



Investor Presentation Argenta Spaarbank

January 2019



Disclaimer

This presentation has been prepared by the management of Argenta Spaarbank nv (the "Issuer") for information purposes and contains general and financial information with regard to the Issuer and the entities of the Argenta group. It does not constitute or form part of, and should not be construed as, an offer, solicitation or invitation to subscribe for, underwrite or otherwise acquire, any securities of the Issuer or any member of its group nor should it or any part of it form the basis of, or be relied on in connection with, any contract to purchase or subscribe for any securities of the Issuer or any member of its group, nor shall it or any part of it form the basis of or be relied on in connection with any contract or commitment whatsoever. 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 "Notes") 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 contained herein.

This presentation includes (non)-IFRS information and forward-looking statements that reflect the Issuer's intentions, beliefs or current expectations concerning, among other things, the Issuer's results of operations, financial condition, liquidity, performance, prospects, growth, strategies and the industry in which the Issuer operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Issuer's actual results of operations, 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. The Issuer cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which the Issuer operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation. In addition, even if the Issuer's results of operations, financial condition, liquidity and growth and the development of the industry in which the Issuer operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. The Issuer and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this presentation or any change in the Issuer's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.

Although this presentation has been prepared with reasonable care, this presentation should not be considered as complete or exhaustive. 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 eligible counterparties and not to retail investors. Retail investors means i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive.

This document not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction.

The distribution of this presentation itself or the Notes mentioned in this document, in certain jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe any such restrictions.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"). Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act).

Prospective investors should have regard to Base Prospectus, especially the factors described under the section headed "Risk Factors".



1 Argenta Overview

2 Financial Performance

3 Asset Quality

4 Capital

5 Funding and Liquidity

6 Outstanding Debt

7 Glossary

Company history

Foundation of Argenta

Argenta Assuranties

Financial crisis

60 years of Argenta

Argenta was founded as a company specializing in offering personal loans by Karel Van Rompuy. Until today, the Van Rompuy family is still the majority shareholder

Argenta Assuranties nv was established, enabling Argenta to offer life and fire insurances. Bankassurance was a fact.

Argenta came unscathed through the crisis and did not need any government support

Argenta celebrates its 60th anniversary, Argenta is remaining true to its historical and strong cultural values of simplicity, transparency, honesty and sustainability.

1956

1966

1974

1997

2008

2010

2016

Today

Argenta Spaarbank

The establishment of Argenta Spaarbank nv enables Argenta to offer saving accounts. This moment also marked the start of the distribution network of independent agents.

Argenta Netherlands

Argenta starts selling mortgage loans in the Netherlands.

Argen-co

Argenta Coöperatieve cvba was founded, and launched in 2010 and 2011 a public issue of shares to 67.000 clients and office holders. This gave Argen-co a +-14% stake in Argenta.

Digitalization and growth

Significant investment in updating platforms and digitalization and on/off balance growth

Group structure: full-fledged retail bank-insurer



A transparent group structure

- Stable family 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 and the Netherlands.
- Asset Management operation incorporated in Luxembourg.
- On 30 July 2018 Arvestar Asset Management NV, a consolidated joint venture, was founded between Argenta Asset Management S.A. and Degroof Petercam Asset Management SA/NV ('DPAM').

Strategy and business profile

Simple and easy-to-understand retail business model

Market share¹



Deposits	0.7%
Mortgage loans ³	1.5%



Market share¹



Deposits	8,2%
Investment funds	3,8%
Mortgage loans ³	7,9%
Life insurance ²	6,5%
Non-life insurance ²	2,0%

- Integrated bank-insurance 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 custodial 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.
 - Voted best Savings and Current Account by Bankshopper.be in 2017 and 2018.
 - Voted best bank – General Satisfaction by the independent inquiry by Spaargids.be in 2018.
 - Voted best bank of Belgium by Spaargids.be in 2017
 - Identified as strongest bank brand strength in Flanders in 2016 in a study published by the Benchmark Company.
- Integrated operating model creating cost synergies and efficiencies.

