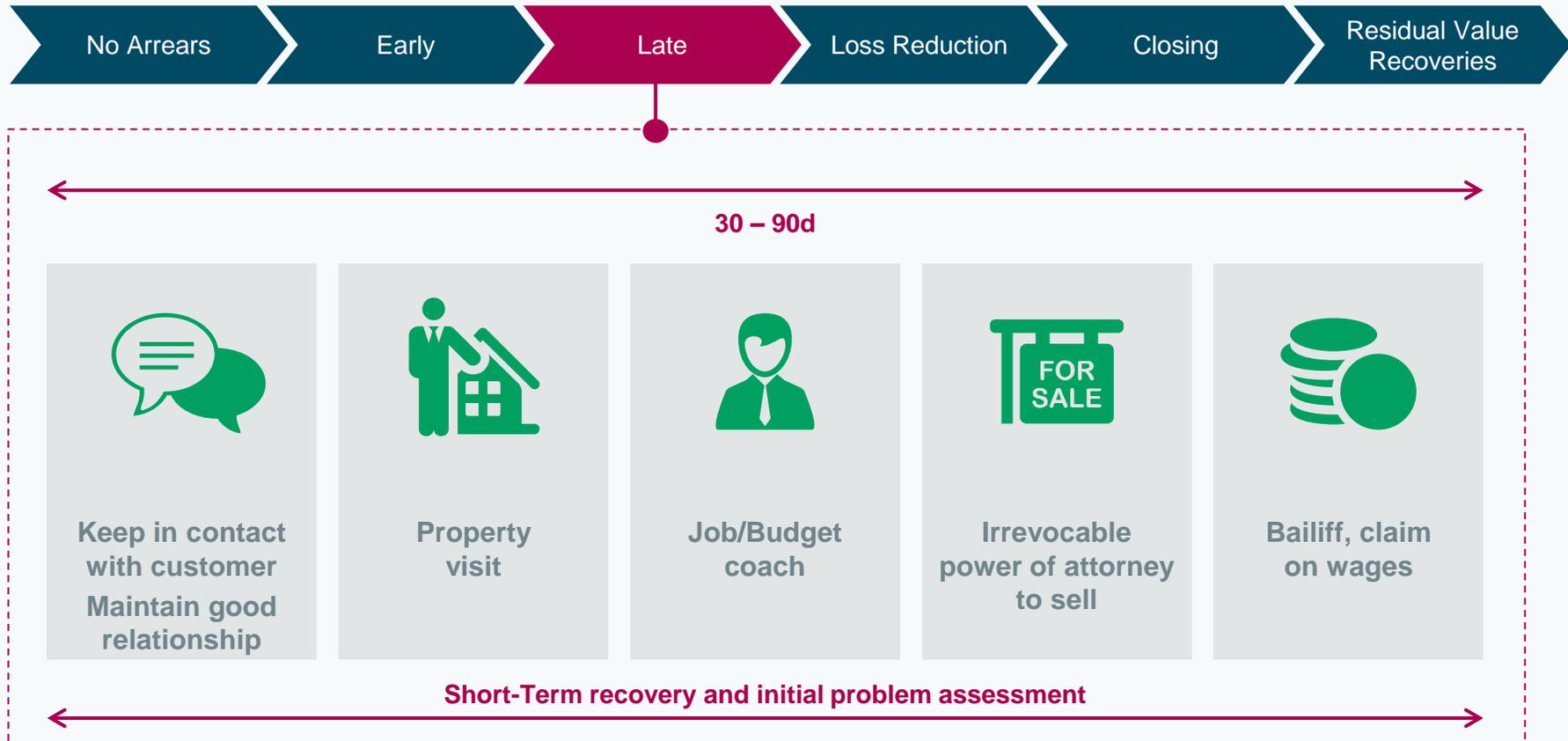
# Arrears and default management



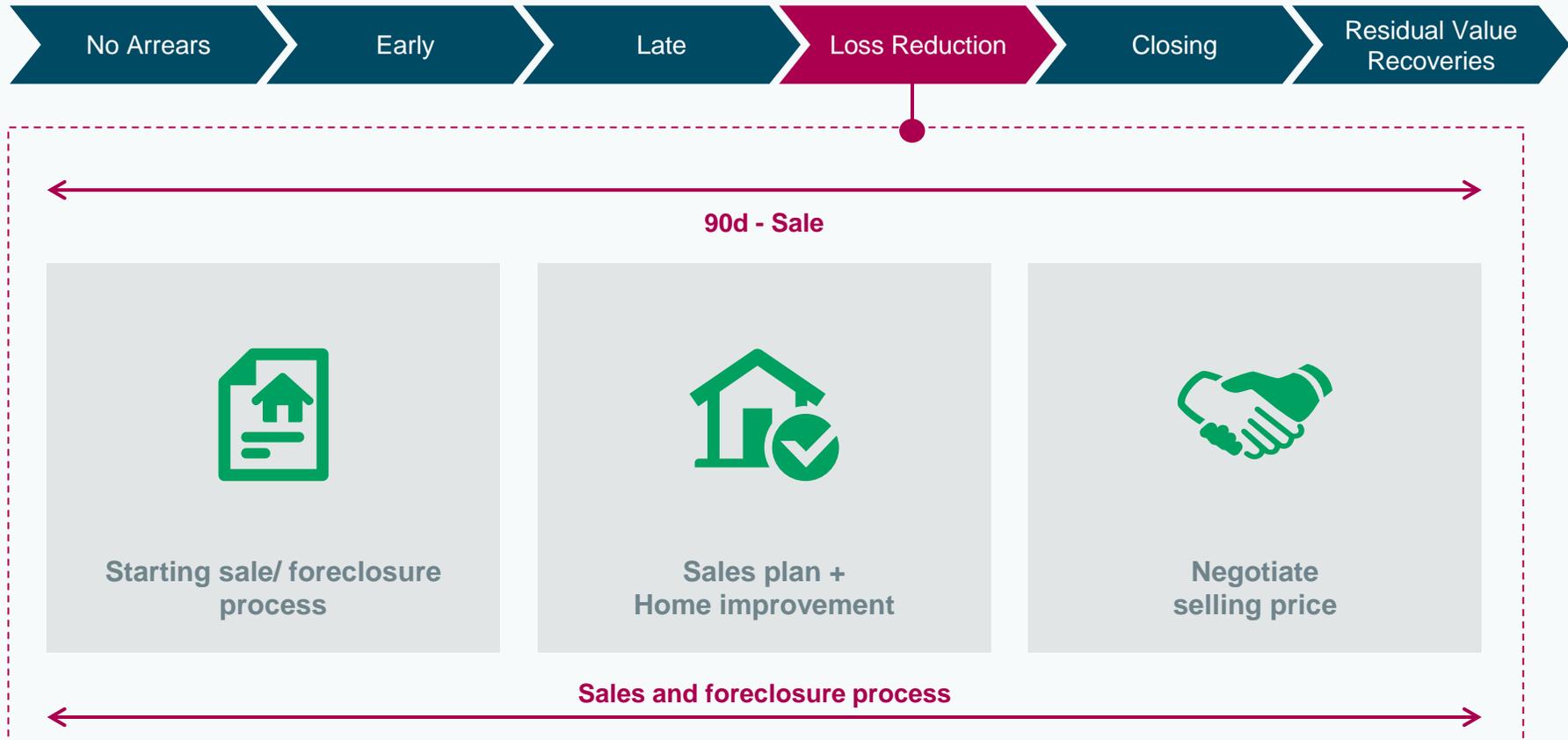
# Arrears and default management



# Arrears and default management



# Arrears and default management





1 Transaction summary

2 Argenta

3 Origination and underwriting

4 Servicing and arrears management

5 Provisional pool overview

6 Appendix

# Provisional pool overview

## Summary

### Summary table (cut-off – 31 July 2017)

#### Characteristics

Principal balance (EUR)	[1,422,378,695]
Value of saving deposits (EUR)	-
Net principal balance (EUR)	[1,422,378,695]
Construction deposits (EUR)	[2,912,674]
Net principal balance ex. construction deposits (EUR)	[1,419,466,022]
Number of loans	[9,085]
Number of loanparts	[11,489]
Average principal balance (borrower) (EUR)	[156,563]
Weighted average current interest rate (%)	[2.95]
Weighted average remaining fixed rate period (yrs)	[10.3]
Weighted average maturity (yrs)	[27.3]
Weighted average seasoning (yrs)	[2.47]
Weighted Average LTMV (%)	[91.1]
Weighted Average LTMV (indexed) (%)	[80.9]
Weighted Average LTFV (%)	[107.1]
Weighted Average LTFV (indexed) (%)	[95.1]
NHG (%)	100.0

