Argenta Spaarbank

Financial Results Full Year 2020

April 2021

Disclaimer

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Agenda

1. Key takeaways
2. H2 2020 overview
3. Financial Performance
4. Asset Quality
5. Solvency and Liquidity
6. Wrap-up
7. Appendices

1. Argenta Spaarbank Key Takeaways (1)

- In a turbulent year, Argenta Spaarbank delivers solid financial results with a **net profit of EUR 136m,** up EUR 19m from 2019.
  - **Balance sheet total increased 9% to EUR 46.9m** due to higher saving volumes.
  - Strong growth in net fee production elevates total retail investment funds on a group level above EUR 10bn for the first time, generating a **strong increase in the net fee result** (+EUR 20m)**.**
  - **Record mortgage production volumes** after a strong rebound in H2. Retail mortgage loan production market share at 7.1% in Belgium and 1.8% in the Netherlands.
  - **Net interest income increase 6%** YoY due to asset growth, lower cost of funding and higher fees from prepayments in the Netherlands, **NIM under pressure at 1.28%** on the back of the low interest rate environment.
  - Continued trend break with stable operating expenses, resulting in a **C/I ratio of 63% (-6 pct.-points YoY)**.
- **Robust Solvency position** with a CET1-ratio of 23.3% and a leverage ratio of 4.9%.
- **Sound liquidity ratio's** with LCR of 159% and NSFR of 136%.

1. Argenta Spaarbank Key Takeaways (2)

- Offering simple and transparent bank and insurance products with unrivalled levels of customer satisfaction
  - Top notch NPS score of +40 in 2020
  - Awarded most customer friendly bank (goCX survey, June 2020)
  - Belgian leader in KPMG Global Customer Experience Excellence Report across all sectors (July 2020)
  - 18 funds are labelled with Febelfin 'towards sustainability' (an additional 6 vs 2019)
  - Awarded best mixed fund (Argenta pension fund) in Fund Awards 2021 (De Tijd/L'Echo, March 2020)
- Proximity through a dense branch network complemented with a highly appreciated app
  - 428 branches focusing on personal service throughout key moments in life
  - App with strong focus on a simple user interface (4.5/5, top 3 ranking of Belgian banks in both app stores and in D rating survey of January 2020), confirmed by 20% YoY growth in active app users
- Highly engaged employees (87% in 2020), and despite COVID an additional increase of 7% YoY.

2. H2 2020 overview

3. Argenta Group key financials
FY 2020

Argenta Group

Net result	218.7 m
Return on Equity[1]	7.6%
Total assets	53.0 bn
Total equity	3.1 bn
Cost / Income[1]	59%
Total funds under mgmt	52.4 bn
CET 1	23.7%

Argenta Spaarbank

Net result	136.3 m
Return on Equity[1]	6.4%
Total assets	46.2 bn
Total equity	2.3 bn
Cost / Income[1]	63%
Total funds under mgmt	46.9 bn
CET 1	23.3%

Credit Rating

Standard & Poor's	
Short-term	A-2
Long-term	A-
Outlook (08/03/2021)	Stable

Argenta Assuranties[1]

Net result	80.6 m
Sale Dutch portfolio	19.6 m
Return on Equity	16.7%
Total assets	6.7 bn
Total equity	0.5 bn
Premium Life	406 m
Premium Non-life	152 m
Solvency II	229%

Note: all numbers are stated in EUR

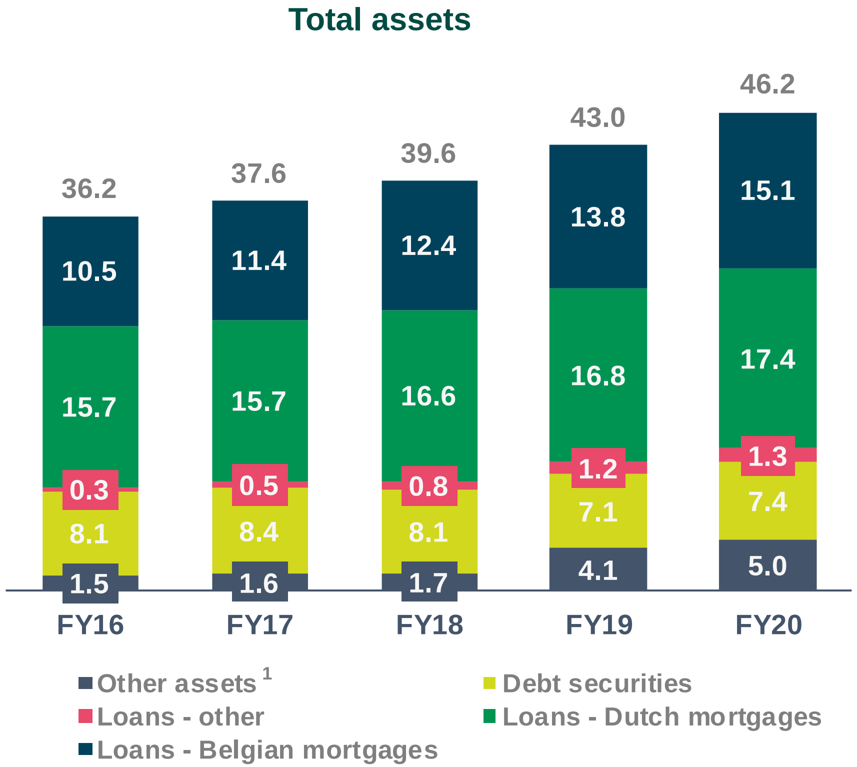
(1) BGAAP

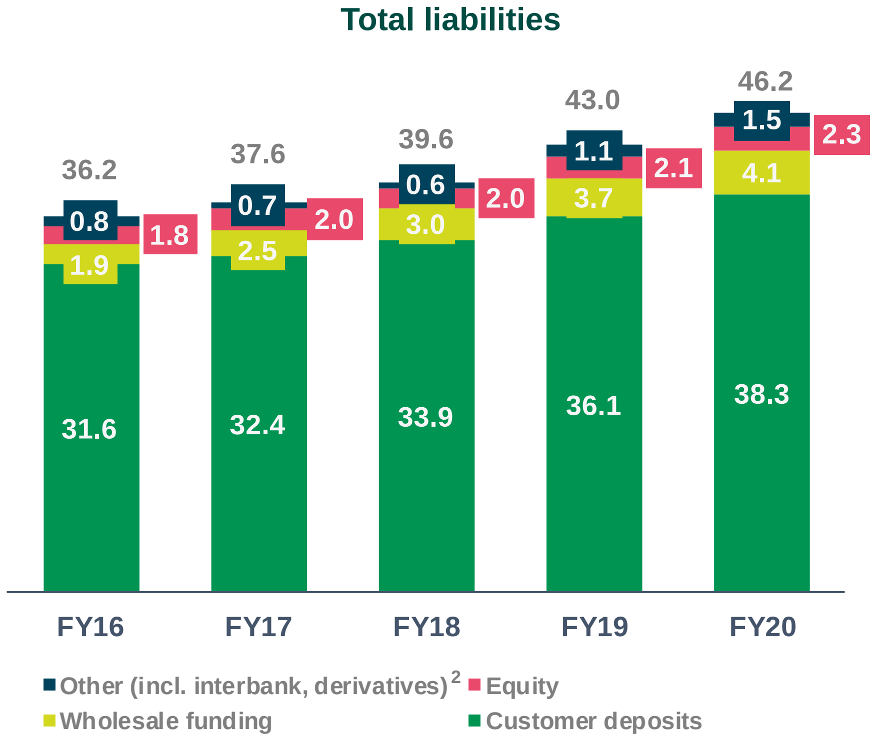
3. Financial Objectives on Key Parameters

Argenta Spaarbank	FY 2019	FY 2020	LT Target
Return on Equity [1]	5.8%	6.4%	>7%
Leverage Ratio	4.6%	4.9%	>5%
Cost / Income Ratio [1]	69%	63%	<60%
CET 1 Ratio	24.8%	23.3%	>18%
Total Capital Ratio	30.8%	28.5%	>20%
Net Interest Margin (NIM)	1.29%	1.28%	>1.35%
NSFR	136%	136%	>132%
LCR	172%	159%	>137%

