Argenta Spaarbank

Financial results 2019

March 2020

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Agenda

1. Key takeaways 2019

- Strong commercial performance and solid financial results despite lower interest rate environment:
  - Funds under management grew to 43.0 billion EUR (+9%) mainly as a result of higher saving volumes, strong fee production volumes and positive stock market movements in 2019. Fee income has risen to 109 million EUR in 2019.
  - 5.6 billion EUR[1] new mortgage loans granted in 2019 to Belgian and Dutch households (+14%), mainly the result of higher volumes in Belgium (+40%). Retail mortgage loan production market share at 7.3% in Belgium and 2.1% in the Netherlands.
  - Higher recurring net interest income and an increasing net fee and commission result were compensated by higher operating expenses, leading to a cost/income ratio for 2019 of 69% (including bank levies).
  - Net profit of 117 million EUR with an ROE of 5.8%.
  - The decrease in market interest rates has led to a negative mark-to-market of hedge derivatives of 12 mio EUR after tax. Excluding the non-operational MtM effect, ROE is 6.4% and the net interest margin slightly decreased to 1.32%.
- Robust capital and liquidity position:
  - IRB CET 1 increased to 24.8%, TCR of 30.8%, well in excess of the SREP requirement.
  - Sound liquidity position with LCR of 172% and NSFR of 136%.

(1) New loans granted, excluding internal refinancing of existing loans from Argenta

2. Strategy and Business Profile

2. Overview of Key Financial Data

FY 2019

Argenta Group

Net result	174.1 m
Return on Equity	6.5%
Total assets	50.0 bn
Total equity	2.9 bn
Cost / Income[1]	64%
Total funds under mgmt	48.7 bn
CET 1	24.4%

Argenta Spaarbank

Net result	117.5 m
Return on Equity	5.8%
Total assets	43.0 bn
Total equity	2.1 bn
Cost / Income[1]	69%
Total funds under mgmt	43.0 bn
CET 1	24.8%

Credit Rating

Standard & Poor's	
Short-term	A-2
Long-term	A-
Outlook	Stable

Argenta Assuranties[2]

Net result	51.3 m
Return on Equity	11.3%
Total assets	7.0 bn
Total equity	0.5 bn
Premium Life[3]	653 m
Premium Non-life	147 m
Solvency II	265%

Note: all numbers are stated in EUR

(1) Cost / Income ratios excluding bank levies are 52% for Argenta Group and 55% for Argenta Spaarbank – see slide 15
(2) BGAAP
(3) Including Universal Life unit-linked

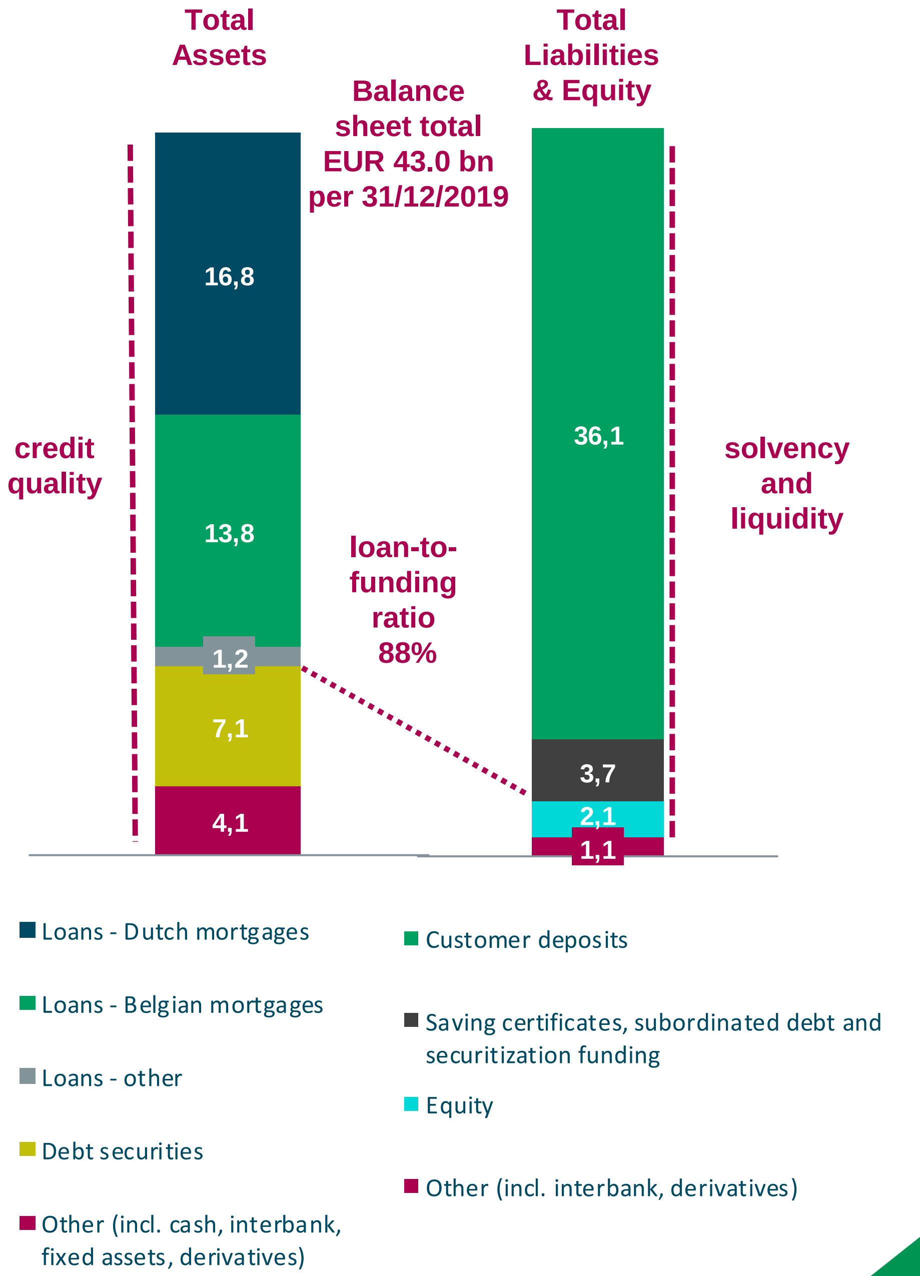
2. Financial Objectives

Argenta Spaarbank	FY 2018	FY 2019	LT Target
Return on Equity	6,8%	5.8%	>8%
Leverage Ratio	4,7%	4,6%	>4%
Cost / Income Ratio (excluding bank levies)	56%	55%	40%
CET 1 Ratio	23,1%	24,8%	>18%
Total Capital Ratio	29,0%	30,8%	>20%
Net Interest Margin (NIM)	1,37%	1,29%	>1.35%
NSFR	141%	136%	>120%
LCR	170%	172%	>125%

- Due to the further decrease of interest rates, the result of 2019 is impacted by a one-off mark-to-market adjustment related to the hedge derivatives (-12 mio after tax). Adjusted for this MtM of hedge derivatives the ROE remains stable at 6.4%, the Cost / Income ratio (excluding bank levies) is at 54% and NIM is 1.32%.