(1) Portfolio market share as per end of June 2018

(2) Premium collection / sales market share as per end of June 2018

(3) Production market share as per end of June 2018

- 
- | | |
|---|-----------------------|
| 1 | Argenta Overview |
| 2 | Financial Performance |
| 3 | Asset Quality |
| 4 | Capital |
| 5 | Funding and Liquidity |
| 6 | Outstanding Debt |
| 7 | Glossary |

Overview of key financial data

Argenta Group¹

1H 2018

Net result	93.9 m
Return on Equity	6.8%
Total assets	45.7 bn
Total equity	2.6 bn
Cost / Income ²	62%
Total funds under mgmt	45.3 bn
CET 1 (BIII IRB) ³	25,3%
IFRS	

Argenta Spaarbank¹

Net result	70.9 m
Return on Equity	7.2%
Total assets	39.3 bn
Total equity	2.0 bn
Cost / Income ²	66%
CET 1 (BIII IRB)	24,2%
IFRS	

Credit Rating

Standard & Poor's

Short-term	A-2
Long-term	A-
Outlook	Positive

Argenta Assuranties

Net result	28.0 m
Return on Equity	13.3%
Total assets	6.8 bn
Total equity	0.5 bn
Premium Life ³	342 m
Premium Non-life	89 m
Solvency II	274%
BEGAAP	

Note: all numbers are stated in EUR

(1) Consolidated and adjusted for IFRIC21 – linear amortization of levies over FY2018

(2) Cost / Income ratios excluding bank levies are 50% for Argenta Group and 53% for Argenta Spaarbank

(3) Including universal life unit linked

Financial objectives

1H 2018

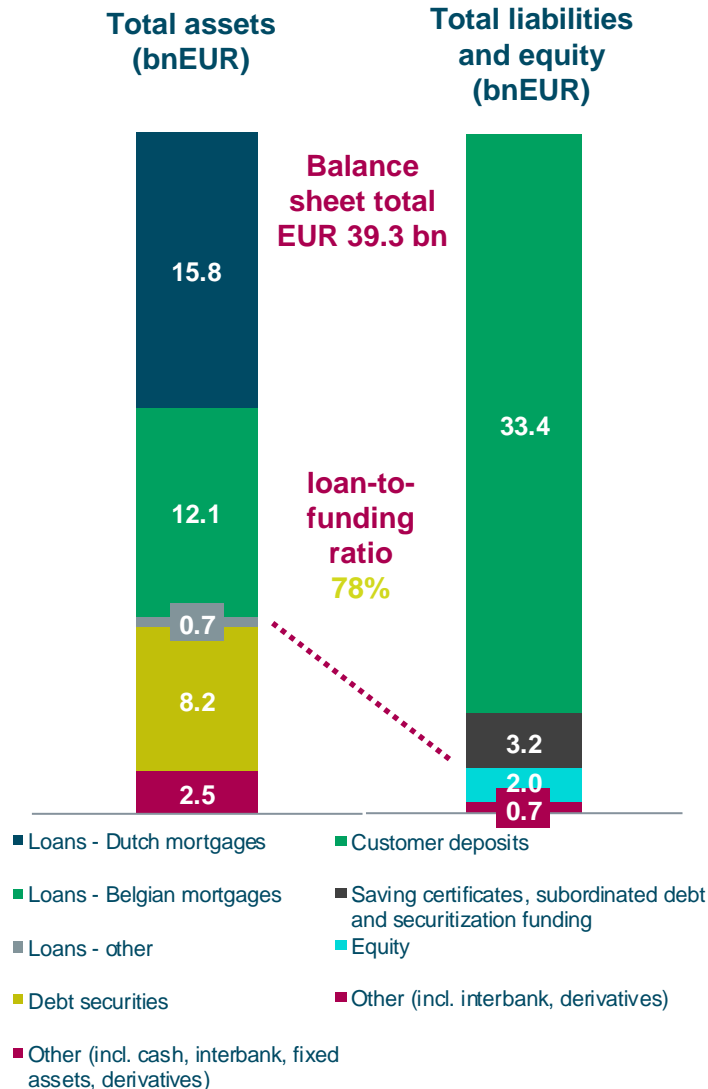
Argenta Spaarbank	FY 2017	1H 2018	Target
Return on Equity ¹	7,5%	7,2%	>8%
Leverage Ratio (fully loaded)	4,9%	4,7%	>4%
Cost / Income Ratio	51%	53%	40%
CET 1 Ratio ²	25,9%	24,2%	>18%
Total Capital Ratio (BIII fully loaded) ²	32,6%	30,6%	>20%
Net Interest Margin (NIM)	1,34%	1,38%	>1.4%
NSFR	143%	145%	>120%
LCR	162%	195%	>125%