(1) Adjusted for IFRIC 21

3. Balance Sheet Evolution – CAGR 7.3%

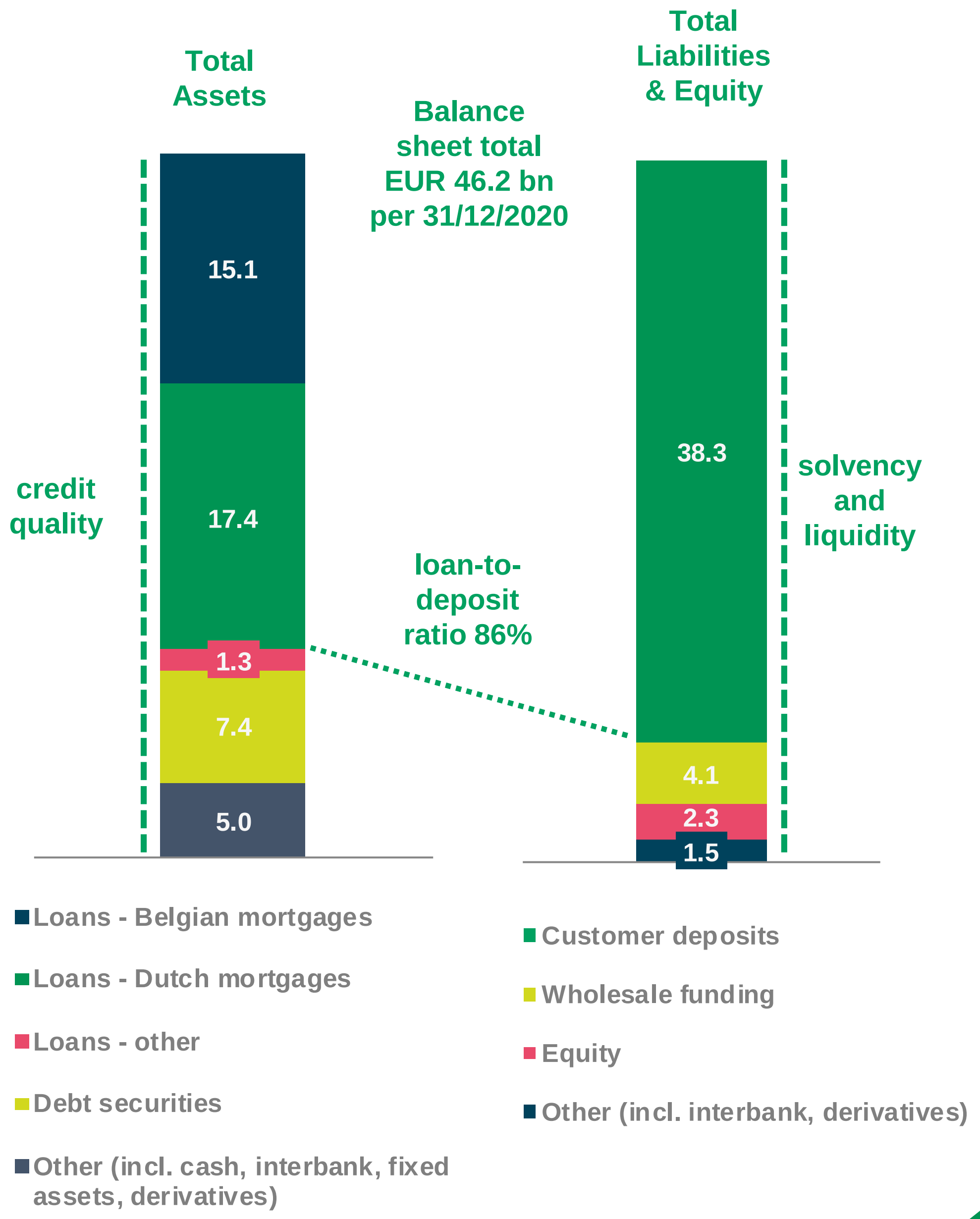




(1) Other loans including cash, interbank, fixed assets, derivatives
(2) Wholesale funding including saving certificates, subordinated debt and securitization funding

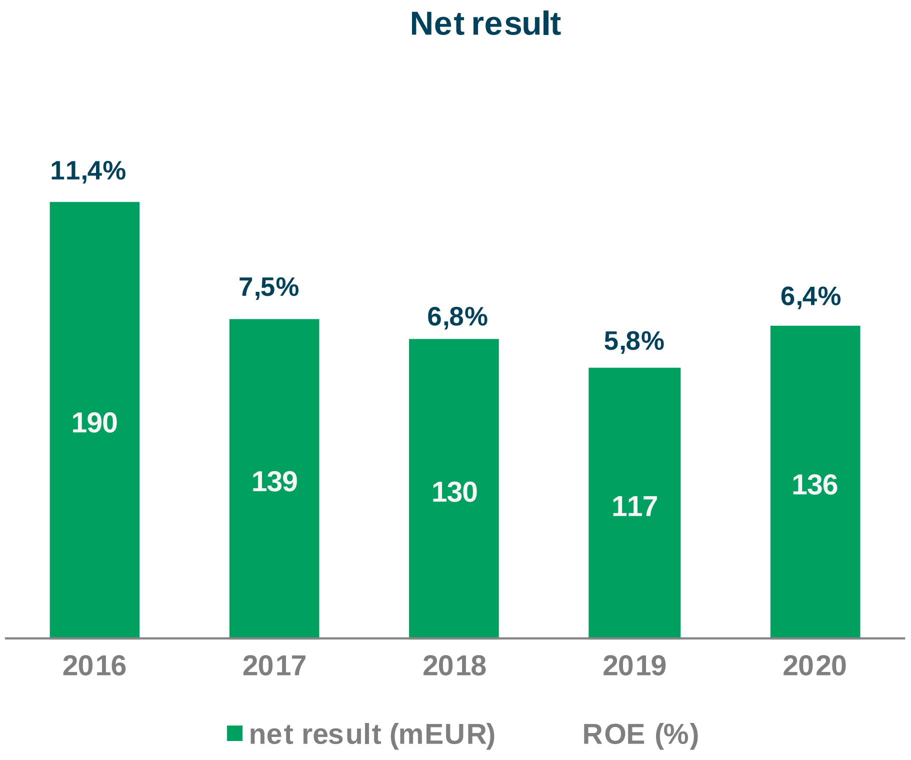
3. Balance Sheet Composition

- Balanced growth of assets between a low-risk loan book of prime retail mortgage loans in the Netherlands and Belgium, and a well diversified and conservative investment portfolio
- Small portfolio of loans granted to local authorities in support of public-private partnerships
- Strong retail funding profile with low loan-to-deposit ratio of 86%
- Wholesale funding EUR 4.1bn (+ EUR 0.4bn YoY) of which EUR 2.1bn securitizations, EUR 0.5bn Sr. preferred, EUR 1.5bn subordinated debt
- Argenta Spaarbank successfully launched its inaugural Belgian Covered Bond of EUR 0.5bn in February 2021 (not included in graph)



3. Financial performance

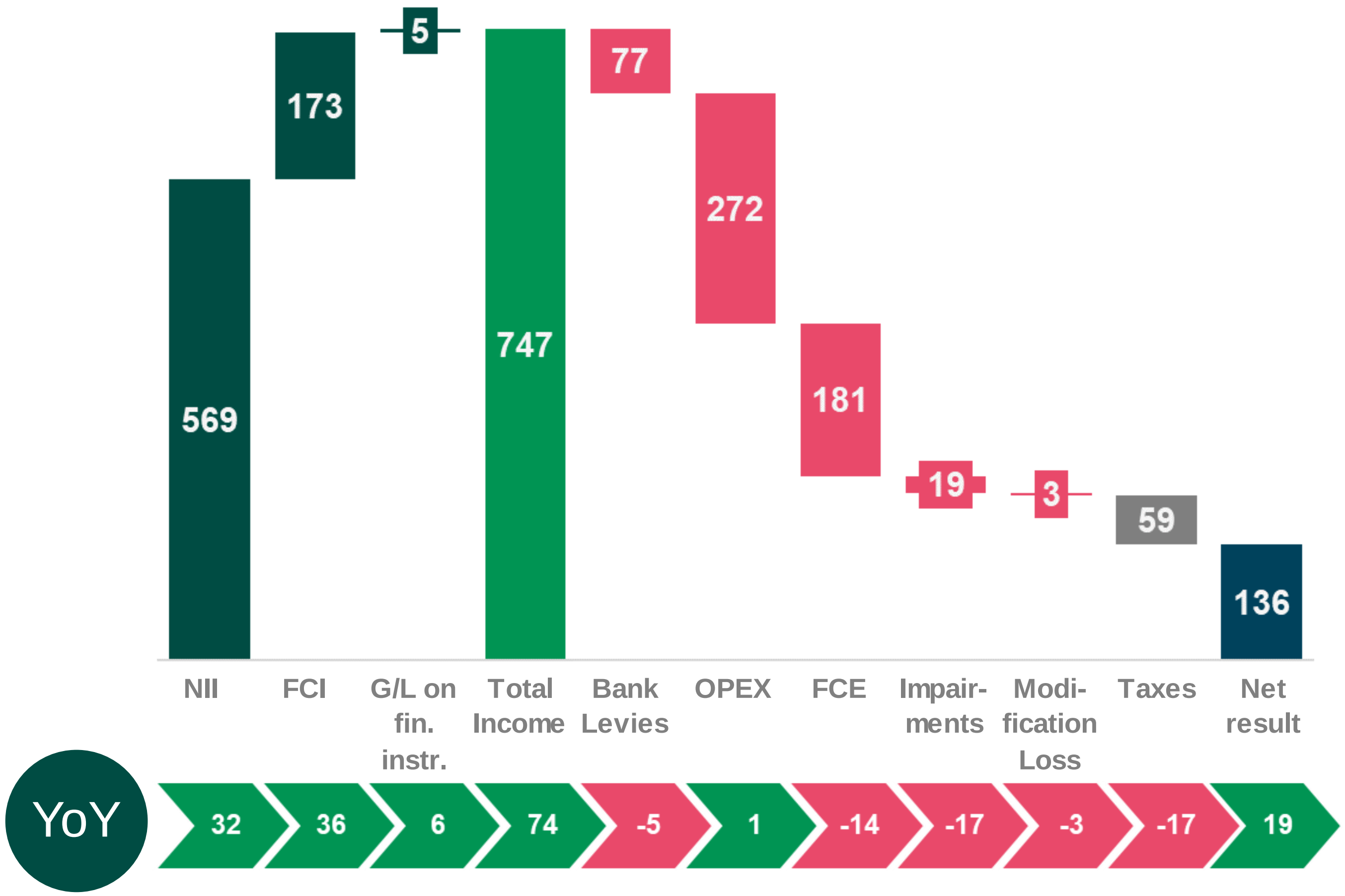
3. Net Result up by 16%



In millions of EUR	FY2019	FY2020	Δ
Net interest income	538	569	+32
recurring NII	*552*	*565*	*+13*
one-off impact MTM	*-14*	*4*	*+18*
G/L on financial instruments	-1	5	+6
general result	*1*	*-1*	*-1*
one-off impact MTM	*-2*	*6*	*+7*
Net fee & commission result	-30	-8	+23
fee income	*109*	*149*	*+39*
commissions to agents	*-140*	*-157*	*-17*
Bank levies	-72	-77	-5
Net operating expenses	-273	-272	+1
other operating income	*18*	*19*	*+1*
operating expenses	*-291*	*-291*	*+0*
Impairments	-3	-19	-17
Modifications	0	-3	-3
Income tax expense	-41	-59	-17
Net profit	**117**	**136**	**+19**