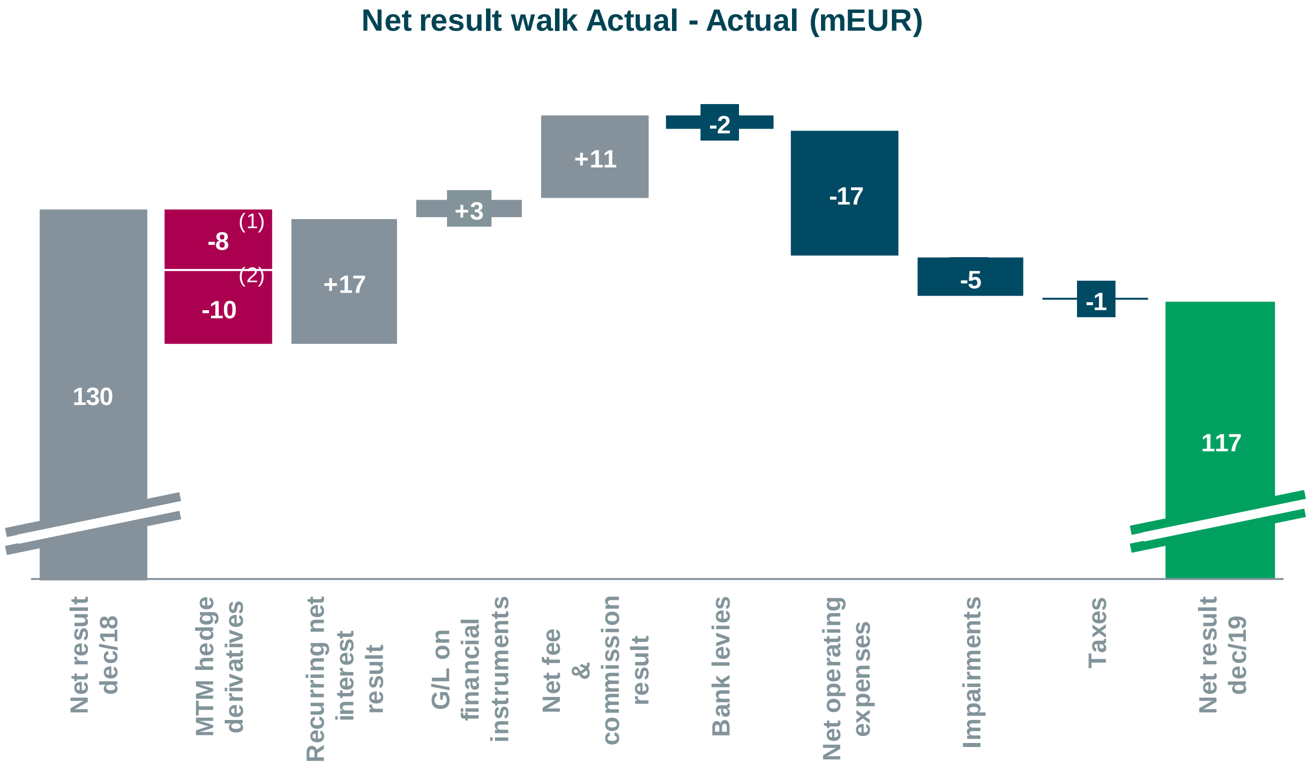
2. Balance Sheet Composition

- Balanced growth of assets between a low-risk loan book of mainly prime retail mortgage loans in the Netherlands and Belgium, and a well diversified and conservative investment portfolio.
- Growing portfolio of loans granted to local authorities in support of public-private partnerships.
- Strong retail funding profile with low loan-to-funding ratio of 88%. Deposit market share increased from 8.3% to 8.5%.
- Diversification of funding sources with 3.1 billion EUR of securitizations (issued in 3 Green Apple transactions), EMTN issuance February 2019 and subordinated debt.



3. Financial performance

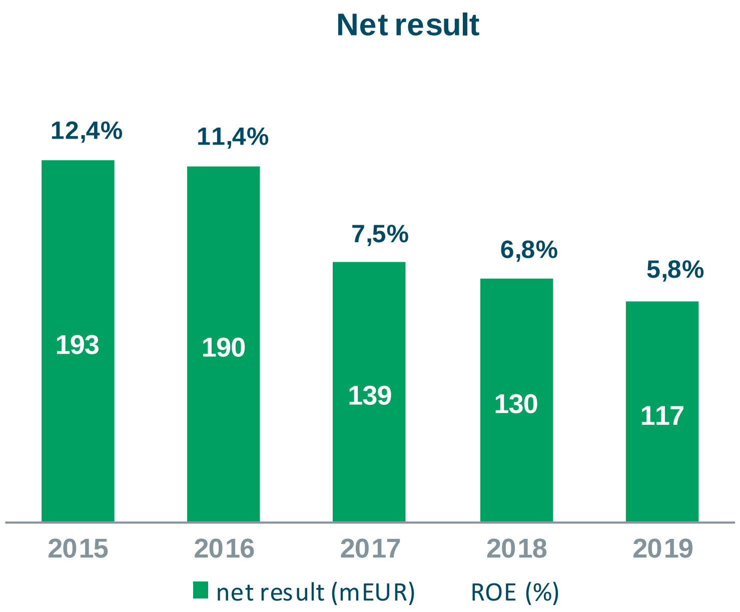
3. Overview FY result 2019



- Lower interest rates result in a one-off IFRS effect of -18 mio YoY related to mark-to-market of hedge derivatives.
- 17 mio (+3%) higher recurring net interest income partially compensates the mark-to-market impact. Main drivers are an increased mortgage production, the maturing of expensive term deposits and the diversification of funding sources.
- Better net fee and commission result mainly driven by the growing asset management business
- Net operating expenses up 9% mainly driven by digital and IT investments.
- Increase in impairment provision of 5 mio.

(1) -8 mio YoY impact of MtM changes caps and swaps, included in gains & losses
(2) -10 mio YoY impact of MtM changes swaptions, included in net interest result

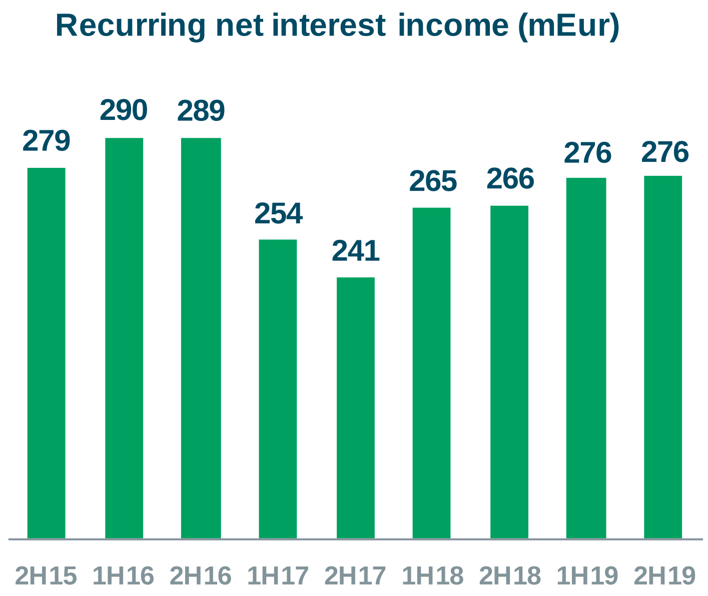
Net result development

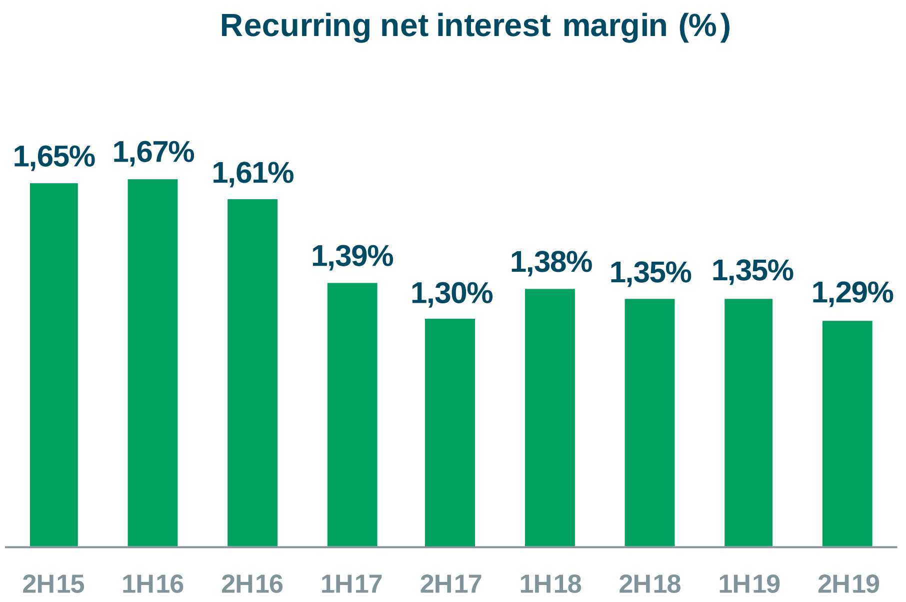


In millions of EUR	2018	2019	Δ
Net interest income	531	538	+7
recurring NII	*535*	*552*	*+17*
one-off impact MTM	*-4*	*-14*	*-10*
G/L on financial instruments	5	-1	-6
general result	*-2*	*1*	*+2*
one-off impact MTM	*7*	*-2*	*-8*
Net fee & commission result	-42	-30	+11
fee income	*97*	*109*	*+12*
commissions to agents	*-139*	*-140*	*-1*
Bank levies	-70	-72	-2
Net operating expenses	-256	-273	-17
other operating income	*26*	*18*	*-8*
operating expenses	*-282*	*-291*	*-9*
Impairments	3	-3	-5
Income tax expense	-41	-41	-1
Net profit	**130**	**117**	**-12**

- Result 13 mio lower than 2018 due to mark-to-market adjustment on hedge derivatives.
- Corrected for this adjustment, net result is stable compared with 2018.