(1) Adjusted for IFRIC21 – linear amortization of levies over FY2018

(2) BIII IRB solvency ratio

Balance sheet composition

1H 2018 Argenta Spaarbank

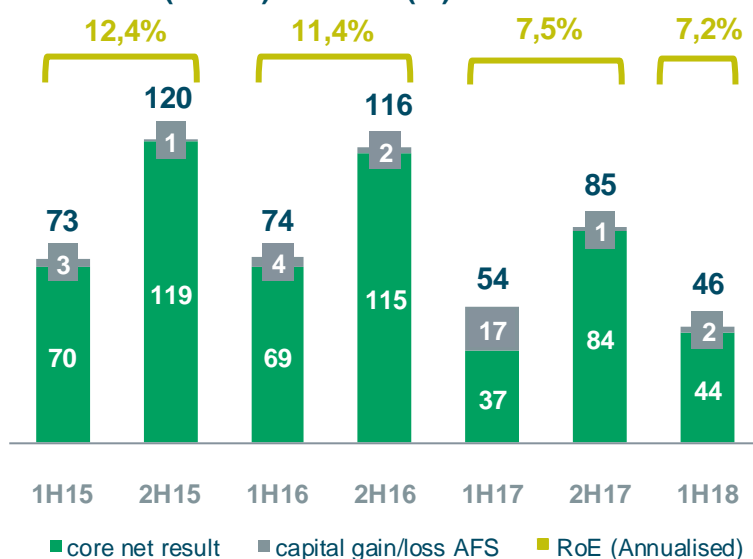


- Low-risk loan book consisting of prime retail mortgage loans in the Netherlands and Belgium.
- Well diversified and conservative investment portfolio with close to 98% investment grade.
- Strong retail funding profile with low loan-to-funding ratio.
- Diversification of funding sources with 2.1 billion EUR outstanding of securitizations issued in 2017 and 2018 in two Green Apple transactions.

Net result

1H 2018 Argenta Spaarbank

Net result (mEUR) and RoE (%)



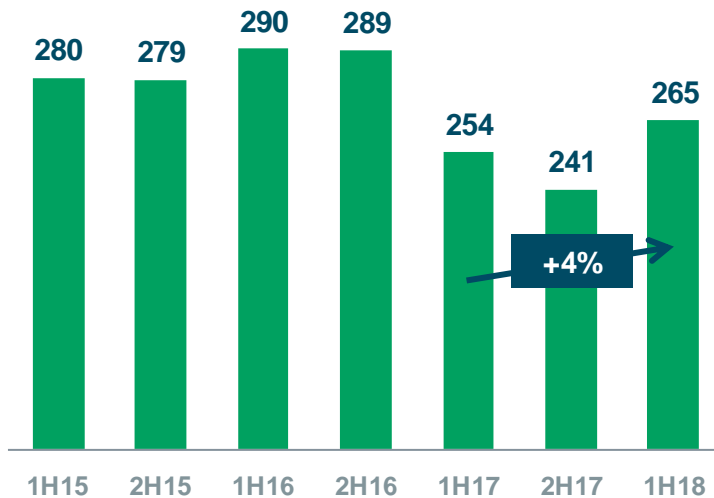
In millions of EUR	1H17	1H18	Δ
Net interest income	254	265	11
Fee income	43	49	6
Commissions to agents	-69	-71	-2
Net financial result	18	3	-16
Other operating income	19	30	11
Total income	265	275	10
Operating expenses	-196	-217	-21
Impairments	3	1	-2
Profit before tax	72	59	-13
Income tax expense	-18	-13	5
Net profit	54	46	-8
IFRIC21 adjustment	23	25	2
Adjusted net profit	77	71	-6

- The net interest margin is supported through further diversification of funding from retail saving accounts to wholesale funding through a second securitization of Dutch NHG mortgages.
- Continued focus on diversification of income with 13% growth in fee income to 49 million EUR.
- Net financial result down 16 million EUR with a decrease in realized gains on debt securities.
- Other operating income up 11 million EUR mainly due to non-recurring item of 6 million EUR.
- Operating expenses up 11% as a result of investments in IT and digital, employee expenses and bank levies.
- Adjusted net result of 71 million EUR¹ and RoE at 7.2%.

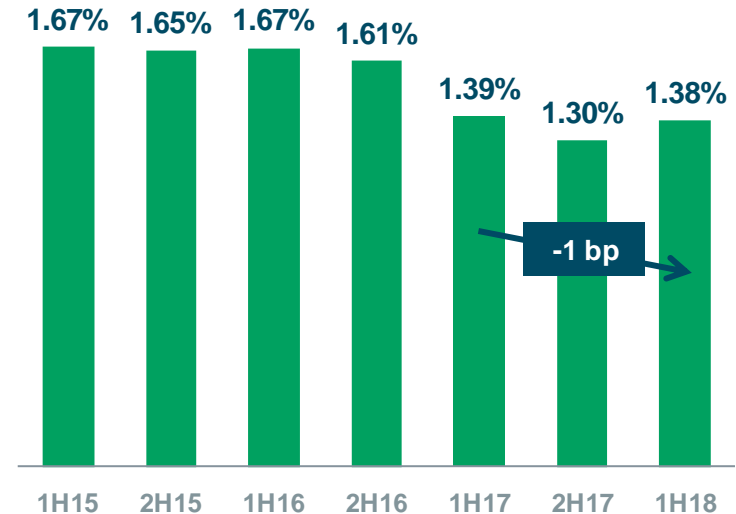
Net Interest Income

1H2018 Argenta Spaarbank

Net interest income (mEur)