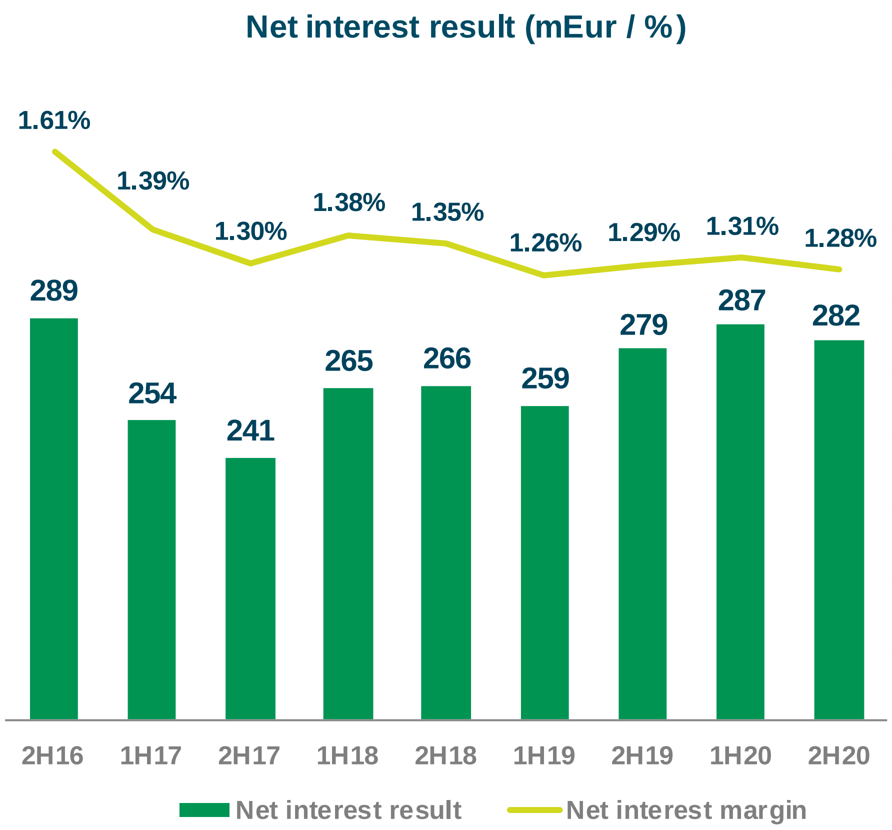
- Net profit up EUR 19mio on the back of growing NII and net fee result, and supported by a decline in operating expenses

4. Solid Financial Results



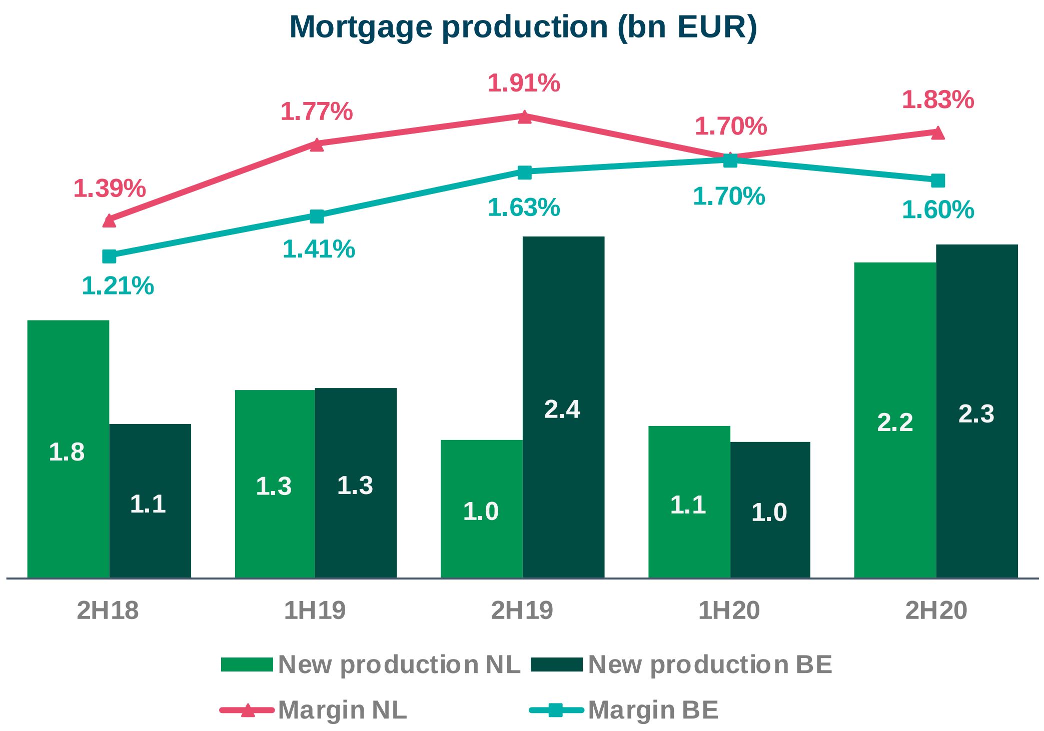
- Net interest result bank strongly increased compared to 2019:
  - Lower funding cost of EUR 15m, due to the maturing of expensive term retail funding
  - Strong mortgage production results in growing portfolio in Belgium and the Netherlands supporting stable recurring NII
  - Total hedging cost decreases with EUR 20m, mainly due to last year's one-off unfavourable MtM adjustment (EUR 18m YoY)
  - Increase in received prepayment penalties for Dutch mortgages
- Strong growth in Fee and Commission income (FCI) partially offset by related Fee and Commission expenses (FCE)
- Operating expenses stabilized as a result of cost containment initiatives but Bank Levies increased further as a result of the strong growth in retail savings
- COVID-19 pandemic drives increase in impairment expense and creates modification loss from payment deferrals on mortgages
- Tax expense includes EUR 7.5mio DTA impairment

3. NII up by 6% YoY



- Strong mortgage production but pressure on margins
- Higher than average prepayment penalties on Dutch mortgages
- The funding cost for Belgian regulated saving accounts is at the legal floor of 11bps but maturing of expensive retail term deposits and diversification of funding sources to wholesale funding support the decrease in cost of funding
- Decrease in interest expenses on derivatives mainly as a result of a negative one-off effect in 2019 from market valuation of the hedge portfolio

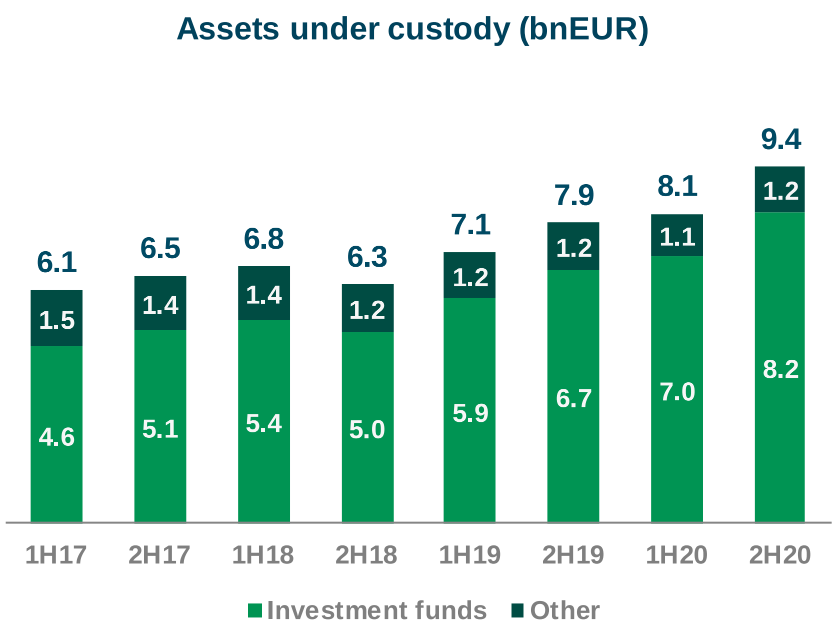
3. Mortgage Production and Margins

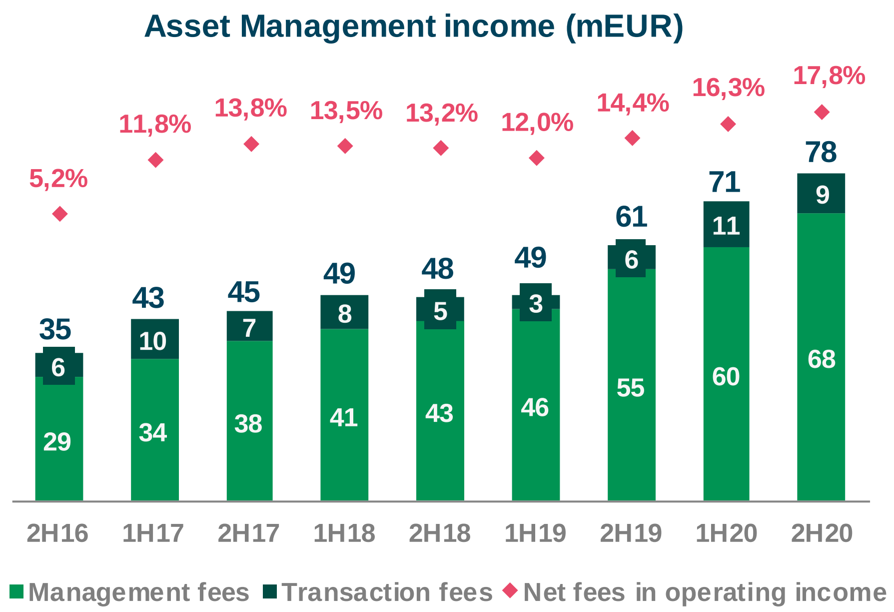


- EUR 6.6bn loans granted in 2020 to the Belgian and Dutch households.
- Changes in the fiscal regime in the Flanders region and the Covid-19 lockdown impacted 2020 production levels in H1 but this was more than compensated by higher volumes in H2
- Very strong mortgage production in the Netherlands throughout 2020
- Decline of margins on Belgian mortgages in H2 but rebound in the Netherlands in H2
- Market share at 7.1% in Belgium and 1.8% in the Netherlands.