3. Recurring[1] NII up by 4% yoy

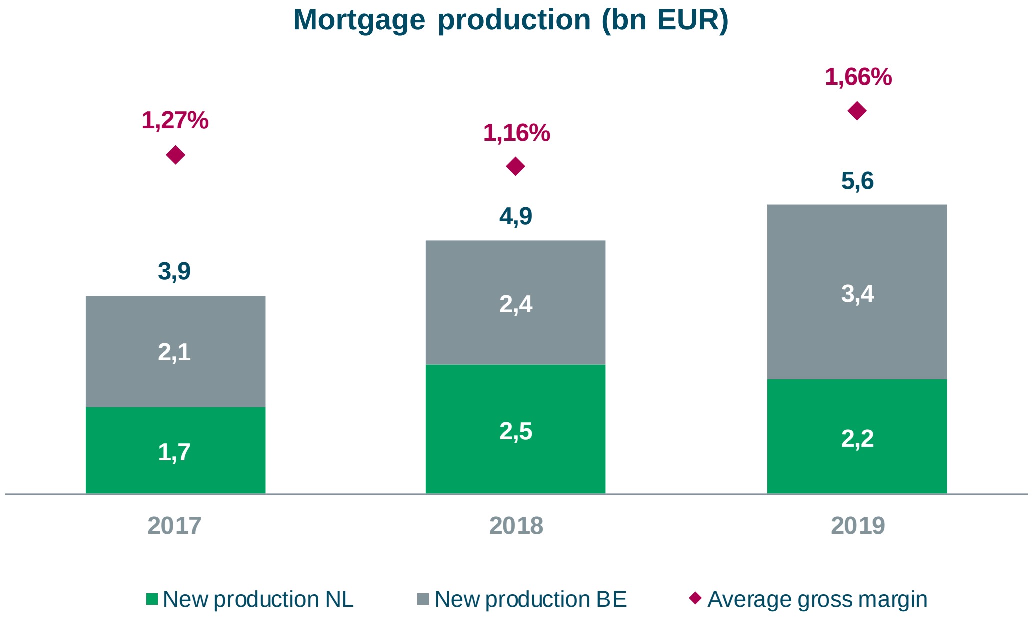




- Recurring net interest income stable, supported by a growing mortgage loan portfolio.
- Pressure on new mortgage loan pricing and lower reinvestment yields in the investment portfolio are compensated by lower interest expenses, as expensive retail term deposits mature.
- The funding cost for Belgian regulated saving accounts is at the legal floor of 11bps but diversification of funding sources to wholesale funding with 3.1 bio securitization funding outstanding, supports the improvement of the net interest result.
- Recurring net interest margin FY under pressure and decreased to 1.32% (1,29% including MtM of derivatives).

(1) Corrected for MtM changes of swaptions

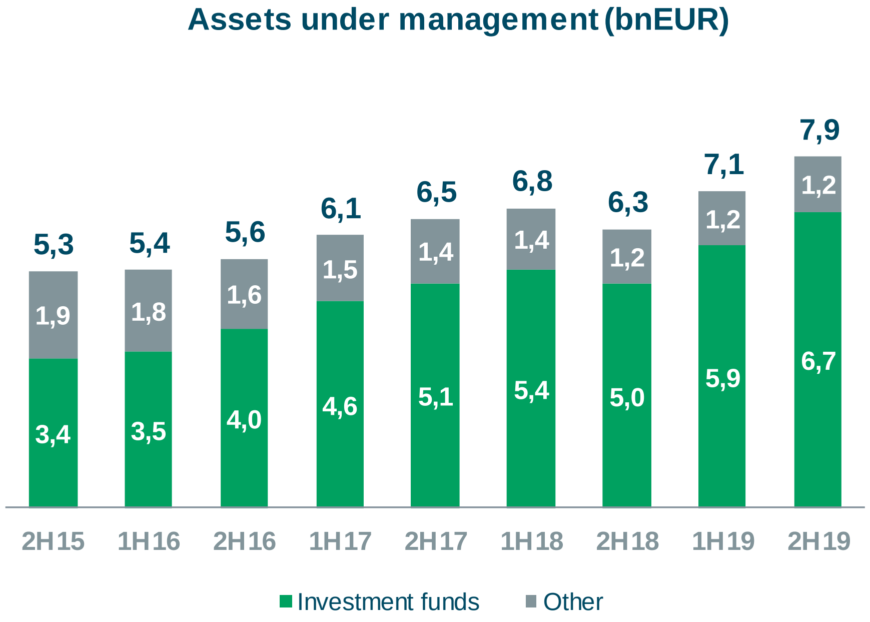
3. Mortgage production and margins

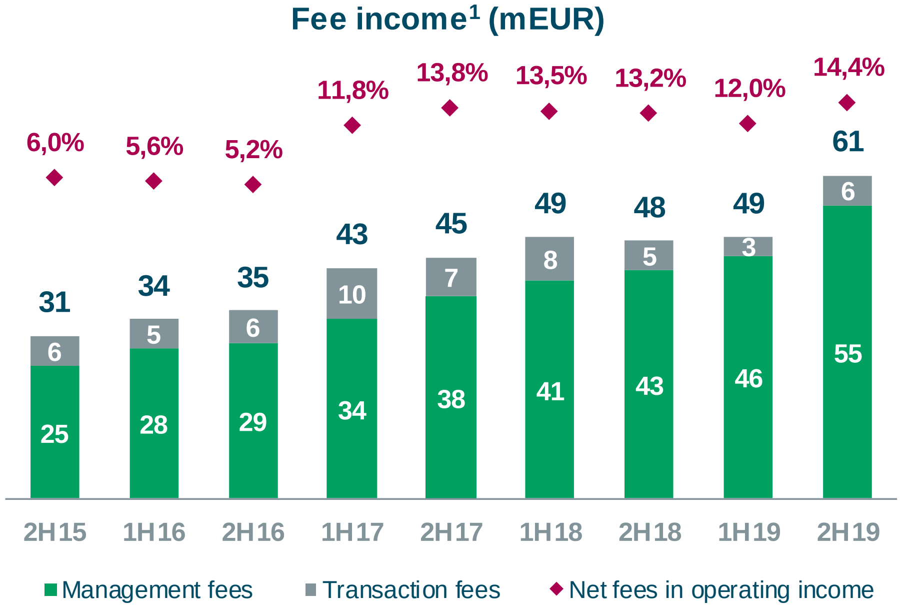


- 5,6 billion EUR[1] new loans granted in 2019 to the Belgian and Dutch households.
  - FY Production in Belgium increased by 42% caused by the abolishment of the Flemish Housing Tax premium as of 01/01/2020.
  - FY Production in the Netherlands down by 12%.
- Margins on new mortgage production increased because the decrease in swap rates has not been fully reflected in the client rates. However real funding cost did not decrease accordingly because of legal floor on retail deposits.
- Retail mortgage loan production market share at 7.3% in Belgium and 2.1% in the Netherlands.
- Portfolio market share in Belgium increased to 5.9% and remained stable in the Netherlands at 2.6%.

(1) New loans granted, excluding internal refinancings of existing loans from Argenta

3. Increasing revenue in Fund Management



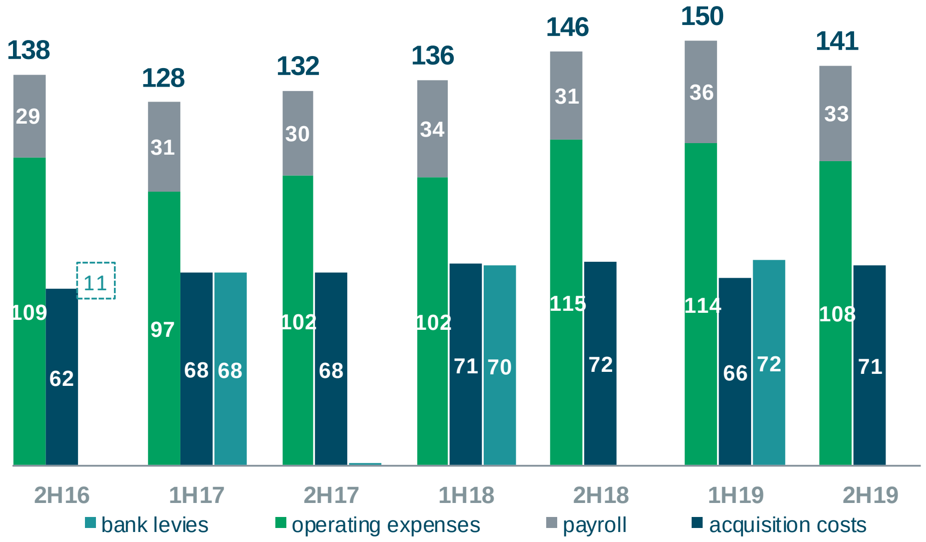


- Strategic focus on fee income derived from retail investment funds continues to contribute to operating income diversification.
- Commercial actions on Argenta Portfolio supported a FY net production of 677 mio, creating a surge in fees.
- As a result the market share in ICB funds[2] increases from 3,8% to 4,1% YoY. Assets under management grew to 7.9 bn EUR, up 26% YoY.
- Total fee income in H2 2019 increased to 61 mio EUR: more management fees on a higher portfolio, driven by a FY positive market valuation and growing net production.