Net interest margin (%)

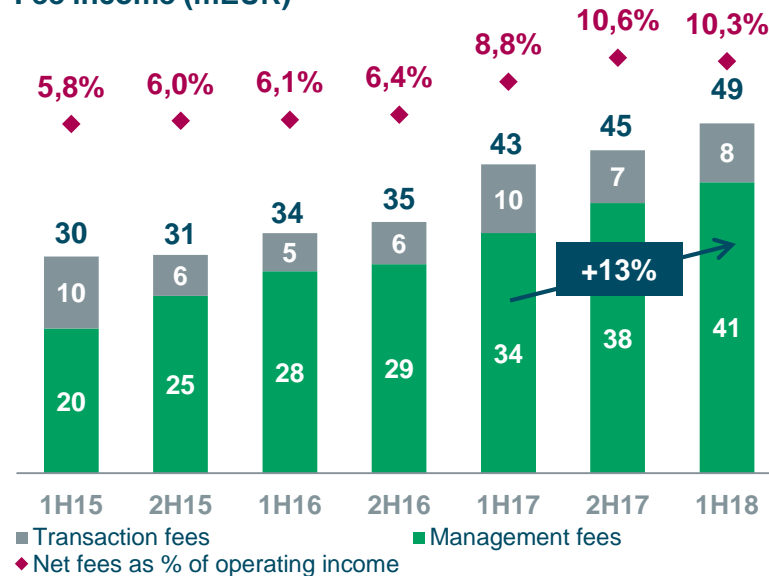


- Net interest income increased in 1H 2018 to 265 million EUR (+4% yoy) and the margin to 1,38% (from 1,30%).
- Diversification of funding sources to wholesale funding with 2.1 billion EUR securitization funding outstanding which supports the improvement of the net interest result.
- Decrease of hedging costs related to the replacement of matured hedges.

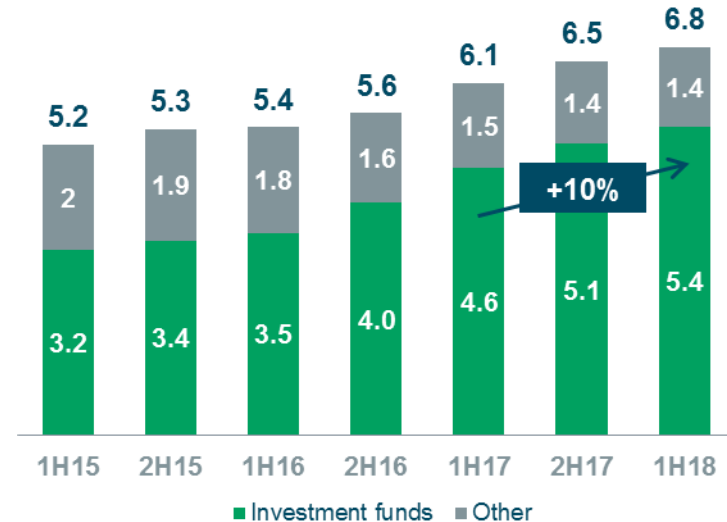
Revenue growth in fund management

1H 2018 Argenta Spaarbank

Fee income (mEUR)



Assets under custody (in EUR billions)



- Total fee income in 1H 2018 increased further to 49 million EUR, driven by higher management fees.
- Assets under Custody increased to 6.8 billion EUR, up 10% yoy with net inflows of 331 million EUR.
- Steadily increasing market share, currently at 3.65%, indicates potential for further growth.