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

4. Asset Management Income



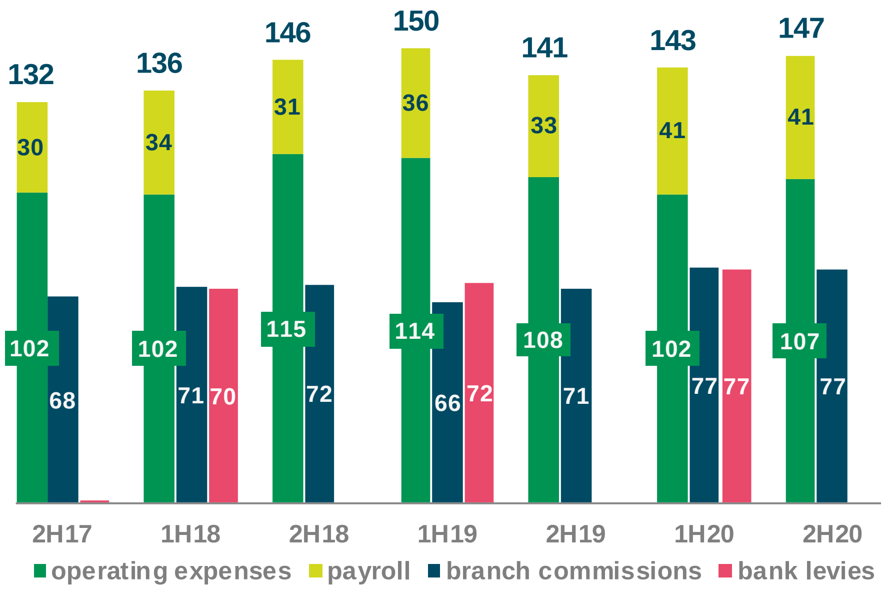


- Strategic focus on fee income derived from retail investment funds continues to contribute to operating income diversification. On group level[1], Argenta reaches milestone of EUR 10bn in assets under management.
- Belgian market share rose from 4.0% to 4.4%.
- Total fee income in 2020 increased to EUR 149m due to a strong net fee production and a positive impact of NAV on portfolio levels in 2020, despite intermittent market value drops due to COVID-19.

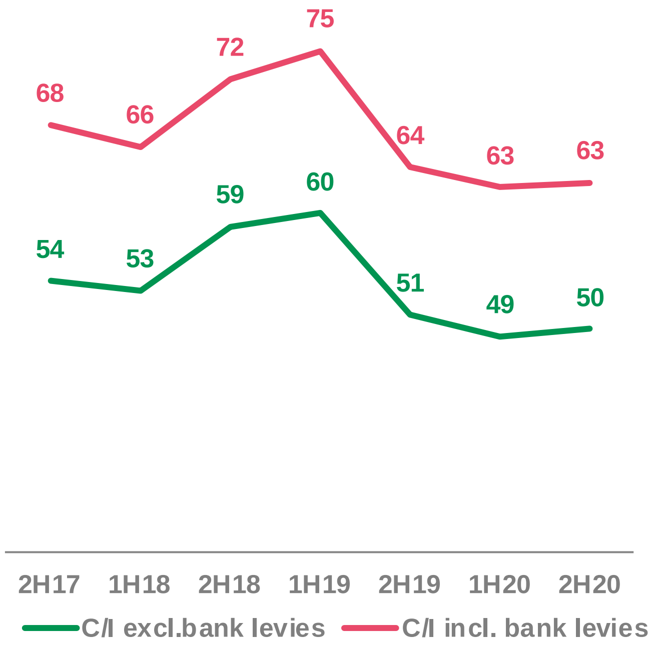
(1) Including unit-linked insurance plans

4. Investing in the Future

Opex and acquisition costs[1] (mEUR)



Cost / income ratio (%)



- The operating expenses and C/I stabilize at a level below 65% since the cost turnaround in 2019
- Branch commissions increase as a result of the strong commercial performance
- Bank Levies grew with almost 7% to EUR 77m as a result of the growing retail savings portfolio
- Significant increase in income from NII and fee, in combination with lower operating expenses as a result of cost containment efforts, results in a lower C/I-ratio YoY

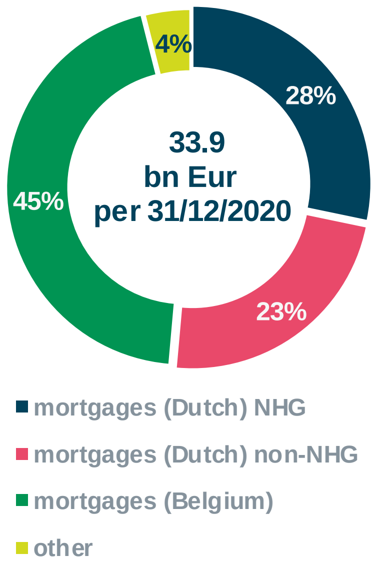
(1) Acquisition costs relate to commissions paid to the branch network for product distribution

4. Asset quality

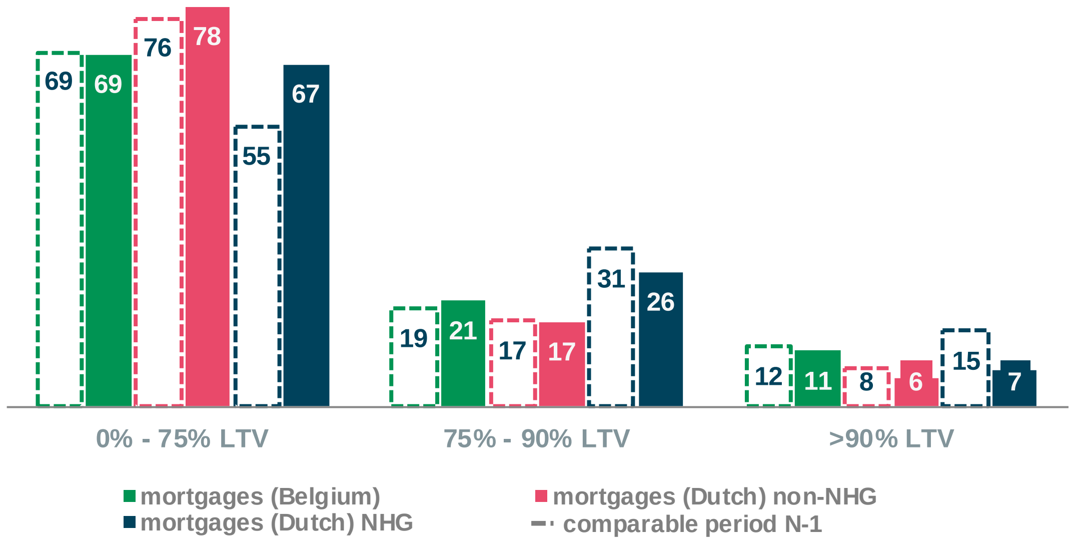
4. High-Quality Loan Book

H2 2020

Composition of loan book (%)



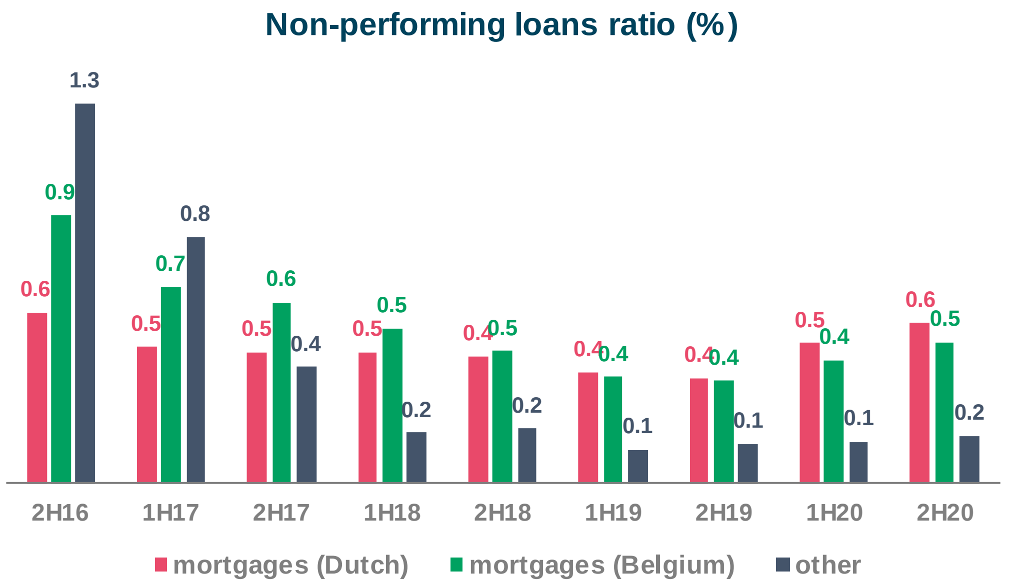
Indexed loan-to-value mortgage loan book (%)