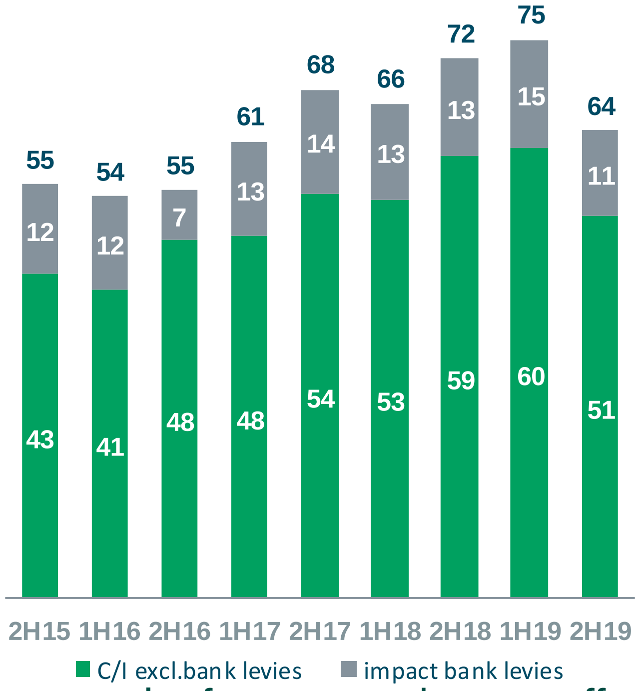
(1) Excluding commissions to agents.
(2) Data of 30/09/2019

3. Investing in the Future

Opex and acquisition costs[1] (mEUR)



Cost / income ratio[2] (%)



- Operating expenses and payroll cost decreased in the second half of 2019 as a result of cost containment efforts.
- Increased acquisition costs[1] compared to the first semester driven by strong fee and mortgage production.
- Increase in total bank levies of 2 mio to 72 million EUR in 2019.
- FY 2019 cost/income ratio at 69%; when excluding bank levies it is 55%. Trend reversal in H2 thanks to cost saving measures.
- C/I ratio adjusted for MtM hedge derivatives is 67% including bank levies and 53% excluding bank levies.

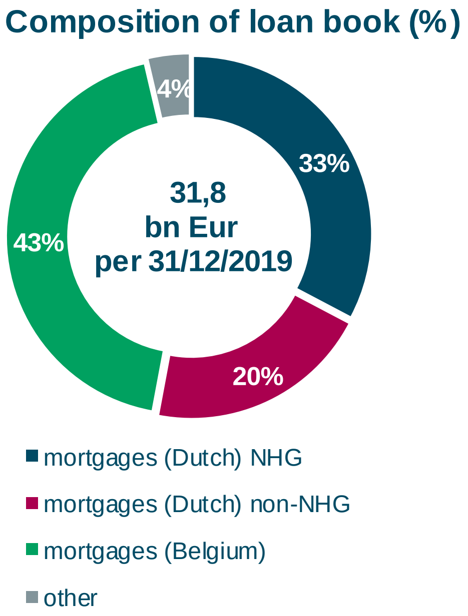
(1) Acquisition costs relate to commissions paid to the branch network for product distribution.

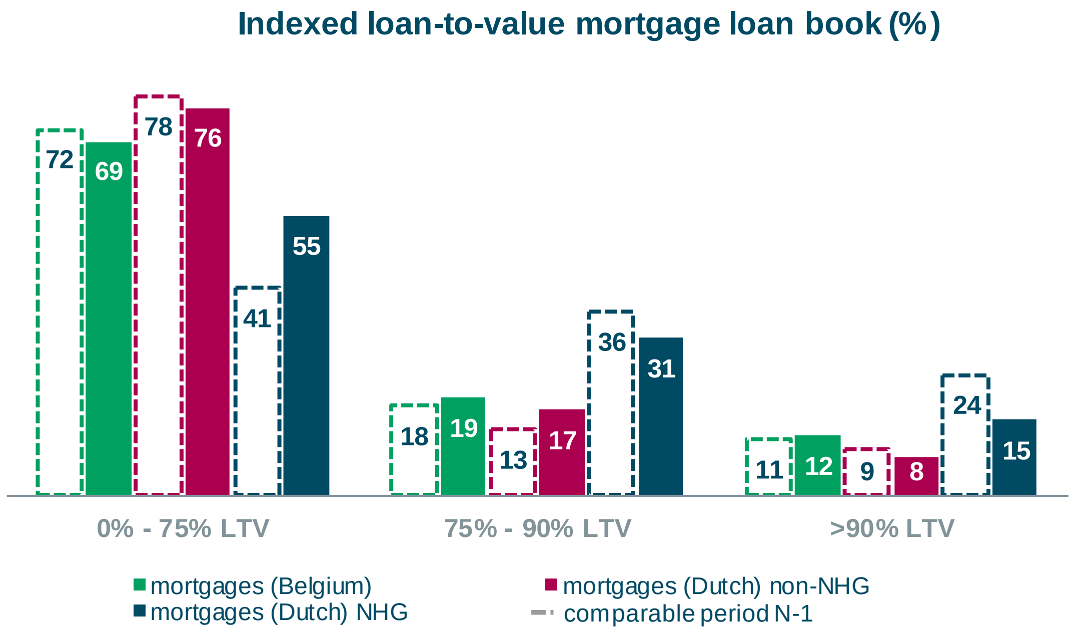
(2) Corrected for MtM changes of hedge derivatives

4. Asset quality

4. A high-quality loan book

EOY 2019

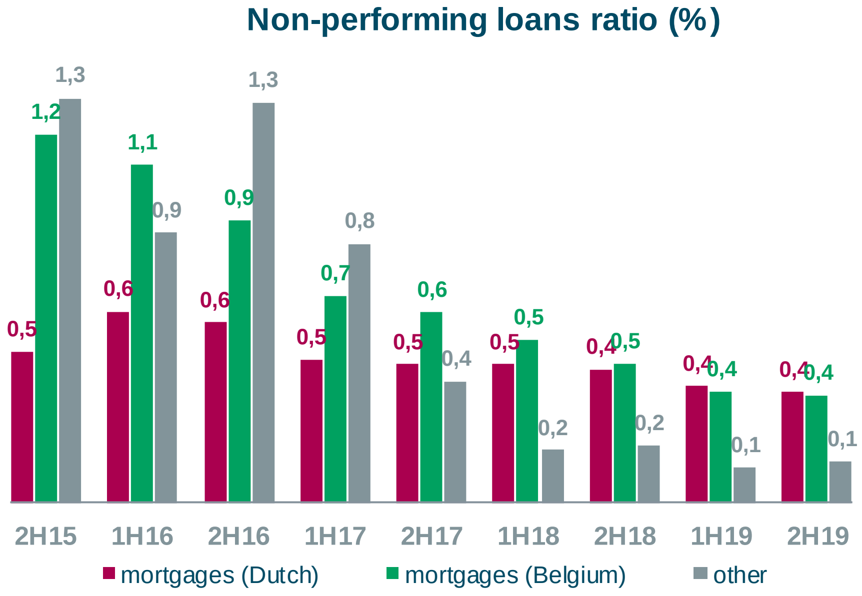


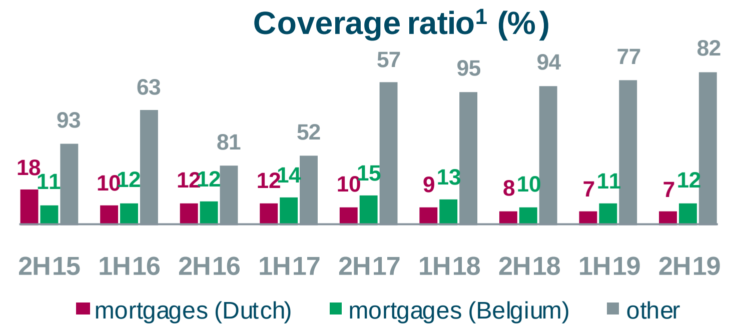


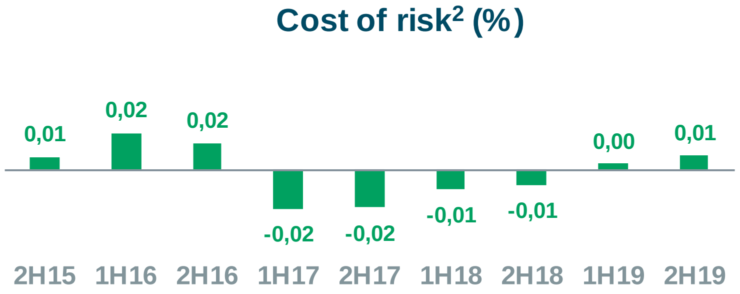
- The residential mortgage loan portfolio in Belgium and the Netherlands composes 96% of the loan book. The remaining 4% consists of consumer loans, local and regional governments and public-private partnerships.
- The share of NHG[1] loans in the Dutch mortgage portfolio decreases from 66% to 62%.
- The average LTV for Belgian mortgages is at 59% (stable) and for Dutch mortgages at 66% (-3%). The total portfolio LTV slightly decreased to 63%.