1 Argenta Overview

2 Financial Performance

3 Asset Quality

4 Capital

5 Funding and Liquidity

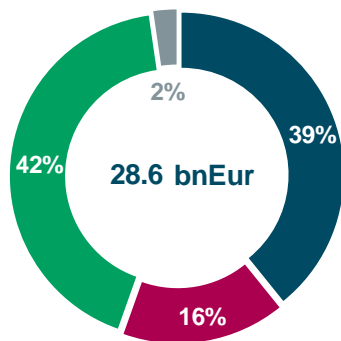
6 Outstanding Debt

7 Glossary

A high-quality loan book

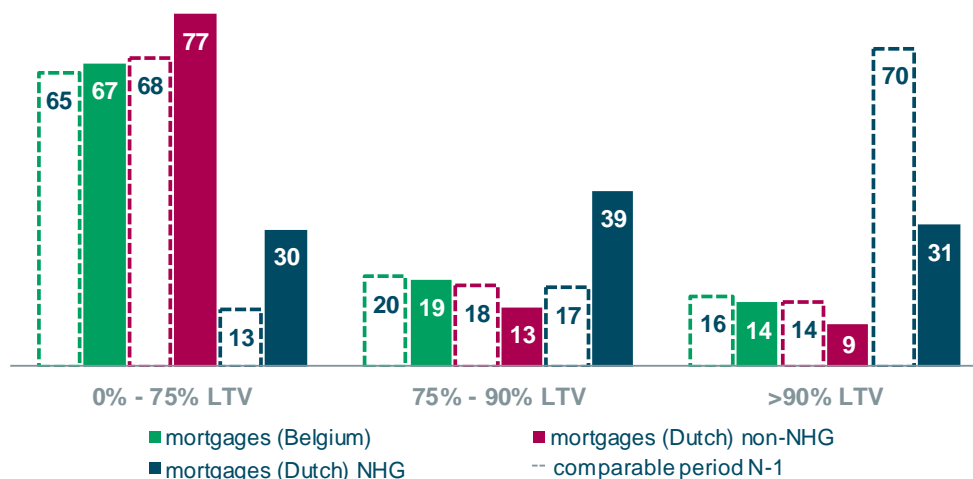
1H 2018 Argenta Spaarbank

Composition of loan book (%)



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

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

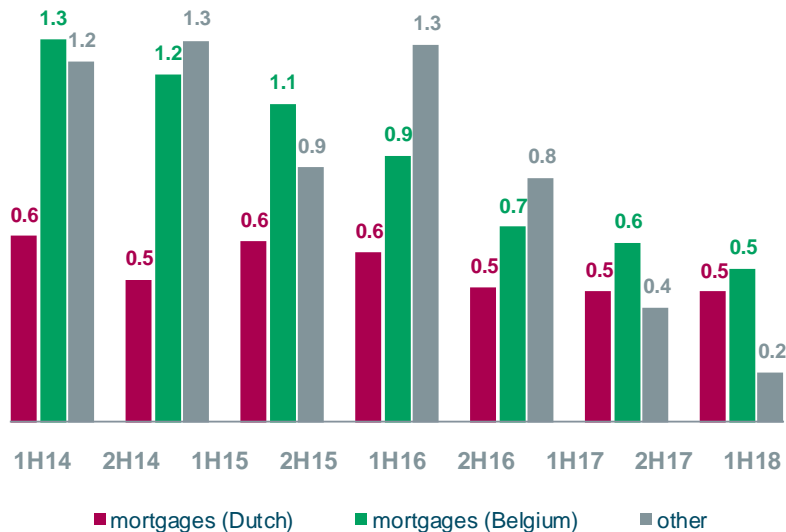


- The residential mortgage loan portfolio in Belgium and the Netherlands compose 98% of the loan book. The remaining 2% consist of consumer loans and local/regional governments and corporate loans.
- The portfolio share of NHG¹ mortgages decreases. From 72% end of '17 to 70,7% june '18.
- The average LTV for Belgian mortgages is at 59%, for Dutch mortgages at 74%. The total portfolio LTV is 67%.
- >90% of the mortgage loan book has loan-to-value of less than 90% or has a Dutch State guarantee.

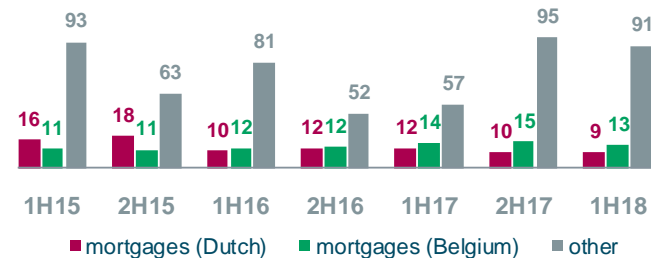
Low risk loan portfolio

1H 2018 Argenta Spaarbank

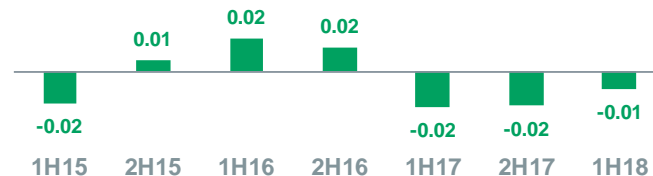
Non-performing loans ratio (%)



Coverage ratio (%)



Cost of risk (%)

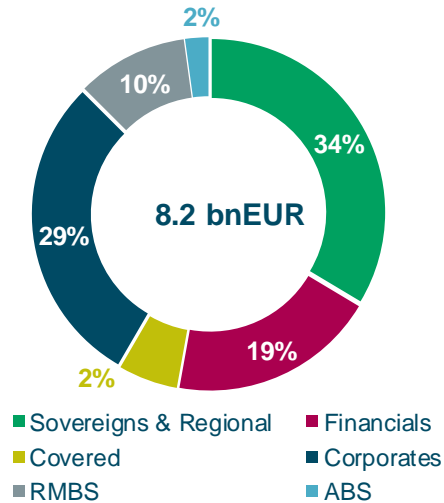


- Non-performing loans ratio confirms high-quality of mortgage loan book and remains at historically low level. Only 0,5% of the mortgage loan book is non-performing.
- Average coverage ratio of 11% given high quality of prime mortgage collateral.
- Cost of risk remains close to zero.