### Key eligibility criteria

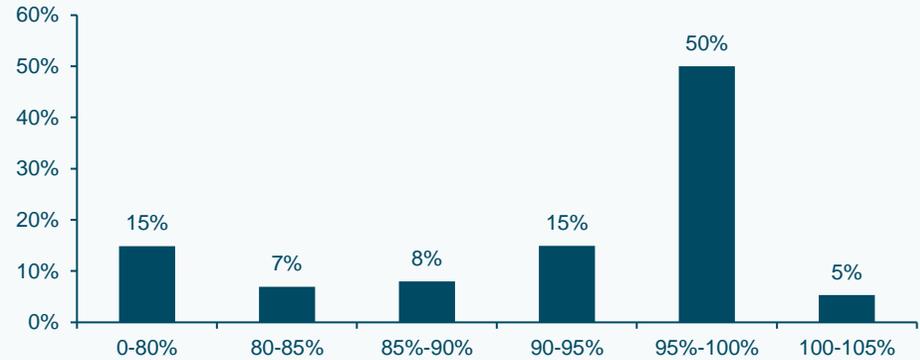
- The mortgage loans are in the form of:
  - Linear mortgage loans;
  - Annuity mortgage loans; and
  - Interest-only loans
- The borrower is a resident of the Netherlands
- No bridge loans are included
- Mortgage loan is dominated in Euro
- On the cut-off date none of the mortgage loans were in arrears
- At least one payment has been made in respect to the mortgage loan prior to the closing date
- Each mortgage loan is an NHG guaranteed mortgage loan
- Each mortgaged asset is not subject to letting
- Each mortgaged asset occupied by the relevant borrower at the time of the origination of the mortgage loan
- Each mortgage loan has been originated after 1 May 2012

# Provisional pool overview

## Distribution of CLTOMV and CLTOFV

### CLTOMV (Current Loan to Original Market Value)

- The weighted average CLTOMV is [91.1]%
- [94.7]% of the provisional pool has a CLTOMV < 100%



### CLTOFV (Current Loan to Original Foreclosure Value)

- The weighted average CLTOFV is [107.1]%

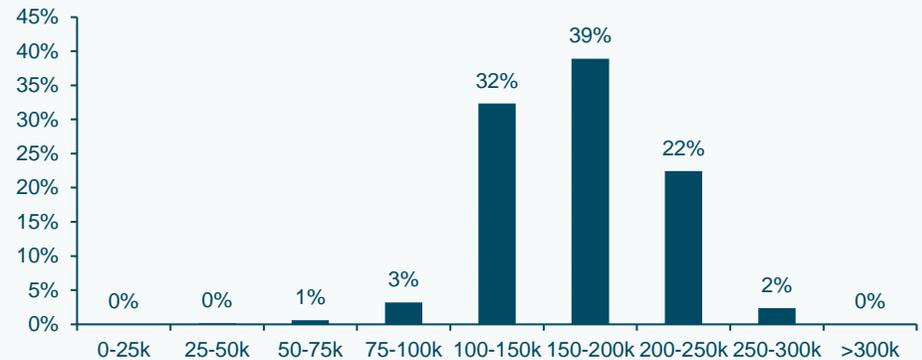


# Provisional pool overview

## Outstanding loan amount and origination year

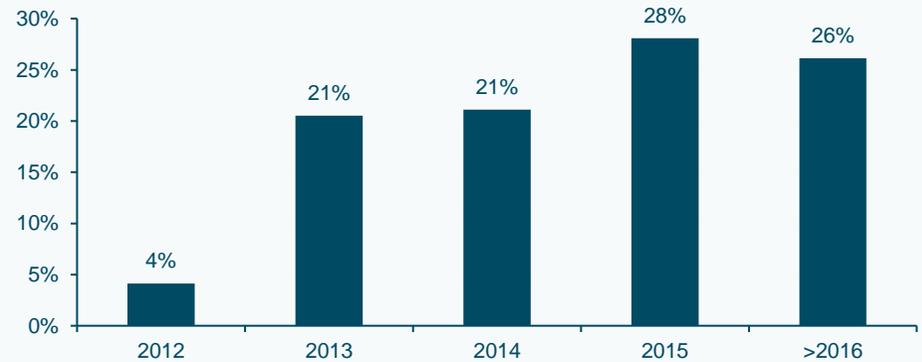
### Outstanding loan amount

- The average loan balance amount is EUR [156,563]
- 100% of the mortgage loans are NHG guaranteed
- The maximum loan size is [304,860]