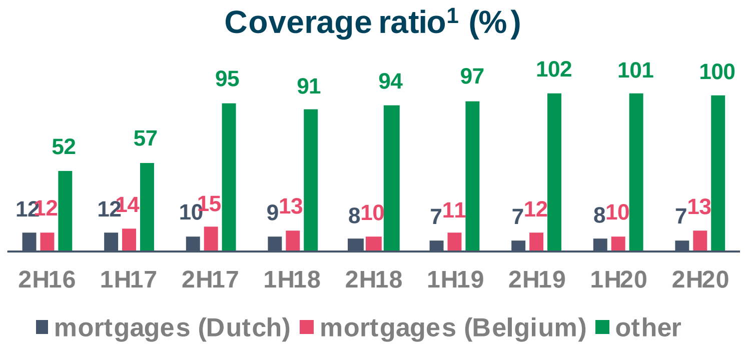


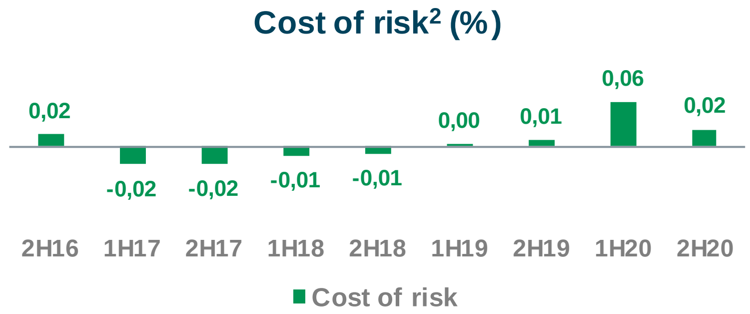
- The residential mortgage loan portfolio in Belgium and the Netherlands composes 96% of the loan book. The remaining 4% consists of consumer loans and loans to local and regional governments and public-private partnerships.
- The share of NHG[1] loans in the Dutch mortgage portfolio decreased in H2 2020 from 59% to 55%.
- Compared to H2 2019 the average LTV for Belgian mortgages is stable at 60% and declined for Dutch mortgages with 2% to 63%. The total portfolio LTV slightly decreased to 61%.

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

4. Low Risk Loan Portfolio





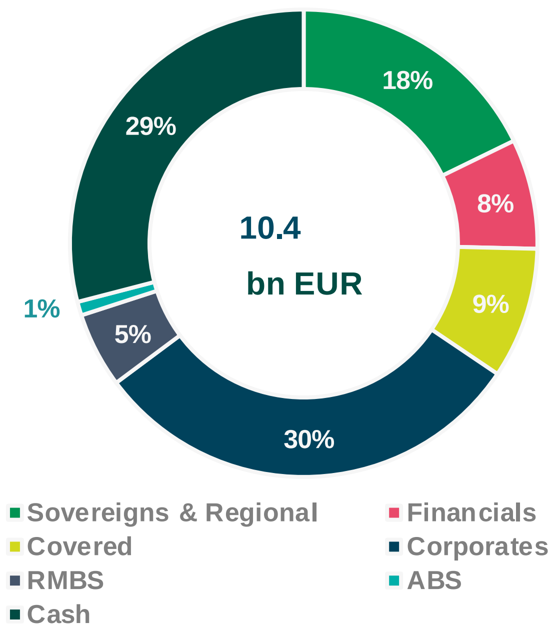


- NPL levels have increased only slightly to 0.52% YoY (+16bps) which confirms the high quality of the mortgage loan books.
- The average coverage ratio of 9% reflects the high quality of prime mortgage collateral
- Rise in cost of risk due to stage 1 & 2 impairments in H1 with subsequent partial migration to stage 3, but overall limited impact in H2. Overall cost of risk for 2020 at 8.4bp still low (1.3bp in 2019).

(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

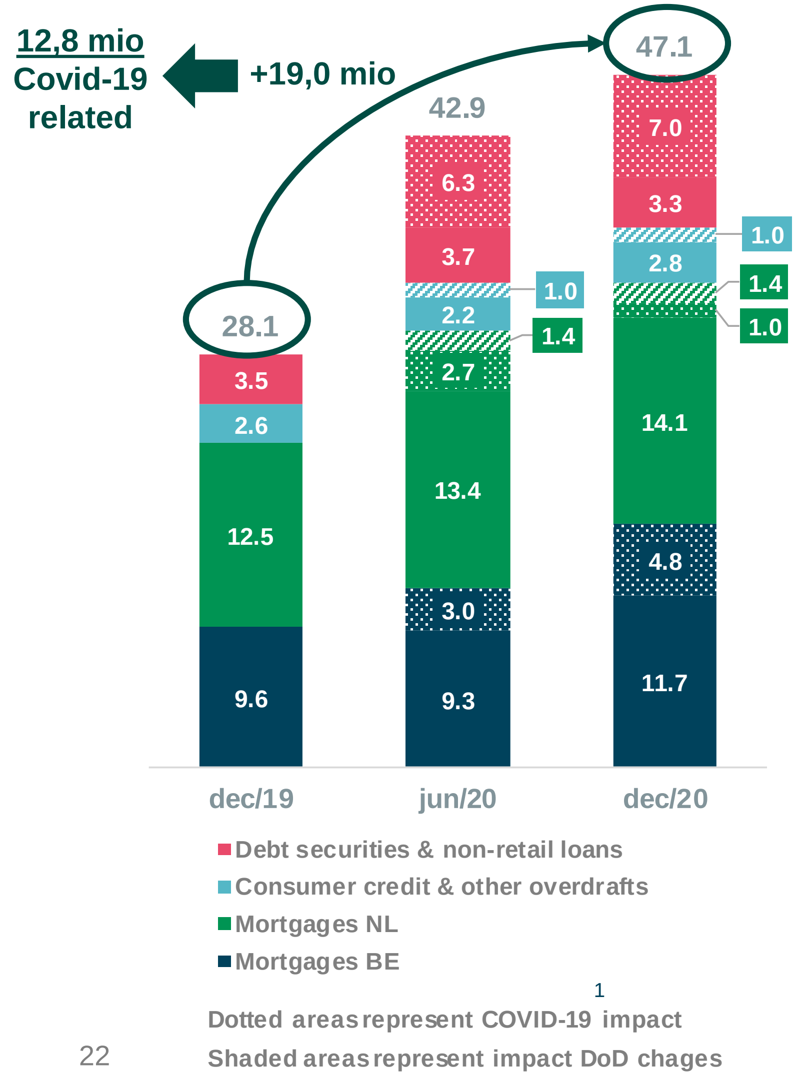
4. Diversified and Liquid Investment Portfolio

Exposure-type of investments (%)



- Portfolio up EUR 0.6 bn YoY but important mix shift from sovereigns to corporate bonds with higher credit spreads following investment opportunities in H1 2020.
- ECB tiering since Q4 2019 allows for more cash being held at an annual interest rate of 0%, replacing negative-yielding 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.
  - No exposure to activities in shipping, textile, tourism or hospitality.
  - Very limited exposure to troubled or short cycle sectors
- High quality investments : 34% of the portfolio is rated AA and above, and 99% of the portfolio is investment grade.
- Exclusively euro-denominated with focus on European markets: 94% of portfolio in European Economic Area.
- Unrealized gains of financial assets not measured at fair value through P&L of 257 million EUR (+ EUR 68m YoY)

4. Impairment volumes



- Total increase in IFRS-9 provisions of EUR 19.0m in 2020 of which EUR 12.8m due to Covid-19
  - EUR 4.8m Covid-19 IFRS-9 provisions for Belgian mortgages of which EUR 0.9m in stage 1&2 and EUR 3.9m Stage 3 as a result of the Belgian moratorium
  - EUR 1.0m Covid-19 IFRS-9 provisions for Dutch mortgages of which EUR 0.4m stage 1&2 and EUR 0.6m stage 3 related to extension of payments
  - EUR 7.0m Covid-19 IFRS-9 provisions for the investment portfolio due to changes to the macro-economic expectations (+ EUR 5.8m) and observed downgrades (+ EUR 1.2m)
- Remaining EUR 6.1m non-Covid increase in provisions mainly due to the collective staging for Dutch mortgages and the implementation of the new DoD

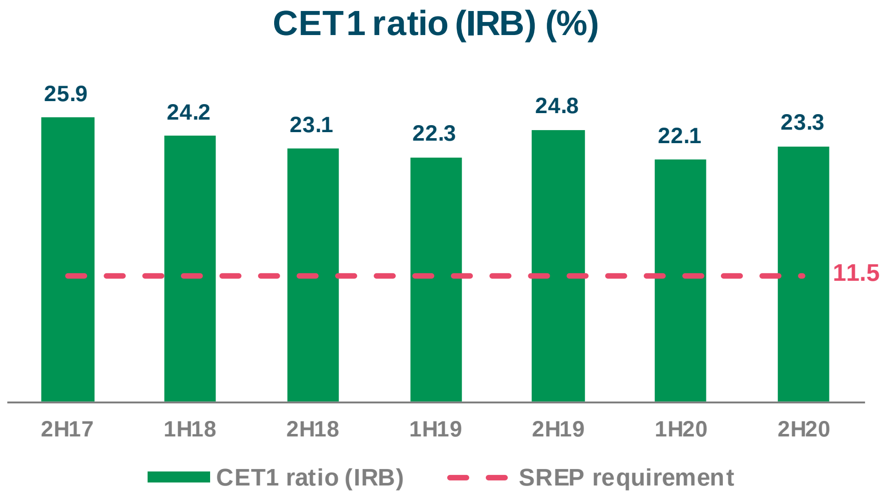
[1] COVID 19-impact on debt securities determined by impact of changes in macro-economic assumptions and COVID 19- stage 2 ECL increases