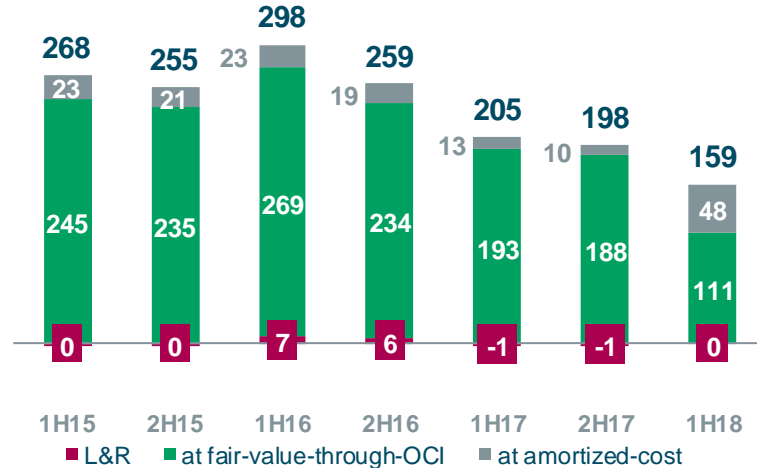
Diversified and liquid investment portfolio

1H 2018 Argenta Spaarbank

Exposure-type of investments (%)



Unrealized gains (mEUR)



- Conservative focus on sovereign and regional securities.
- No exposure to CDO, CLO, Alt-A, subprime.
- High quality of investments: 37% of the portfolio is rated AA and above and 98% of the portfolio is investment grade, unrealized capital gains 159 million EUR
- Exclusively euro-denominated with focus on European markets: 92% of portfolio in European Economic Area.



1 Argenta Overview

2 Financial Performance

3 Asset Quality

4 Capital

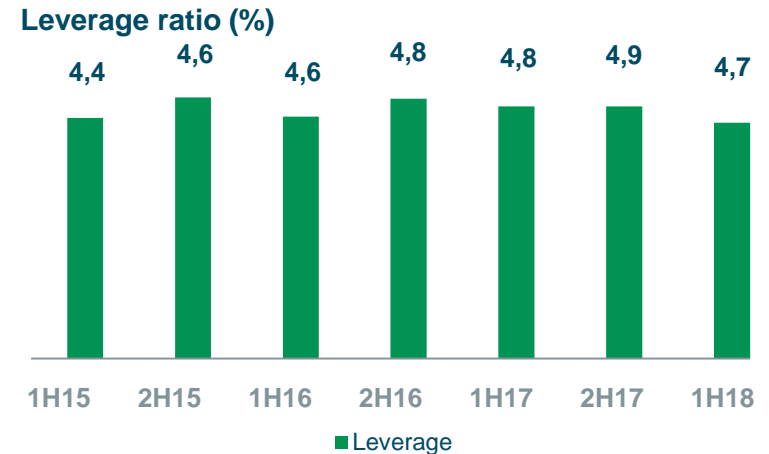
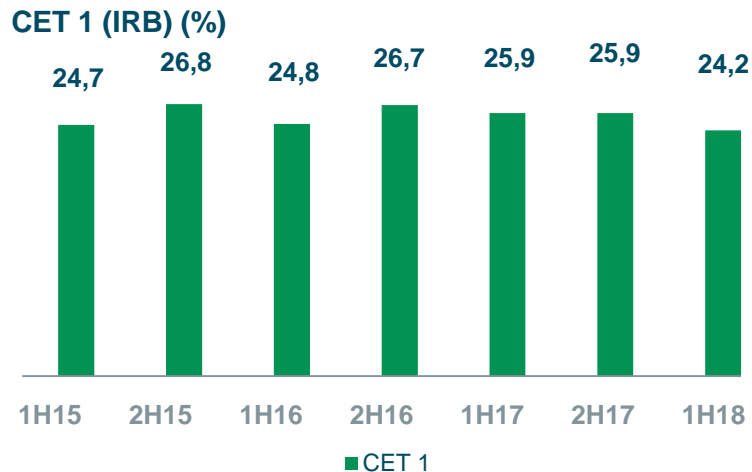
5 Funding and Liquidity