### Origination year

- All loans in the provisional pool were originated after 1 May 2012
- Seasoning of [2.47] years

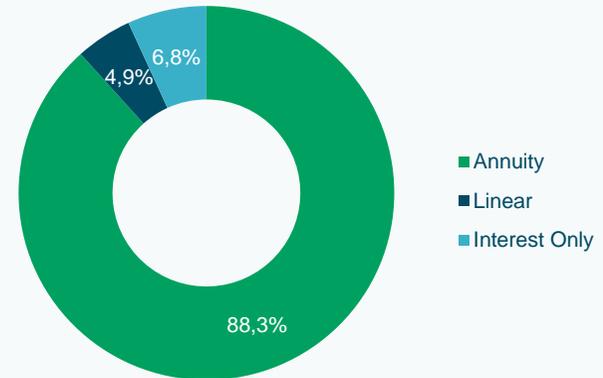


# Provisional pool overview

## Redemption profile and loan to income

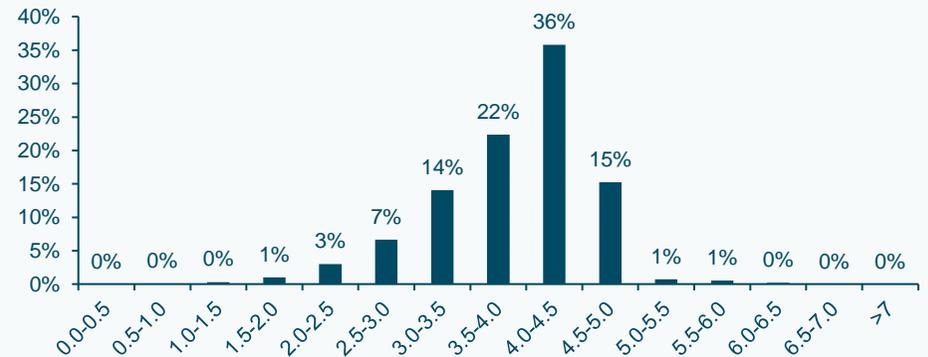
### Redemption profile

- [93.2]% of the loans are amortising mortgage loans (annuity / linear)
- Linear loan parts are [4.9]% of the provisional pool



### Loan-to-income

- Weighted average loan-to-income [3.9]

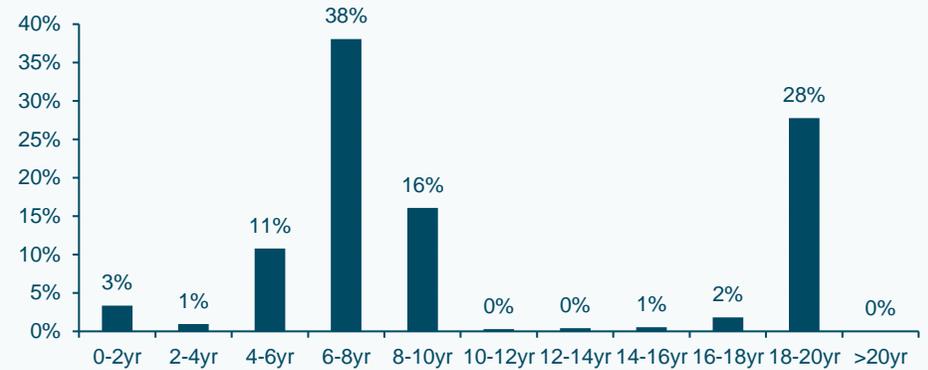


# Provisional pool overview

## Interest rate reset and coupon distribution

### Interest rate reset

- [74.7]% loan parts have an interest reset date after the FORD [March 2024]
- Fixed rate [98.1]%
- Floating rate [1.9]%



### Coupon distribution

- Weighted average interest rate of the preliminary pool is [2.95]%
- Maximum interest rate [4.75]%