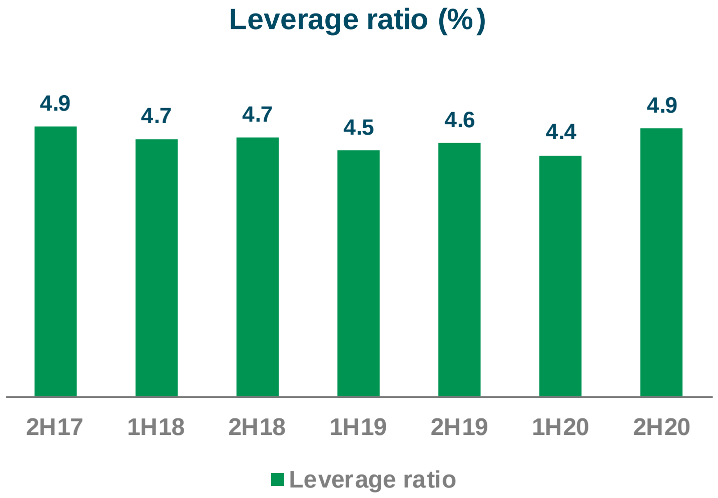
5. Covid-19 impact

- Government & sector measures in place to support retail lending
  - In Belgium, there was a formal moratorium of payment deferral of principal and interest. Interest is accrued over the deferral period, with the exception of families with net income less than EUR 1,700. For the latter group, a modification loss is accounted for.
  - Extensions are for a maximum of 6 months, last files will mature end of June 2021:
    - Belgian mortgages: 257 open files (as per 30/03/2021)
    - Belgian consumer loans: 2 open files (as per 30/03/2021)
  - Dutch mortgages: deferrals are granted to retail clients on a tailor made basis by the sector; no moratorium
    - Dutch mortgages: 36 open files (as per 30/03/2021)
- Financial impact (EUR 16.1m):
  - Impairments: EUR 12.8m extra provisions were added due to COVID-19
    - Case by case assessment on payment deferral results in shift from stage 2 to stage 3
  - Modification loss: EUR 3.3m up-front booking for NPV loss of lost interest for vulnerable clients
  - Dividend: strong capitalisation, Aspa does not distribute dividends to Argenta group for 2020. Aspa distributed dividends to Argenta group in Q4 2019, whereas Argenta group refrained from paying out dividends for 2019 as recommended by the ECB.

5. Solvency and liquidity

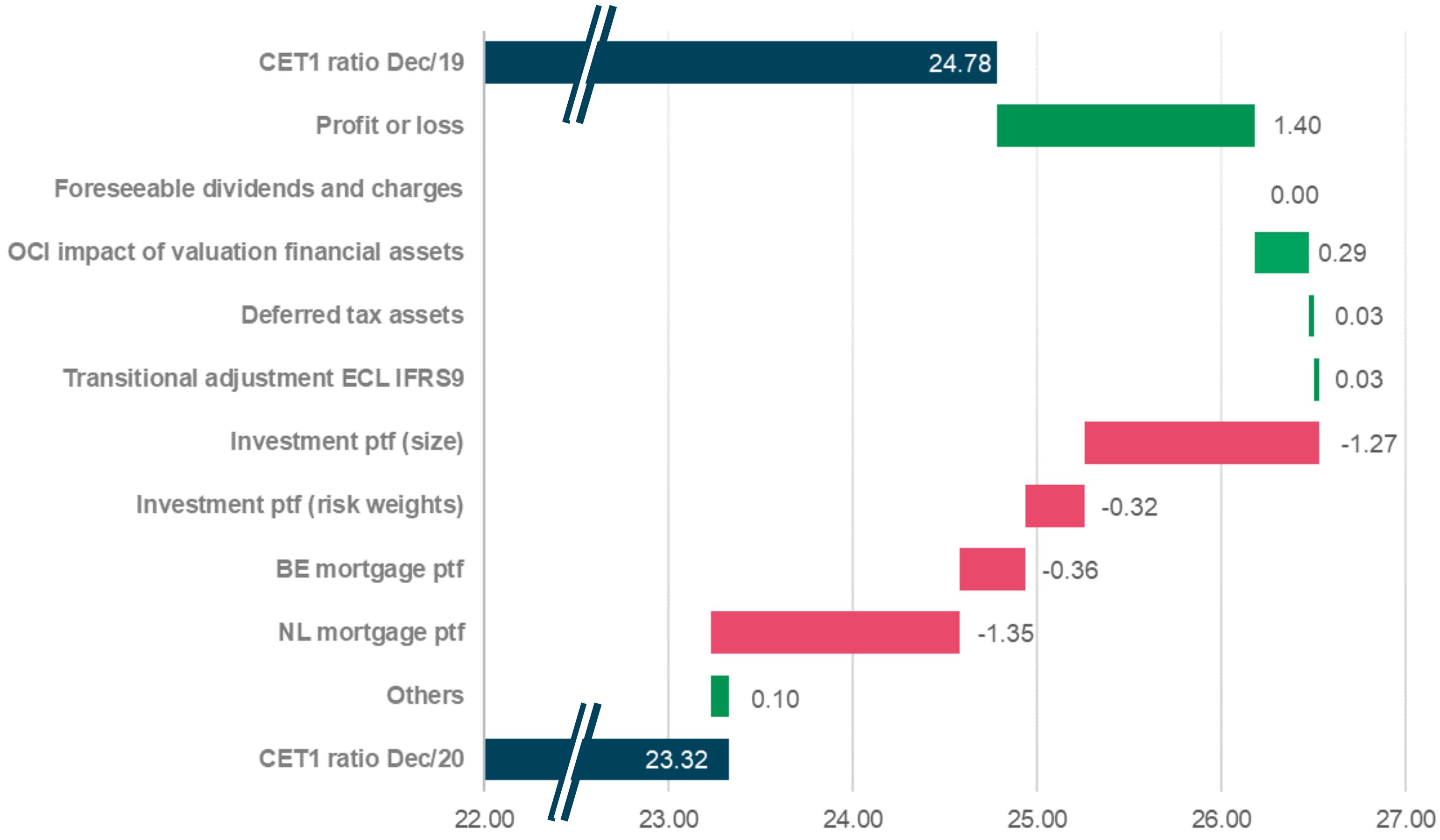
5. Solvency well above SREP requirement





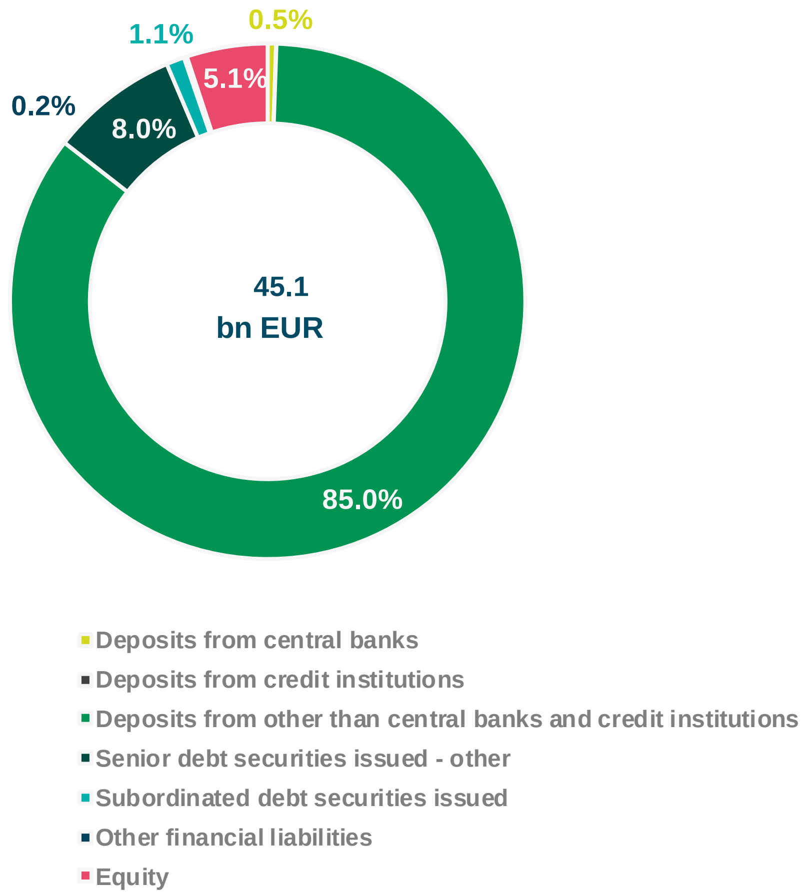
- CET1 ratio remains strong at 23.3%, but declines vs. 2019 as a result of RWA growth in mortgages and investment portfolio (including mix shift from sovereigns to corporates)
- Leverage ratio has risen to 4.9%, aided by the exclusion of certain central bank exposures in H2 2020 (CRR2 quick fix)
- Aspa does not distribute dividends to BVg for 2020 (Aspa distributed dividends to BVg in Q4 2019, whereas BVg refrained from paying out dividends for 2019 as recommended by the ECB