6 Outstanding Debt

7 Glossary

Solvency and SREP requirement

1H 2018 Argenta Spaarbank



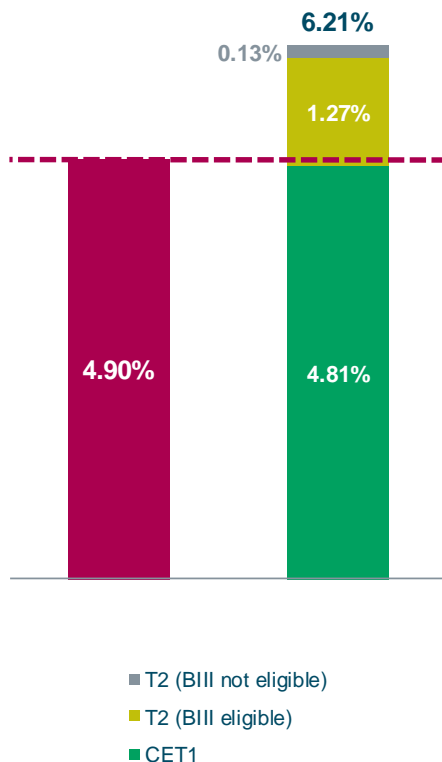
- CET 1 (IRB) ratio of 24.2% well above the SREP requirement of 11.0%.
- The impact of regulatory add-on on Belgian mortgages for Belgian banks introduced in 2018 is around -65 basis points.
- The impact of IFRS 9 is around -40 bp due to the decrease in net unrealised gains in equity (reclassification of AFS portfolio to HTC) and increase of impairments.
- Leverage ratio is at 4.7%.



MREL update

Bail-in capacity Argenta Spaarbank

MREL estimation



- The SRB has communicated a target MREL ratio of 4.9% of total liabilities and equity for 2018.
- The MREL requirement based on the target ratio of 4.9%⁽¹⁾ equals 1.9 billion EUR bail-in requirement. Available MREL is 2.4 billion EUR and well above this requirement.
- Further developments in the implementation of MREL (B.R.R.D. 2) may occur but it is too early to assess the impact for Argenta Spaarbank.

(1) Access to Single Resolution Fund in resolution requires a MREL level of at least 8.0% of Total Liabilities and Own Funds



1 Argenta Overview

2 Financial Performance

3 Asset Quality

4 Capital

5 Funding and Liquidity

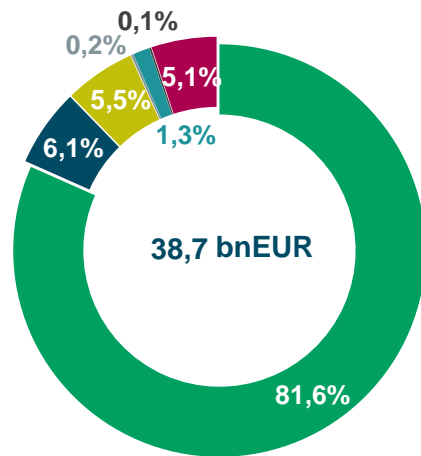
6 Outstanding Debt

7 Glossary

Funding and liquidity position

H1 2018 Argenta Spaarbank

Funding mix (%)



- saving deposits and current accounts
- customer deposits on term (incl. saving certificates)
- securitization funding
- subordinated certificates
- subordinated issues (institutional)
- net unsecured interbank funding
- equity

In %	1H15	2H15	1H16	2H16	1H17	2H17	1H18
Liquidity coverage ratio ¹	181	180	168	179	167	162	195
Net stable funding ratio ²	146	144	142	145	145	143	145

- Strong liquidity position, well above regulatory limits, for both LCR and NSFR.
- Loan-to-funding ratio of 78%.
- Stable deposit funding base mainly consisting of retail savings deposits.
- Diversification of funding sources with two Green Apple securitization transactions (Dutch NHG mortgages) for a total amount outstanding of 2.1 billion EUR.