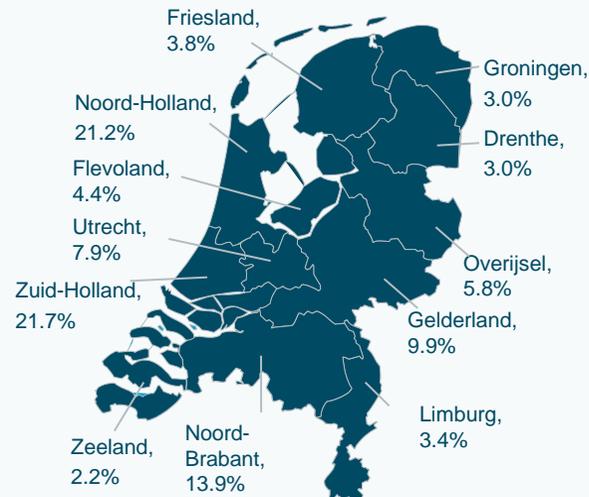


# Provisional pool overview

## Geographical distribution and employment type

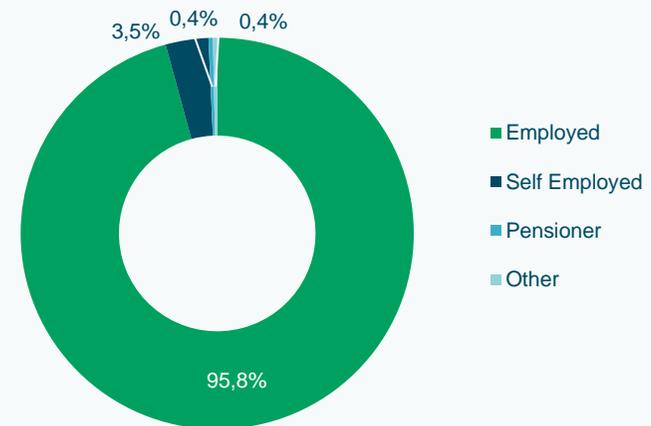
### Geographical distribution

- The mortgage loans are geographically distributed throughout the Netherlands
- The largest concentrations in the pool are found in Zuid-Holland ([21.7%]), Noord-Holland ([21.2%]) and Noord-Brabant ([13.9%])



### Employment type

- The majority of borrowers are employed ([95.8%] of the provisional portfolio)
- The remaining portion consists of self-employed borrowers ([3.5%]), pensioners and others (both [0.4%])





1 Transaction summary

2 Argenta

3 Origination and underwriting

4 Servicing and arrears management

5 Provisional pool overview

6 Appendix

# I - The Dutch economy

- During the second quarter of 2017 the Dutch economy grew twice as fast as in the preceding quarters
- According to the provisional figures of Statistics Netherlands (CBS), the GDP advanced 1.5% relative to the previous quarter, which is well above the average Eurozone growth (0.6% q-o-q)
- The largest contribution to the expansion came from net exports (exports – imports) and from household consumption. The former accounted for 0.7% of GDP growth and the latter for 0.4%. Investments in fixed assets rose as well, although in a slower pace than in the first quarter of 2017

## (Un)employment development



Source: CBS, ABN AMRO Insights: Housing Market Monitor July 2017

## Dutch GDP, Import, Export, Consumption and Investments



# I - Dutch residential mortgage market

- Total outstanding mortgage debt decreased overall from 2012 till 2017YTD. More recently, after a period of stabilisation in 2015 and 2016, the outstanding amount started to slowly rise
- In line with the housing market recovery, new mortgage business is also moving up a gear. According to the Land Registry, 25% more mortgages were taken out in the 12 months until May than one year ago
- The average mortgage sum was also 7.4% higher at EUR 281,000. The outstanding mortgage amount in Q1 of 2017 was EUR 667bn, which is EUR 7.5bn more than a year ago
- In line with the lower rates environment stemming from the monetary policy of the ECB, mortgage rates have also declined. They have stabilised during the last quarters

## Mortgage debt outstanding



## Average mortgage rates per fixed interest rate period



Source: Dutch Central Bank, Land Registry, ABN AMRO Insights: Housing Market Monitor July 2017