5. CET1 ratio walk YTD



5. Funding and Liquidity Position

EOY 2020



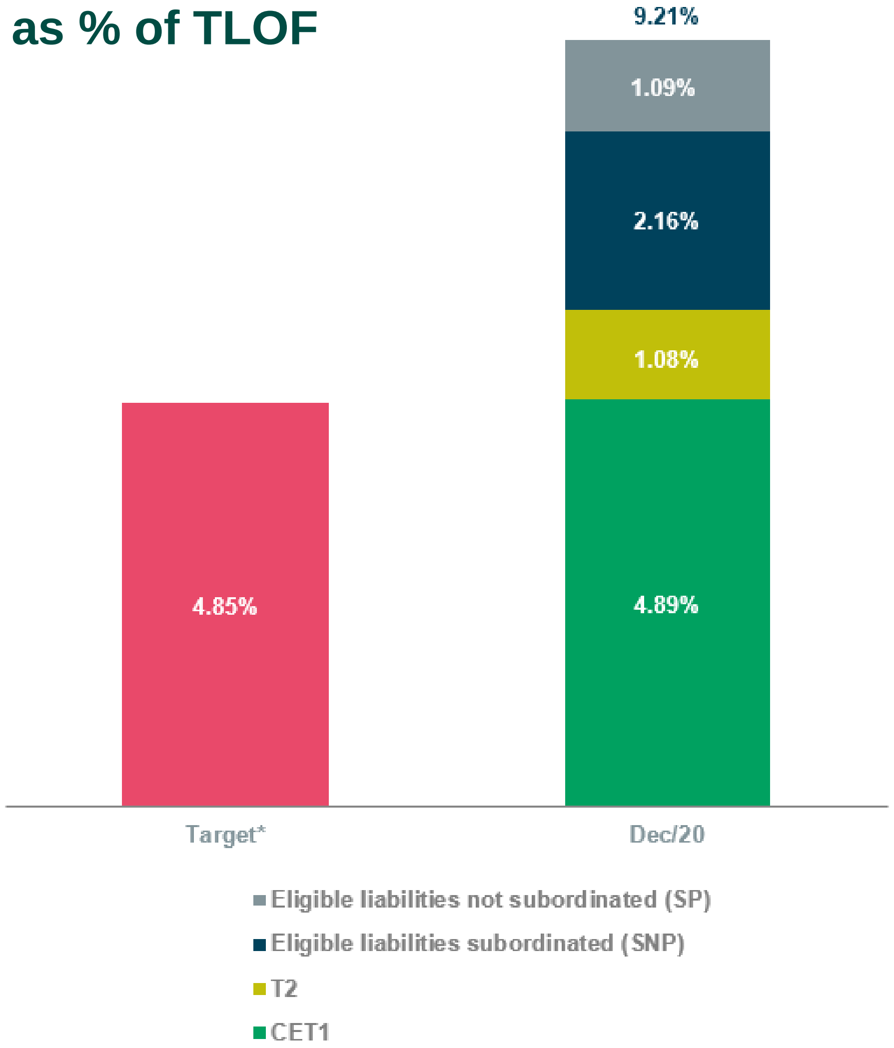
In %	1H18	2H18	1H19	2H19	1H20	2H20
Liquidity coverage ratio[1]	195	170	170	172	156	159
Net stable funding ratio[2]	145	141	138	136	135	136

- 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 EUR 2.1bn of securitizations of Dutch NHG mortgages (issued in 3 Green Apple transactions), EUR 1.5bn of EMTN issuances of which EUR 1.0bn subordinated debt (SNP).
- Successful inaugural Belgian covered bond issuance of EUR 500m in February 2021 as part of Argenta Spaarbank's new EUR 7.5bn covered bond programme.

(1) Basel III
(2) EU Delegated Act

5. MREL ratio

as % of TLOF



- The MREL ratio has risen to 9.21% of TLOF following a EUR 500m EMTN senior non-preferred issuance in H2 2020.
- The 2020 target MREL ratio is at 4.85%
- The MREL requirement based on the target ratio of 4.85% equals EUR 2.2bn bail-in requirement
- Available MREL is EUR 4.3bn and is well above this requirement
- In the future the MREL requirement will have to be met with subordinated liabilities (those ranking below traditional senior debt). SRB's draft decision requires 7.72% of Total Exposure Measure or the approximation of 8% TLOF. This will be met in line with transition requirements by 1/1/2024

(*) Graph presents 2019 target according to BRRD1 awaiting formal requirement by SRB in line with BRRD2

6. Wrap-up

6. Wrap-up

FY2020 Argenta Spaarbank

- Strong commercial performance in challenging environment of unprecedented health, social and economic challenges.
- Continued growth in funds fee income as funds under management increase, with a strong net fee production including a shift towards Argenta managed funds.
- Multiple external independent surveys confirm strong client franchise in Belgium.
- Stable recurring net interest income boosted by higher than average received prepayments penalties on Dutch mortgages.
- Cost containment measures result in a C/I-ratio decrease to 63% while continuing to focus on investments in digitalization.
- Very strong solvency, funding and liquidity position, as before.
- Continuous assessment of Covid-19. Under current assumptions and projections, the impact remains limited.

7. Appendices

7. 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

7. 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).

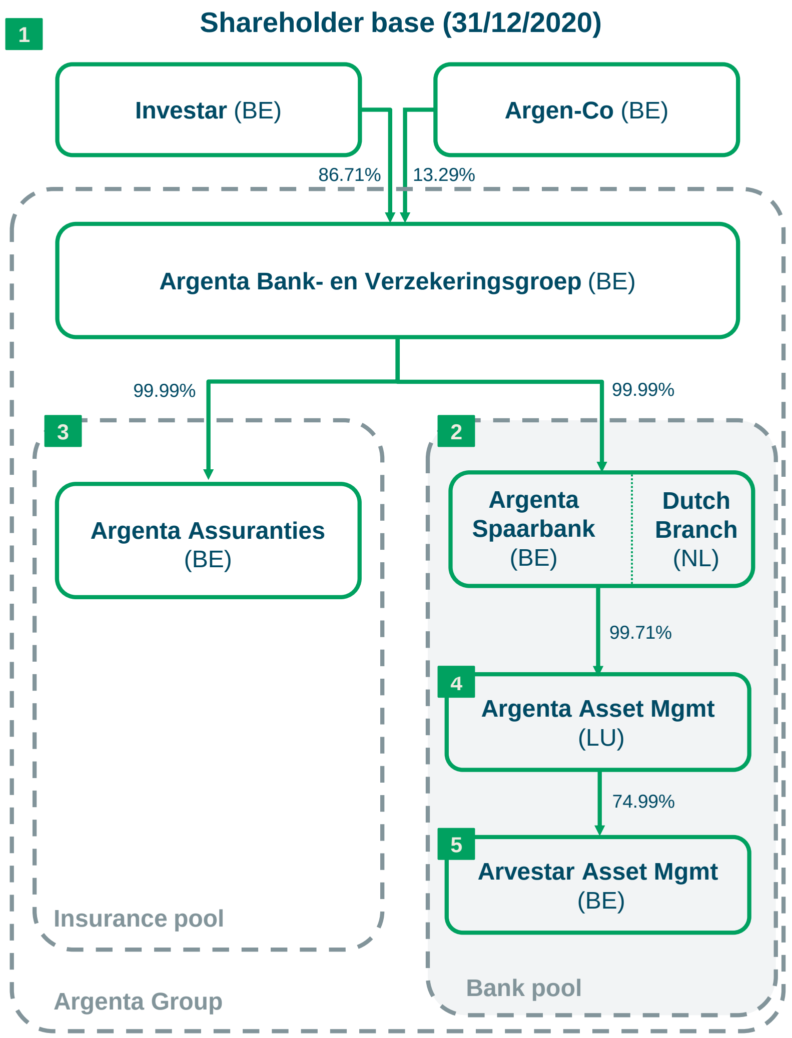
2 Banking operations in Belgium and the Netherlands.

3 Insurance operations in Belgium.

In August 2020 Argenta Assuranties sold its Dutch insurance portfolio

4 Asset management operation incorporated in Luxembourg.

5 Arvestar Asset Management (AAM) is a consolidated joint venture with Bank Degroof Petercam Asset Management N.V. (DPAM).



7. Appendix 2

Argenta Spaarbank balance sheet – Assets

In millions of EUR	FY 2019	1H 2020	FY 2020	▲FY-FY
Cash and cash equivalents	**2,630**	**2,531**	**3,023**	**393**
Loans and advances	**32,328**	**32,769**	**34,624**	**2,296**
o.w. to credit institutions	383	582	576	194
o.w. to customers	31,945	32,187	34,048	2,103
Debt securities and equity instruments	**7,142**	**8,253**	**7,386**	**244**
o.w. at fair value through P&L	66	68	68	2
o.w. at fair value through OCI	3,529	4,075	3,667	138
o.w. at amortized cost	3,547	4,110	3,650	104
Derivatives incl. hedge adjustment	**578**	**796**	**773**	**194**
Other assets	**342**	**437**	**426**	**84**
Total assets	**43,021**	**44,786**	**46,232**	**1,446**

7. Appendix 3

Argenta Spaarbank balance sheet – Liabilities

In millions of EUR	FY 2019	1H 2020	FY 2020	▲FY-FY
Financial liabilities at amortised cost	**39,921**	**41,441**	**42,793**	**2,872**
o.w. deposits from central banks	47	142	236	189
o.w. deposits from credit institutions	11	7	10	-1
o.w. deposits from other than central banks and credit institutions	36,128	37,387	38,319	2,192
o.w. senior debt securities issued - saving certificates	98	10	0	-98
o.w. senior debt securities issued - other	3,070	3,359	3,629	559
o.w. subordinated debt securities issued	533	503	511	-22
o.w. other financial liabilities	35	32	88	53
Derivatives	**686**	**913**	**890**	**204**
Other liabilities	**290**	**277**	**261**	**-29**
				0
Total liabilities	**40,897**	**42,631**	**43,944**	**3,047**