(1) NHG (National Mortgage Guarantee) is a guarantee scheme by the Dutch government on residential mortgages

4. NPL's and Cost of Risk stable at low levels







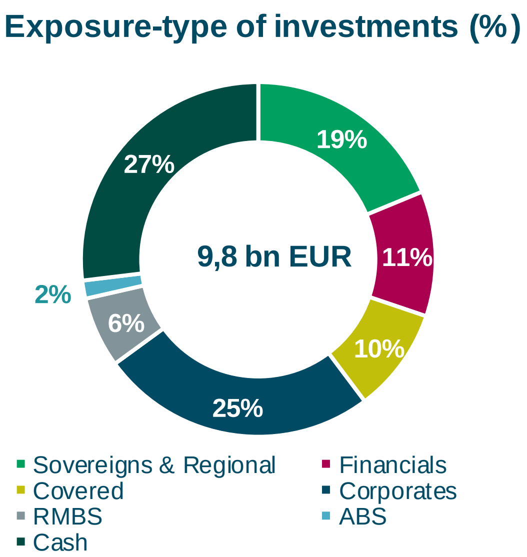
- Consistent low risk at historical low NPL levels confirms high quality of mortgage loan. Only 0.36% of the mortgage loan book is non-performing.
- Average coverage ratio of 11,0% proves high quality of prime mortgage collateral.
- Cost of risk remains close to zero.

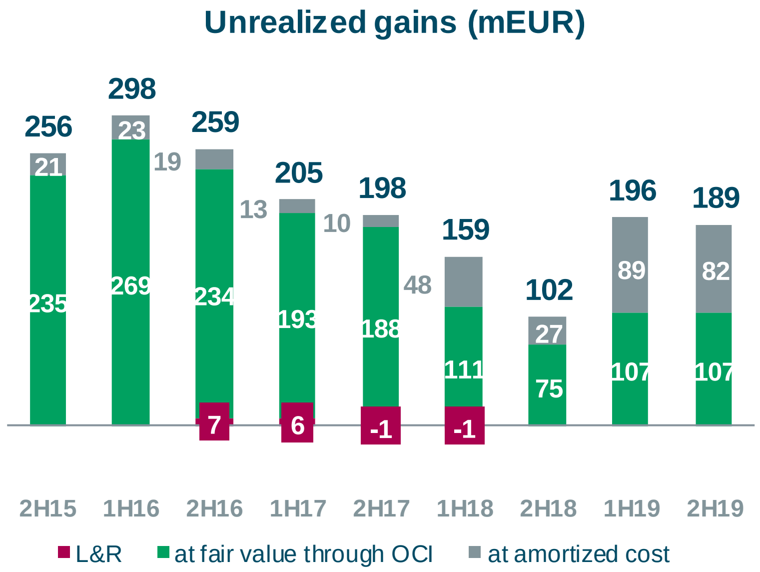
(1) Coverage ratio: Specific (stage 3) impairments/Total outstanding NPLs

(2) Cost of risk: Collective (stage 1&2) and specific (stage 3) impairments / Average outstanding of total loan portfolio

4. Diversified and liquid investment portfolio

EOY 2019

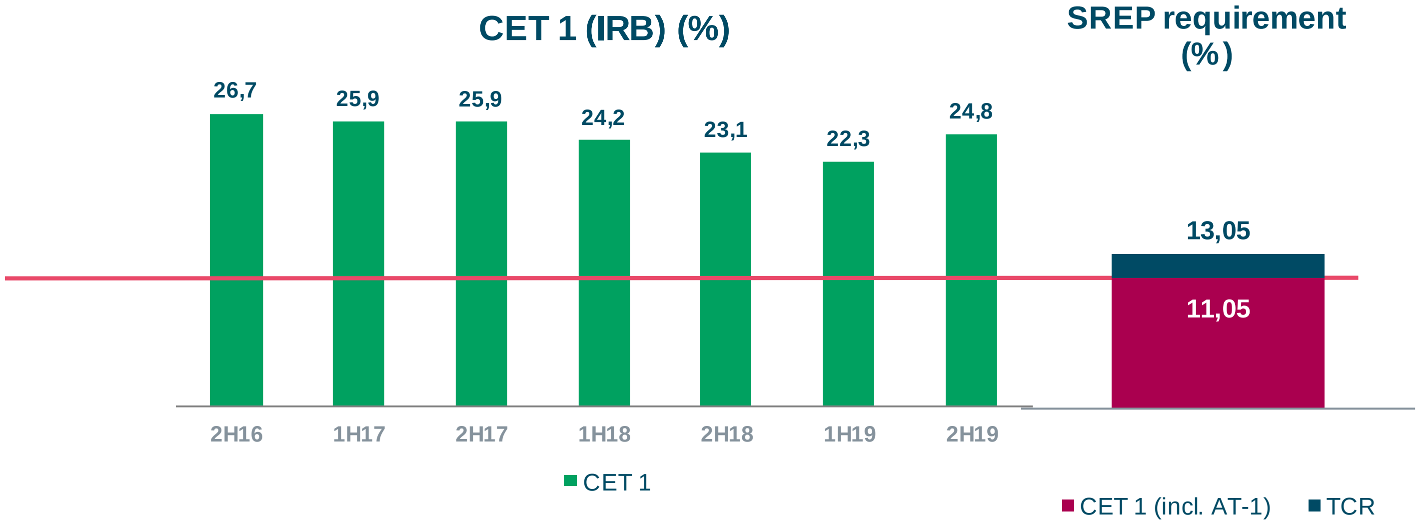


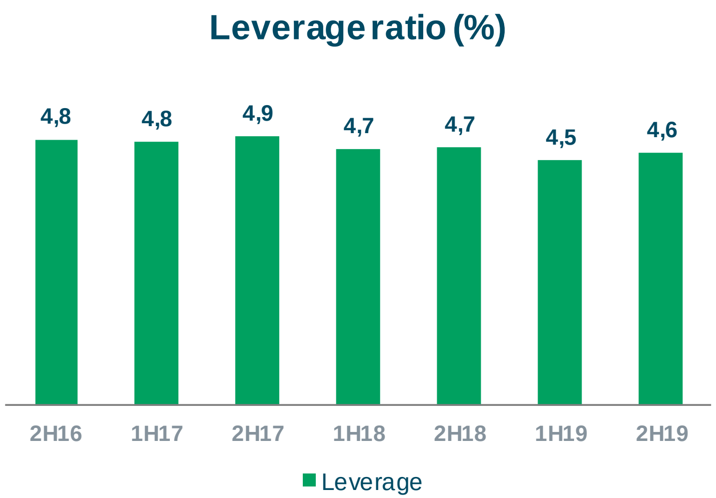


- Portfolio up (0.6 bn EUR) but important shift to cash due to ECB tiering, which allows more cash being held at 0%, replacing negative-yielding short-term bonds.
- Well-balanced conservative portfolio with sustainable exclusion criteria for activities such as coal, tobacco, nuclear energy,… and a positive focus on investing in renewables, energy transition, social housing and the like.
- No exposure to CDO, CLO, Alt-A, subprime.
- High quality investments : 40% of the portfolio is rated AA and above and 98% of the portfolio is investment grade. Unrealized capital gains of 189 million EUR
- Exclusively euro-denominated with focus on European markets: 95% of portfolio in European Economic Area.

5. Solvency and liquidity

5. Solvency well above SREP requirement





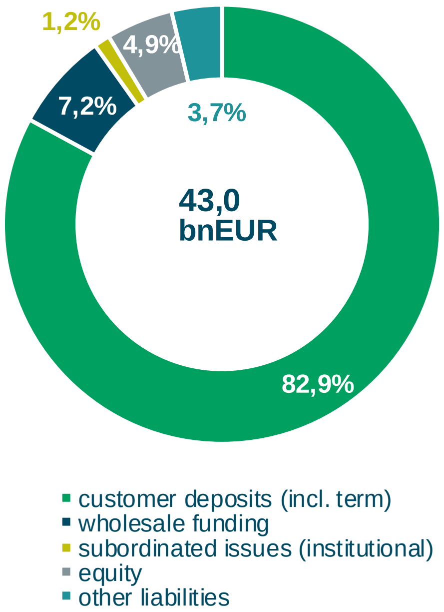
- Strong CET 1 (IRB) ratio of 24.8%, up with 2.5% compared to H1 2019 and mainly due to:
  - Increase in CET-1 capital to 2.066 mio
  - RWA of the investment portfolio decreased due to a shift from short term investments to cash in the context of the ECB tiering program.