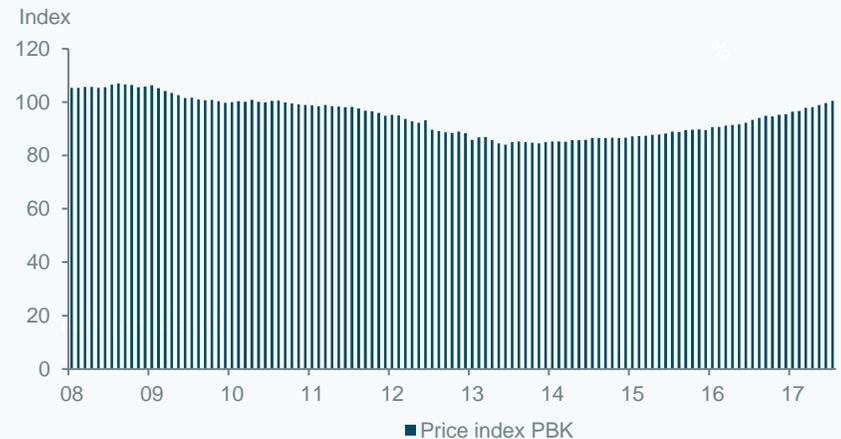
# I - House price developments

- The average asking price is currently EUR 331,000, which is 7.6% higher than one year ago
- If prices maintain this upward momentum, the pre-crisis peak will soon be in sight. Current prices are only 7.5% below the 2008 level
- The elevated price levels are keeping first-time buyers off the market as loan-to-value criteria have become stricter
- Amsterdam has been responsible for over one-fifth of the national price increase in the past three years

### Dutch housing price development



### Dutch house price index development (2010=100)



Source: CBS, ABN AMRO Insights: Housing Market Monitor July 2017

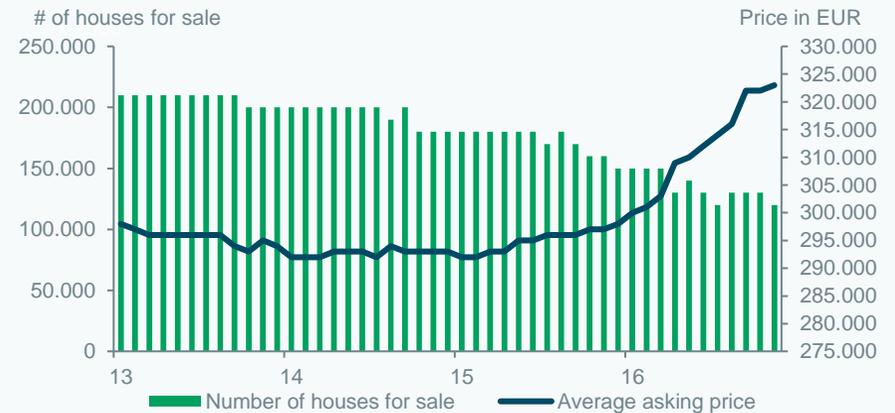
# I - Transaction and supply developments

- There is a strong sales momentum in the Dutch housing market causing contraction of supply. According to home search website huizenzoeker.nl, there were 105,000 existing properties for sale in May 2017; 41,000 less than a year earlier
- Properties sold in the first quarter of this year, were on the market for an average of 77 days, according to the Dutch Association of Real Estate Brokers (NVM), a month shorter than a year earlier.
- The share of properties that have been on the market for more than two years is now only 10% versus 17% a year ago
- In the 12 months until the end of April, 33,000 new owner-occupied properties were sold, just under 3% more than in the same month one year ago

Quarterly transactions and average selling price



Monthly house supply and average asking price



Source: CBS, ABN AMRO Insights: Housing Market Monitor July 2017, unless stated otherwise

# I – Historical performance and foreclosures

- The Dutch RMBS market remained the strongest within the EMEA RMBS market with the lowest payment arrears (>60 days)
- The trend of declining foreclosures that had its origin in 2012, continued until 2Q2017
- The number of arrears and involuntary sales of residential property by public forced sale in the Netherlands is traditionally very low compared to international standards