7. Appendix 4

Argenta Spaarbank balance sheet – Equity

In millions of EUR	FY 2019	1H 2020	FY 2020	▲FY-FY
Core equity	**2,096**	**2,134**	**2,232**	**136**
Paid-in share capital	816	816	816	0
Retained earnings	1,163	1,280	1,280	117
Profit of current period	117	38	136	19
Gains and losses not recognised in the income statement	**28**	**21**	**56**	**28**
Reserve at fair-value-through-OCI	34	26	58	24
Reserve cash flow hedge	-5	-3	-1	3
Revaluation pension plan	-1	-1	0	1
Minority interests	**0**	**0**	**0**	**0**
Total equity	**2,124**	**2,156**	**2,288**	**164**

7. Appendix 5

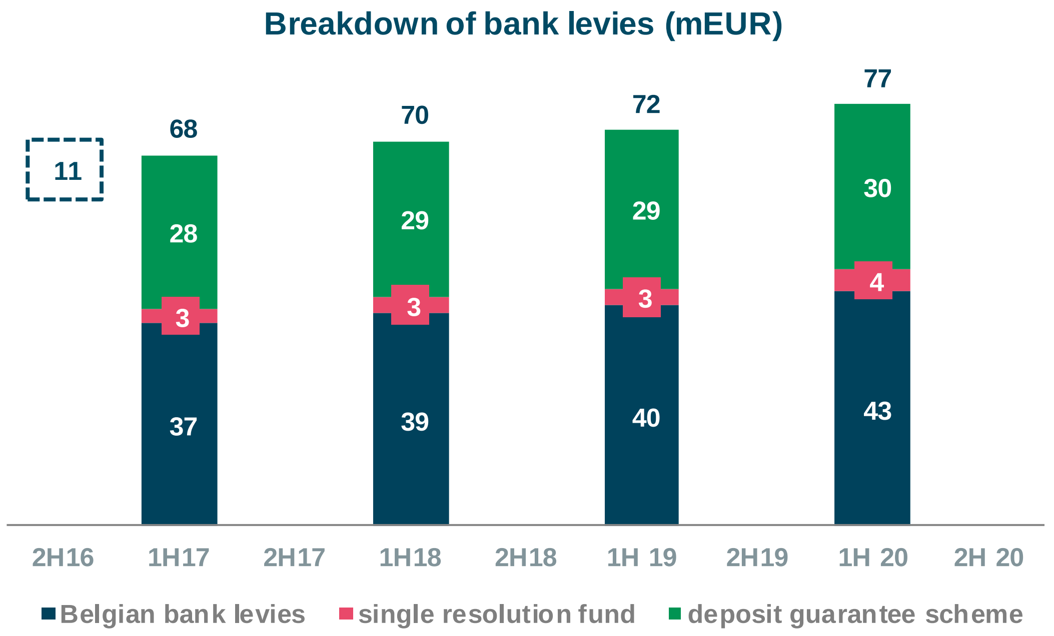
Argenta Spaarbank income statement

In millions of EUR	2H 2019	1H 2020	2H 2019	▲1H-2H	FY 2019	FY 2020	▲FY-FY
Net interest income	**279**	**287**	**282**	**-5**	**538**	**569**	**-32**
Net commissions and fees	**-13**	**-9**	**1**	**10**	**-30**	**-8**	**-23**
Net gains and losses	**1**	**3**	**2,4**	**0**	**-1**	**5**	**-6**
o.w. at fair value through OCI	1	0	1	1	5	1	4
o.w. at amortized cost	1	0	0	0	2	0	1
o.w. at fair value through P&L	-1	2	1	-1	-8	3	-11
Other net operating income	**8**	**10**	**9**	**-1**	**18**	**19**	**-1**
Total income	**275**	**291**	**294**	**3**	**524**	**585**	**-61**
Operating expenses	**-141**	**-220**	**-147**	**73**	**-363**	**-368**	**5**
o.w. payroll expenses	-33	-41	-41	1	-70	-82	12
o.w. operating expenses	-108	-102	-107	-5	-221	-209	-12
o.w. bank levies	0	-77	0	77	-72	-77	5
Operating profit	**134**	**70**	**147**	**77**	**161**	**218**	**-56**
Impairments	**-2**	**-15**	**-4**	**11**	**-3**	**-19**	**17**
o.w. at fair value through OCI	0	-2	0	2	0	-2	2
o.w. at amortized cost	-2	-13	-4	9	-2	-17	15
o.w. other	0	0	0	0	0	0	0
Modification loss	**0**	**-3**	**0**	**3**	**0**	**-3**	**3**
Non-current assets held for sale	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit before tax	**132**	**52**	**143**	**91**	**159**	**195**	**-36**
Income tax expense	**-36**	**-14**	**-45**	**-31**	**-41**	**-59**	**17**
Net profit	**96**	**39**	**98**	**59**	**117**	**136**	**-19**

7. Appendix 6

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.



7. Appendix 7

Net Interest Income - composition

In millions of EUR	dec/18	dec/19	dec/20
Interest income *(excl. hedging)*	**809**	**812**	**809**
Mortgages	718	728	726
Belgium	*211*	*232*	*242*
Netherlands	*507*	*497*	*483*
Consumer credit	4	5	6
Other loans	11	13	13
Debt securities	76	65	62
Other liabilities	0	1	2
Interest expenses *(excl. hedging)*	**-129**	**-116**	**-101**
Deposits	**-95**	**-84**	**-72**
Saving accounts	-31	-29	-28
Belgium	*-26*	*-26*	*-26*
Netherlands	*-6*	*-4*	*-2*
Term savings	-42	-30	-21
Belgium	*-35*	*-27*	*-19*
Netherlands	*-7*	*-4*	*-2*
Deposits related to mortgages	-16	-19	-16
Other	-6	-6	-6
Debt certificates[1]	**-34**	**-31**	**-29**
Retail saving certificates	-15	-8	0
Wholesale debt	-19	-23	-28
Other liabilities	0	-1	-1
Hedging result	**-150**	**-158**	**-138**
Hedging income	3	1	0
Hedging costs	-153	-159	-138
Net interest result	**531**	**538**	**569**

[1]both debts evidenced by certificates and subordinated liabilities

7. Appendix 8

Regulatory Capital[1]

In millions of EUR	Fully loaded 31/12/2019	Fully loaded 31/12/2020
Total equity	**2,124**	**2,288**
Part of interim or year-end profit not eligible	**0**	**0**
Prudential filters	**-4**	**-7**
Reserve cash flow hedge	5	1
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-5	-4
Value adjustments due to the requirements for prudent valuation	-4	-4
Items to deduct	**-49**	**-18**
Other intangible assets	-58	-20
Deferred tax assets	14	5
DTs that rely on future profitability	-6	-3
IRB shortfall of credit risk adjustments to expected losses	**-4**	**0**
Other transitional adjustments	**0**	**3**
Common equity tier 1 (IRB)	**2,066**	**2,265**
Tier 2 instruments	**499**	**504**
Tier 2 (BIII eligible)	499	499
IRB Excess of provisions over expepected loss eligible	0	5
Total regulatory capital (IRB)	**2,564**	**2,770**

7. Appendix 9

Regulatory Risk Exposures

In millions of EUR	31/12/2019	31/12/2020
Central and regional governments	147	192
Public sector	29	16
Institutions and covered bonds	675	716
Corporates	1,287	1,663
Securitisations	82	129
Retail	179	223
Covered by mortgage	4,533	5,254
Operational risk	1,019	1,079
Other	384	441
Risk weighted assets (IRB)	**8,334**	**9,712**

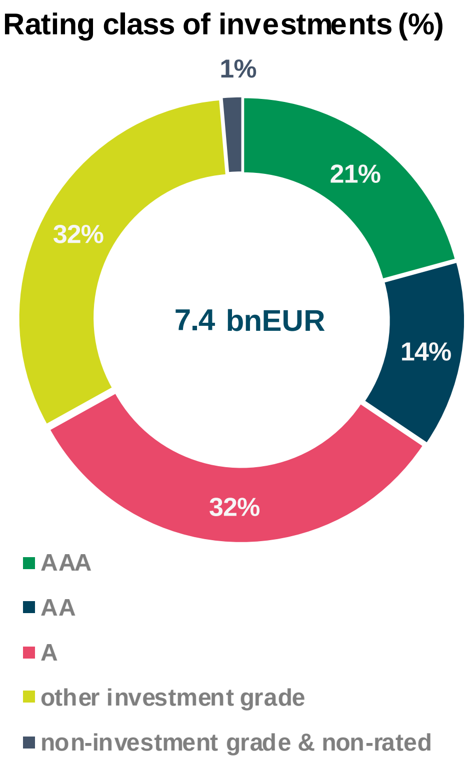
7. Appendix 10

Solvency ratios

In millions of EUR and %	31/12/2019	31/12/2020
Regulatory capital	2,066	2,265
Tier 2 capital	499	504
Risk-Weighted assets	8,334	9,712
CET 1	**24.8%**	**23.3%**
TCR	**30.8%**	**28.5%**

7. Appendix 11

Investment Portfolio excluding cash EOY 2020



Investments per country	%
Belgium	29.7%
Netherlands	17.3%
France	13.2%
Spain	6.8%
Germany	6.6%
Ireland	3.7%
Luxemburg	3.5%
Sweden	2.8%
Slovenia	2.5%
Poland	2.1%
Canada	2.1%
United States	1.7%
Denmark	1.4%
Finland	1.2%
Iceland	0.9%
Other (1)	4.6%

(1) Including exposure to Italy, which only amounts to 0.2% (EUR 16.2m)

7. Glossary (1/2)

ABS	Asset-backed security
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.
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]
CRR	Capital Requirements Regulation
IFRIC	International Financial Reporting Interpretations Committee
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]

7. Glossary (2/2)

MREL	Minimum requirement for own funds and eligible liabilities
Margin on mortgages	Gross margin or [Client rate] - [Swap rate]
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]
NPS	Net Promotor Score
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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