- Leverage ratio slightly higher at 4,6%.
  - Increased exposure in mortgage portfolio is offset by retained earnings

5. Funding and Liquidity Position

EOY 2019

Funding mix (%)



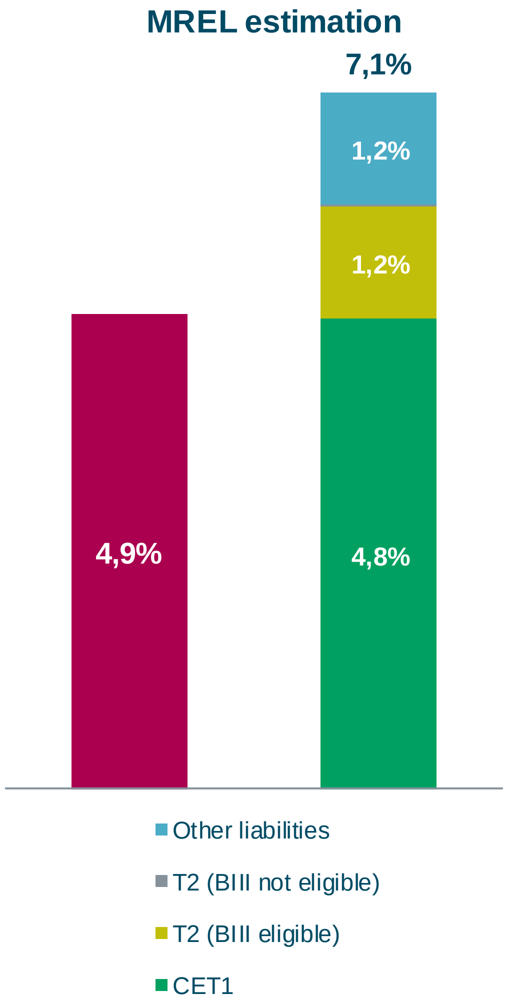
In %	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19	2H19
Liquidity coverage ratio[1]	180	168	179	167	162	195	170	170	172
Net stable funding ratio[2]	144	142	145	145	143	145	141	138	136

- Strong liquidity position, well above regulatory limits for both LCR and NSFR.
- Stable deposit funding base mainly consisting of retail savings deposits and current accounts.
- Diversification of funding sources with 3.1 billion EUR of securitizations of Dutch NHG mortgages (issued in 3 Green Apple transactions), EMTN issuance February 2019 and subordinated debt.

(1) Basel III
(2) EU Delegated Act

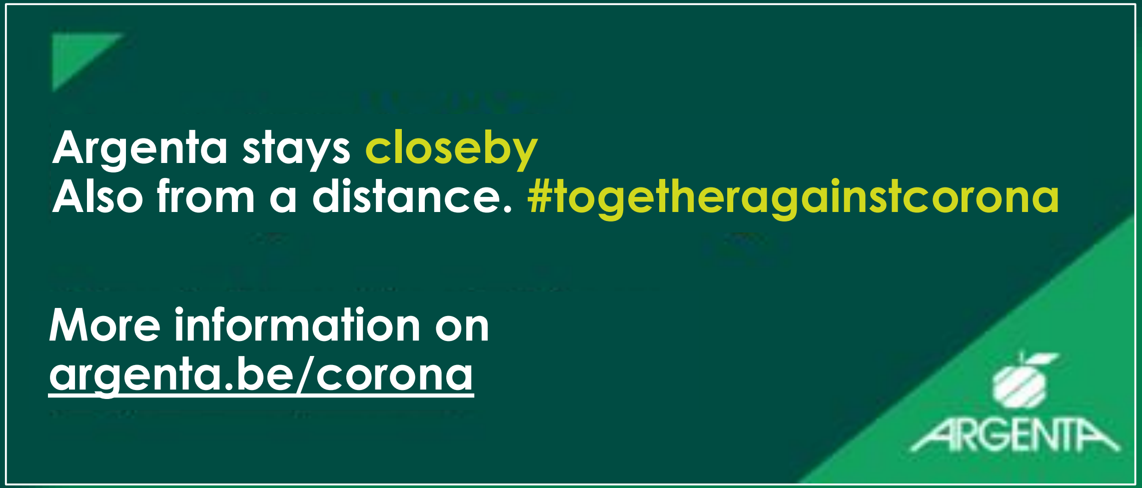
5. MREL update

Bail-in capacity Argenta Spaarbank



- The SRB has communicated a target MREL ratio of 4.85% of total liabilities and equity for 2019
- The MREL requirement based on the target ratio equals 2 billion EUR.
- Available MREL is 3.1 billion EUR and well above this requirement.
- Successful 500 million SNP issuance in January 2020 in support of MREL-eligible debt (not included in graph).

6. Covid-19


Argenta stays closeby
Also from a distance. #togetheragainstcorona
More information on
argenta.be/corona
ARGENTA

6. Covid-19: #togetheragainstcorona

- Protective measures towards our clients, employees, branch owners and other stakeholders
  - Head office:
    - Telework head office, 50/50 since March 9th and 100% since March 16th, fully operational for 1200 employees.
    - Tips & Tricks for management to ensure practical and moral support for our employees working from home.
  - Branch network:
    - Crucial role as “partner in trust” for our customers but maximum restriction on physical contact to protect clients and branch personnel
    - Communication and transactions by maximum use of digital tools. Appointments only approach.
- Covid-19 task force in place
  - Daily coordination, follow-up, and communication of COVID-19 related items
  - Regular follow-up with stakeholders (federations, government, regulators, rating agencies, etc.)

6. Covid-19: Business continuity - impact on the customers

- Retail lending
  - Custom solution for Belgian customers who experience payment problems as a consequence of the Covid-19 crisis.
  - As from March 27th, practical implementation of the government measures with regards to 6 month mortgage moratorium modality.

- Retail investment funds
  - Proactive & transparent communication to clients with regard to retail fund valuations
  - Info on markets, central bank measures, fund managers views and actions

- Daily banking and insurance
  - Maximum use of digital transactions (internet banking and Argenta-App) with support from the branch network and the contact center
  - Prevention and warning for increased phishing hazard

6. Covid-19: Financial impact at this moment

- Financial markets are going through continued turmoil despite central bank and government aid packages
- Stock exchanges have gone through up to 40% index drops and remain highly volatile
  - No direct impact as Argenta Spaarbank has no equity exposure.
  - Indirect impact of lower management fees on retail investment funds until now worse case estimated at -5% of the annual gross profit.
- Euro interest rates have shown resilience as the ECB did not lower its monetary policy rates
- Credit risk:
  - Investment portfolio: traditionally conservative investment policy and no exposure to troubled or short cycle sectors and no material impact on IFRS 9 provisions as only limited rating downgrades were observed yet.
  - Loan portfolio: high quality loan portfolio with low average LTVs and high quality collateral. At this stage: no measurable impact and 2020 provisions will be determined considering the economic situation, measures taken by authorities and the credit quality of the loan portfolio.
- Risk weighted solvency buffers of Argenta remain best-of-class in Europe.
- Liquidity remains strong and untouched.