## Payment arrears (>60 days)

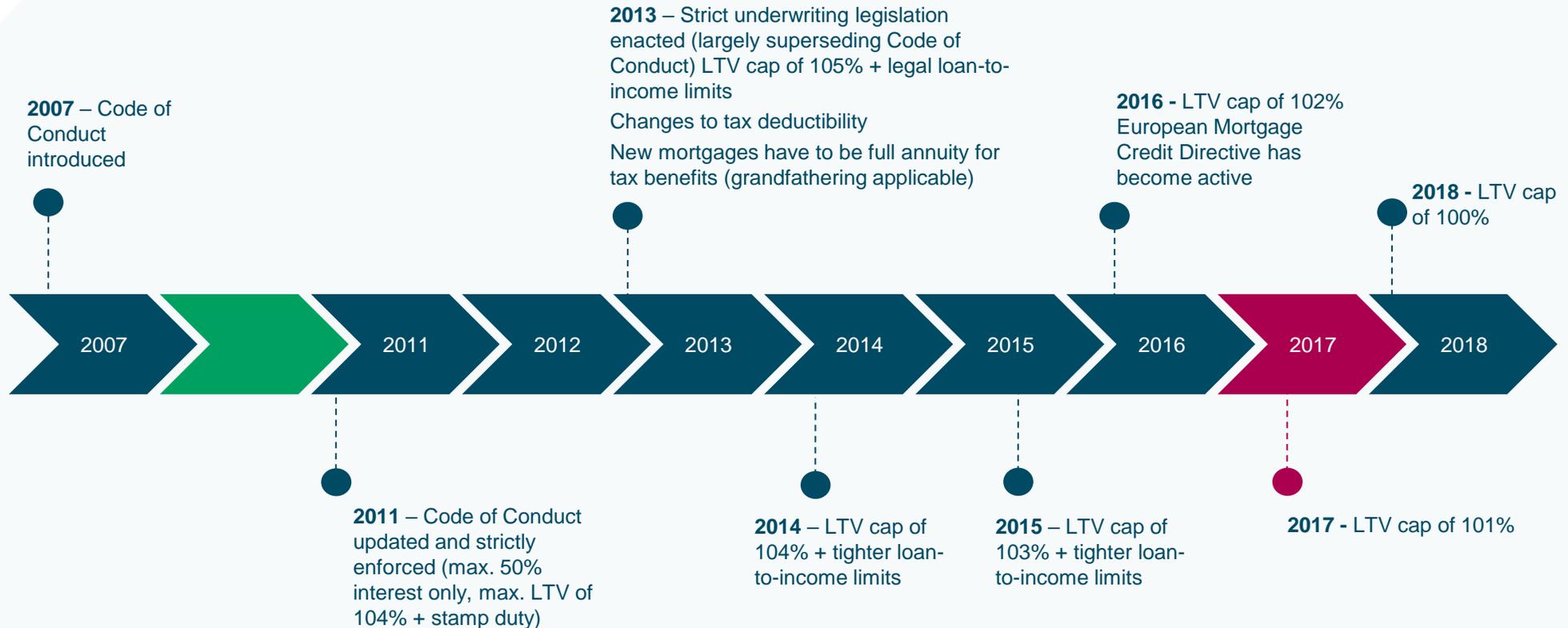


## Quarterly Dutch foreclosures



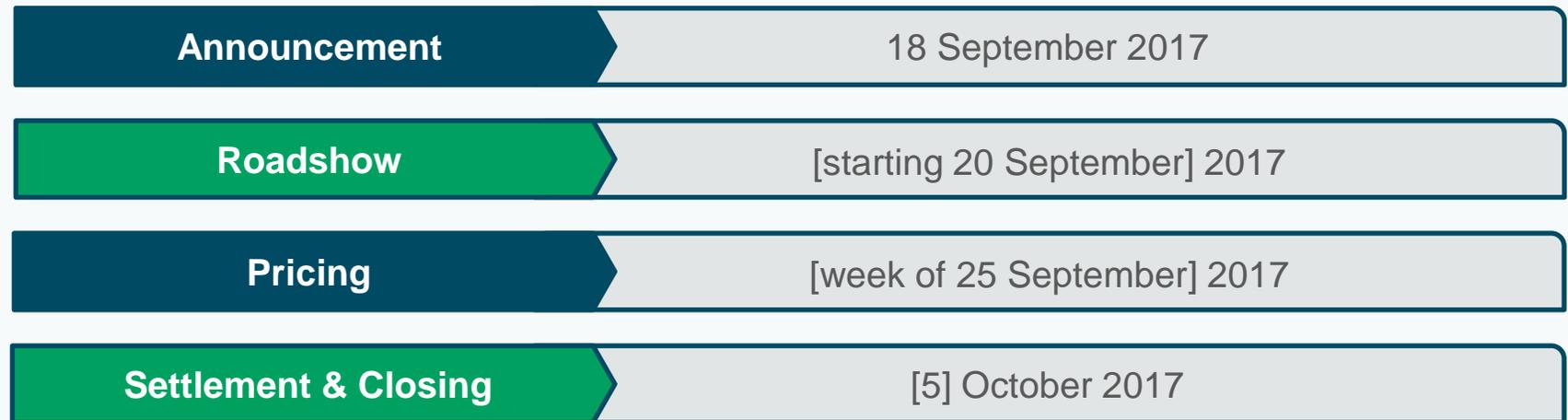
Source: Moody's, EMEA RMBS Prime Indices, Land Registry (Kadaster) and ABN AMRO Insights: Housing Market Monitor July 2017