1 Argenta Overview

2 Financial Performance

3 Asset Quality

4 Capital

5 Funding and Liquidity

6 Outstanding Debt

7 Glossary

Outstanding Debt



Summary of terms

<i>Issuer</i>	Argenta <u>Spaarbank</u>
<i>Size</i>	EUR 0.5bn
<i>Rating (S)</i>	BBB-
<i>Spread</i>	MS + 395bp
<i>Settlement</i>	24 May 2016
<i>Call</i>	24 May 2021
<i>Maturity</i>	24 May 2026
<i>Issue Price</i>	99,59%
<i>Listing</i>	Luxembourg
<i>JLM</i>	BNP/HSBC

Summary of terms

<i>Issuer</i>	Green Apple 2017-I NHG
<i>Seller</i>	<u>Argenta Spaarbank</u>
<i>Size</i>	EUR 1.2bn Class A
<i>CE</i>	13.0%
<i>Rating (F/M)</i>	AAA / <u>Aaa</u>
<i>FORD</i>	March 2024
<i>Settlement</i>	5 Oct 2017
<i>Issue Price</i>	101.09%
<i>Listing</i>	Luxembourg
<i>Arranger</i>	ABN AMRO

Summary of terms

<i>Issuer</i>	Green Apple 2018-I NHG
<i>Seller</i>	<u>Argenta Spaarbank</u>
<i>Size</i>	EUR 1.0bn Class A
<i>CE</i>	12.0%
<i>Rating (F/M)</i>	AAA / <u>Aaa</u>
<i>FORD</i>	January 2025
<i>Settlement</i>	26 June 2018
<i>Issue Price</i>	101.10%
<i>Listing</i>	Luxembourg
<i>Arranger</i>	ABN AMRO

Wrap up

- Strong and resilient business model with unique client loyalty and brand scores.
- Argenta continues its focus on digitalization and on- and off-balance growth
- Interest margins have bottomed out in an environment of persistent low interest rates.
- Very strong solvency, funding and liquidity position.

- 
- | | |
|---|-----------------------|
| 1 | Argenta Overview |
| 2 | Financial Performance |
| 3 | Asset Quality |
| 4 | Capital |
| 5 | Funding and Liquidity |
| 6 | Outstanding Debt |
| 7 | Glossary |

Glossary (1/2)

ABS	Asset-backed security
AFS	Available for sale
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.
BIII	Basel 3
Combined ratio	$\frac{[\text{technical insurance charges} + \text{acquisition costs} + \text{operating expenses}]}{[\text{earned premiums}]}$ (after reinsurance)
Common Equity Tier 1 ratio or CET 1	$\frac{[\text{common equity tier 1 capital}]}{[\text{total weighted risks}]}$
Cost of Risk or CoR	$\frac{[\text{net changes in specific and portfolio-based impairments for credit risks}]}{[\text{average outstanding loan portfolio}]}$
Cost/income or C/I	<p>$\frac{[\text{operating expenses of the period}]}{[\text{financial and operational result of the period}]}$</p> <p>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).</p>
Cost/income or C/I excl. Bank levies	$\frac{[\text{operating expenses of the period} - \text{bank levies of the period}]}{[\text{financial and operational result of the period}]}$
Coverage ratio	$\frac{[\text{total specific impairment provision for non-performing loans}]}{[\text{total outstanding non-performing loans}]}$
CRR	Capital Requirements Regulation
SREP	Supervisory Review and Evaluation Process performed by the European Central Bank

Glossary (2/2)

HTM	Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments that an entity intends and is able to hold to maturity and that do not meet the definition of loans and receivables and are not designated on initial recognition as assets at fair value through profit or loss or as available for sale. Held-to-maturity investments are measured at amortised cost.
IFRIC	International Financial Reporting Interpretations Committee
Leverage Ratio or LR	$[\text{regulatory available tier-1 capital}] / [\text{total exposure measures}]$. 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	$[\text{stock of high quality liquid assets}] / [\text{total net cash outflow over the next 30 calendar days}]$.
Loan-to-funding or LTF	$[\text{loans-and-receivables}] / [\text{financial liabilities measured at amortized cost}]$
MREL	Minimum requirement for own funds and eligible liabilities
Net interest income or NII	$[\text{revenues generated by interest-bearing assets}] - [\text{cost of servicing (interest-burdened) liabilities}]$
Net interest margin or NIM	$[\text{net interest income of the period}] / [\text{average total assets of the period}]$ Total assets are used as a proxy for the total interest-bearing assets.
Net stable funding ratio or NSFR	$[\text{available amount of stable funding}] / [\text{required amount of stable funding}]$
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	$[\text{total outstanding non-performing loans}] / [\text{total outstanding loans}]$
O-SII	Other systemic important institutions
Return on equity or RoE	$[\text{net profit of the period}] / [\text{equity at the beginning of the period}]$
RMBS	Residential mortgage-backed security
Tier 2	Tier 2 capital is the secondary component of bank capital, in addition to Tier 1 capital
Total Capital ratio or TCR	$[\text{common equity tier 1 capital} + \text{additional tier 1 instruments} + \text{tier 2 instruments}] / [\text{total weighted risks}]$

Contact us:

Investor.relations@argenta.be

Geert.Ameloot@argenta.be

Christian.lambrechts@argenta.be

Erwin.desmet@argenta.be

More information:

www.argenta.eu