7. Wrap-up

7. Wrap-up

2019 Argenta Spaarbank

- Strong commercial performance complemented by a growing client base.
- An increase in assets under management, including a shift towards Argenta managed funds, adds to a growing fee income.
- Growth in saving- and current accounts resulted in a higher market share in Belgium.
- Strong mortgage loan origination adds to an already robust loan portfolio of high quality.
- Increase of recurring net interest income due to strong mortgage production, which compensates for the slightly decreasing recurring interest margin as a result of lower interest rates.
- Result of 2019 is impacted by a one-off mark-to-market adjustment related to the hedge derivatives.
- Continued focus on digitalization but cost basis contained during 2H2019, contributing to a stable Cost/Income-ratio of 69%.
- Very strong solvency, funding and liquidity position.
- Taking the Covid-19 crisis very seriously but no major impact as of now

8. Appendices

8. Appendices Overview

Group Structure

- Appendix 1: Entity structure

Additional financial information

- Appendix 2: Balance sheet – Assets
- Appendix 3: Balance sheet – Liabilities
- Appendix 4: Balance sheet – Equity
- Appendix 5: Income statement
- Appendix 6: Bank levies (IFRIC 21)
- Appendix 7: Net interest income

Additional information on solvency

- Appendix 8: Regulatory capital
- Appendix 9: Regulatory risk exposures
- Appendix 10: Solvency ratios
- Appendix 11: Investments

Glossary

8. Appendix 1

Group structure (share % rounded)

A transparent group structure

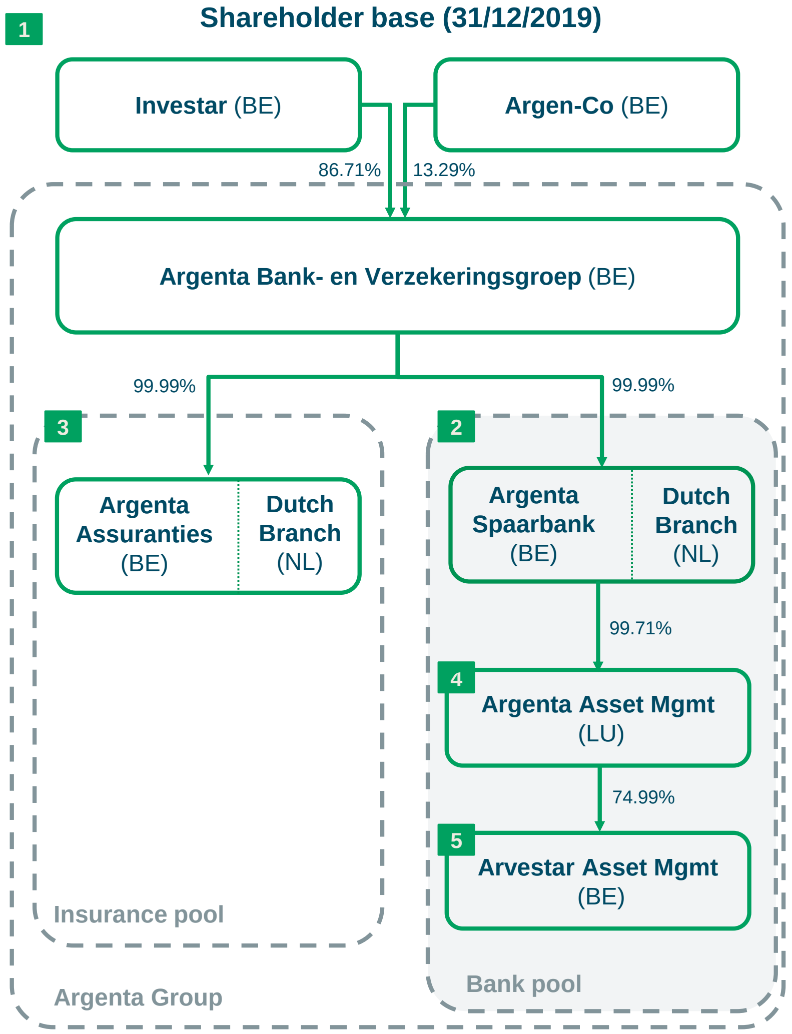
1 Stable shareholder base Investar (holding company of founding family) and Argen-Co (cooperative capital held by employees and clients).

2 Banking operations in Belgium and the Netherlands.

3 Insurance operations in Belgium and the Netherlands.

4 Asset management operation incorporated in Luxembourg.

5 On 30 July 2018, Arvestar Asset Management (AAM) was founded, a consolidated joint venture with Bank Degroof Petercam Asset Management N.V. (DPAM).



8. Appendix 2

Argenta Spaarbank balance sheet – Assets

In millions of EUR	31/12/2018	30/06/2019	31/12/2019	▲FY-FY
Cash and cash equivalents	**1.140**	**1.678**	**2.630**	**1.490**
Loans and advances	**29.800**	**31.447**	**32.328**	**2.528**
o.w. to credit institutions	33	583	383	349
o.w. to customers	29.767	30.863	31.945	2.178
Debt securities and equity instruments	**8.063**	**8.217**	**7.142**	**-921**
o.w. at fair value through P&L	65	69	66	2
o.w. at fair value through OCI	3.811	4.004	3.529	-281
o.w. at amortized cost	4.188	4.145	3.547	-641
Derivatives incl. hedge adjustment	**277**	**633**	**578**	**301**
Other assets	**279**	**432**	**342**	**63**
Total assets	**39.561**	**42.406**	**43.021**	**3.460**

8. Appendix 3

Argenta Spaarbank balance sheet – Liabilities

In millions of EUR	31/12/2018	30/06/2019	31/12/2019	▲FY-FY
Deposits from central banks	**0**	**0**	**47**	**47**
Financial liabilities	**36.960**	**39.302**	**39.839**	**2.878**
o.w. at-fair-value-through-P&L	0	0	0	0
o.w. credit institutions	5	2	11	6
o.w. customer deposits	33.917	35.232	36.128	2.211
o.w. debt certificates	2.463	3.518	3.168	705
o.w. subordinated liabilities	575	551	533	-43
Derivatives	**355**	**743**	**686**	**331**
Other liabilities	**230**	**314**	**325**	**95**
Total liabilities	**37.545**	**40.359**	**40.897**	**3.352**

8. Appendix 4

Argenta Spaarbank balance sheet – Equity

In millions of EUR	31/12/2018	30/06/2019	31/12/2019	▲FY-FY
Core equity	**2.009**	**2.016**	**2.096**	**87**
Paid-in share capital	770	770	816	46
Retained earnings	1.109	1.225	1.163	54
Profit of current period	130	21	117	-13
Gains and losses not recognised in the income statement	**6**	**31**	**28**	**22**
Reserve at fair-value-through-OCI	14	37	34	19
Reserve cash flow hedge	-8	-6	-5	3
Revaluation pension plan	0	0	-1	-1
Minority interests	**0**	**0**	**0**	**0**
Total equity	**2.015**	**2.047**	**2.124**	**108**

8. Appendix 5

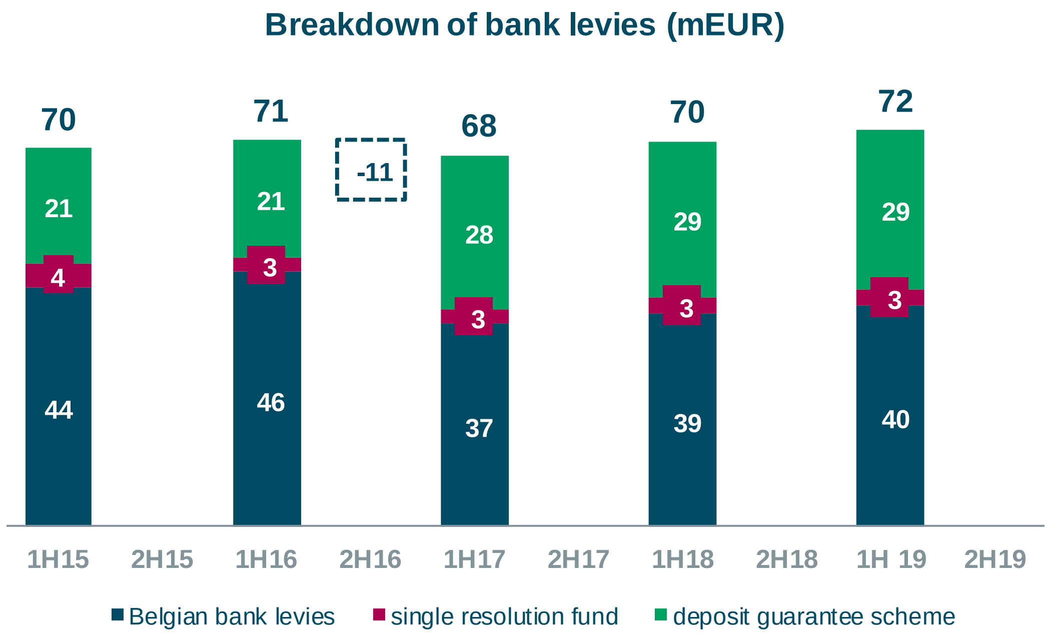
Argenta Spaarbank income statement

In millions of EUR	2H 2018	1H 2019	2H 2019	▲2H-2H	FY 2018	FY 2019	▲FY-FY
Net interest income	266	259	279	13	531	538	7
Net commissions and fees	-23	-18	-13	10	-42	-30	11
Net gains and losses	2	-2	1	-1	5	-1	-6
o.w. at fair value through OCI	3	4	1	-2	4	5	1
o.w. at amortized cost	0	1	1	1	1	2	0
o.w. at fair value through P&L	-1	-7	-1	0	-1	-8	-7
Other net operating income	10	10	8	-2	26	18	-8
Total income	**256**	**249**	**275**	**20**	**520**	**524**	**4**
Operating expenses	-146	-222	-141	5	-352	-363	-11
o.w. payroll expenses	-31	-36	-33	-2	-65	-70	-4
o.w. operating expenses	-115	-114	-108	8	-217	-221	-4
o.w. bank levies	0	-72	0	0	-70	-72	-2
Operating profit	**110**	**27**	**134**	**25**	**168**	**161**	**-7**
Impairments	2	0	-2	-4	3	-3	-5
o.w. at fair value through OCI	0	0	0	0	0	0	0
o.w. at amortized cost	1	0	-2	-3	3	-2	-5
o.w. other	0	0	0	0	0	0	0
Non-current assets held for sale	0	0	0	0	0	0	0
Profit before tax	**111**	**26**	**132**	**21**	**170**	**159**	**-12**
Income tax expense	-28	-5	-36	-8	-41	-41	-1
Net profit	**84**	**21**	**96**	**12**	**130**	**117**	**-12**