# I - Recent developments Dutch mortgage market



1) Source: ABN AMRO Insights: Housing Market Monitor April 2017, unless stated otherwise

## II - Intended timelines



# III - Contact details

**Geert Ameloot**

CFO

**E:** [Geert.Ameloot@argenta.be](mailto:Geert.Ameloot@argenta.be)

**Christian Lambrechts**

Financial Management

**E:** [Christian.Lambrechts@argenta.be](mailto:Christian.Lambrechts@argenta.be)

**Erwin De Smet**

Financial Management

**E:** [Erwin.DeSmet@argenta.be](mailto:Erwin.DeSmet@argenta.be)

# Disclaimer

This presentation has been prepared by Argenta Spaarbank NV (hereafter “Argenta Spaarbank” or “Seller” or “Originator”) for information purposes only and is intended to provide general and financial information with regard to the RMBS –transaction Green Apple 2017-I NHG, issued by Green Apple 2017-I NHG B.V., (the “Issuer”) incorporated in the Netherlands, the Originator, Argenta Bank-en Verzekeringsgroep nv (including its subsidiaries and branches) and the underlying residential mortgage loans and the processes related thereto. It does not constitute an offer or a prospectus or offering document in whole or in part and the terms are qualified in their entirety by such offering or other transaction document(s) (the “Offering Document”) issued in respect of the securities (the “Securities”) or the transaction(s) (the “Transaction(s)”) described in this material.

The information included in this presentation has been provided to you solely for your information and background and is subject to updating, completion, revision and amendment and such information may change materially. Unless required by applicable law or regulation, no person is under any obligation to update or keep current the information contained in this presentation and any opinions expressed in relation thereto are subject to change without notice. No representation or warranty, express or implied, is made as to the fairness, accuracy, reasonableness or completeness of the information (including the statistical information) contained herein.

This presentation includes (non-)IFRS information and forward-looking statements that reflect Argenta Spaarbank's intentions, beliefs or current expectations concerning, among other things, the results, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which Argenta Spaarbank operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the actual results, financial condition, liquidity, performance, prospects, growth or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. These forward-looking statements are no guarantees of future performance and that its actual results, financial condition and liquidity and the development of the industry in which Argenta Spaarbank operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if Argenta Spaarbank's results, financial condition, liquidity and growth and the development of the industry in which Argenta Spaarbank operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in future periods.

The information in this presentation is strictly proprietary and is being transmitted to you for information purposes only and on a strictly confidential basis. The information can be considered as insider information.

This presentation may not (in whole or in part) be reproduced, published or distributed to a third party or used for any other purpose than the rating of the RMBS mentioned above. Although this presentation has been prepared with reasonable care, this presentation should be considered as preliminary and cannot be considered as complete or exhaustive. This presentation might be completed or further explained orally by Argenta Spaarbank. Neither Argenta Spaarbank nor any other person accepts any liability for any loss howsoever arising, directly or indirectly, from this document or its contents.

This presentation is directed only at and is made available only to professional clients and not to retail clients as defined in MIFID II, customers in the meaning of Directive 2002/92/EC or not to a client which is not a qualified investor as defined in the Prospectus Directive. By accessing this presentation, you are deemed to have confirmed that you are not a US Person (as defined in Regulation S and US Risk Retention Rules).