8. Appendix 6

Impact IFRIC 21 Bank Levies

- IFRIC 21 (Levies) was approved by the European Union in June 2014 and became effective on 1 January 2015. The main consequence of IFRIC 21 is that most bank levies have to be recognised in advance.
- Advance recognition adversely impacts the result for the first half year. For this reason Argenta Spaarbank published an adjusted net result figure, which prorates the levies throughout the financial year.
- Reform of Belgian bank levies decreased the levy expense with 11 million EUR, to a total of 60 million EUR for FY 2016.



8. Appendix 7

Net Interest Income - composition

In millions of EUR	dec/17	dec/18	dec/19
Interest income *(excl. hedging)*	**834**	**809**	**812**
Mortgages	738	718	728
Belgium		*211*	*232*
Netherlands		*507*	*497*
Consumer credit	3	4	5
Other loans	8	11	13
Debt securities	84	76	65
Other liabilities	0	0	1
Interest expenses *(excl. hedging)*	**-163**	**-129**	**-116**
Deposits	-113	-95	-84
Saving accounts		-31	-29
Belgium		*-26*	*-26*
Netherlands		*-6*	*-4*
Term savings		-42	-30
Belgium		*-35*	*-27*
Netherlands		*-7*	*-4*
Deposits related to mortgages		-16	-19
Other		-6	-6
Debt certificates[1]	-50	-34	-31
Retail saving certificates		-15	-8
Wholesale debt		-19	-23
Other liabilities	0	0	-1
Hedging result	**-176**	**-150**	**-158**
Hedging income	3	3	1
Hedging costs	-180	-153	-159
Net interest result	**494**	**531**	**538**
corrected for: MTM swaption		*4*	*14*
Net interest result *(excl. MTM swapt*	***494***	***535***	***552***

[1]both debts evidenced by certificates and subordinated liabilities

8. Appendix 8

Regulatory Capital[1]

In millions of EUR	31/12/2018	31/12/2019
Total equity	**2.015**	**2.124**
Part of interim or year-end profit not eligible	**-16**	**0**
Prudential filters	**-7**	**-4**
Reserve cash flow hedge	8	5
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-11	-5
Value adjustments due to the requirements for prudent valuation	-4	-4
Items to deduct	**-53**	**-49**
Other intangible assets	-47	-43
Deferred tax assets	-6	-6
Transitional (OCI)	0	0
Common equity Tier 1 (Basel I floor)		
IRB shortfall of credit risk adjustments to expected losses	-4	-4
Common equity Tier 1 (IRB)	**1.935**	**2.066**
Tier 2 instruments	**497**	**499**
Tier 2 (BIII eligible)	497	499
Transitional (grandfathered T2)	0	0
Total regulatory capital (Basel I floor)		
Total regulatory capital (IRB)	**2.433**	**2.564**

8. Appendix 9

Regulatory Risk Exposures[1]

In millions of EUR	31/12/2018	31/12/2019
Central and regional governments	117	147
Public sector	98	29
Institutions and covered bonds	576	675
Corporates	1.495	1.287
Securitisations	119	73
Retail	127	179
Covered by mortgage	4.528	4.542
Operational risk	1.029	1.019
Other	294	384
Risk weighted assets (IRB)	**8.382**	**8.334**

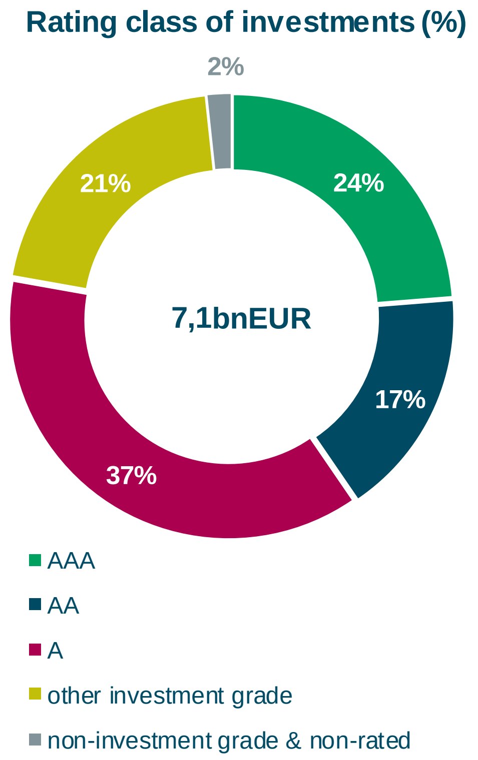
8. Appendix 10

Solvency ratios[1]

In millions of EUR and %	31/12/2018	31/12/2019
Regulatory capital	1.935	2.066
Tier 2 instruments	498	499
Risk-Weighted assets	8.382	8.334
CET 1	23,1%	**24,8%**
TCR	29,0%	**30,8%**

8. Appendix 11

Investment Portfolio excluding cash EOY 2019



Investments per country	%
Belgium	30,9%
Netherlands	18,2%
France	13,5%
Germany	6,3%
Ireland	5,3%
Spain	4,6%
Luxemburg	3,5%
Sweden	2,8%
Poland	2,6%
UK	2,4%
Canada	2,1%
Slovenia	1,6%
Denmark	1,5%
United States	1,0%
Iceland	0,9%
(1) Other	2,8%

(1) Including exposure to Italy, which only amounts to 0.2% (17,6 mio)

8. 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	[technical insurance charges + acquisition costs + operating expenses] / [earned premiums] (after reinsurance)
Common Equity Tier 1 ratio or CET 1	[common equity tier 1 capital] / [total weighted risks]
Cost of Risk or CoR	[net changes in specific and portfolio-based impairments for credit risks] / [average outstanding loan portfolio]
Cost/income or C/I	[operating expenses of the period] / [financial and operational result of the period] Operating expenses include administration expenses, depreciation and provisions. Financial and operational result includes net interest income, dividend income, net income from commissions and fees, realised gains and losses on financial assets and liabilities not measured at fair value in the income statement, gains and losses on financial assets and liabilities held for trading, gains and losses from hedge accounting, gains and losses on derecognition of assets other than held for sale and other net operating income. The numerator is adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments relate to bank levies which are included pro rata and hence spread over all halves of the year instead of being recognised upfront (as required by IFRIC21).
Cost/income or C/I exl. Bank levies	[operating expenses of the period - bank levies of the period] / [financial and operational result of the period]
Coverage ratio	[total specific impairment provision for non-performing loans] / [total outstanding non-performing loans]
CRR	Capital Requirements Regulation
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

8. Glossary (2/2)

Leverage Ratio or LR	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
Liquidity Coverage Ratio or LCR	[stock of high quality liquid assets] / [total net cash outflow over the next 30 calendar days].
Loan-to-deposit or LTD	[loans-and-receivables] / [customer deposits and customer debt certificates]
MREL	Minimum requirement for own funds and eligible liabilities
Net interest income or NII	[revenues generated by interest-bearing assets] - [cost of servicing (interest-burdened) liabilities]
Net interest margin or NIM	[net interest income of the period] / [average total assets of the period] Total assets are used as a proxy for the total interest-bearing assets.
Net stable funding ratio or NSFR	[available amount of stable funding] / [required amount of stable funding]
NFCI	Net Fee and Commission Income
NHG	Nationale Hypotheek Garantie (National Mortgage Guarantee) is a guarantee scheme by the Dutch government on residential mortgages
Non-performing loans ratio or NPL ratio	[total outstanding non-performing loans] / [total outstanding loans]
O-SII	Other systemic important institutions
Return on equity or RoE	[net profit of the period] / [equity at the beginning of the period]
RMBS	Residential mortgage-backed security
SREP	Supervisory Review and Evaluation Process performed by the European Central Bank
Tier 2	Tier 2 capital is the secondary component of bank capital, in addition to Tier 1 capital
Total Capital ratio or TCR	[common equity tier 1 capital + additional tier 1 instruments + tier 2 instruments] / [total weighted risks]

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