

**SUPPLEMENT (N°1) DATED 24 SEPTEMBER 2021 TO THE  
BASE PROSPECTUS DATED 22 JANUARY 2021**



**ARGENTA SPAARBANK SA/NV**  
*incorporated with limited liability*  
**EUR 7,500,000,000**

**Belgian Mortgage Pandbrieven Programme**

This supplement dated 24 September 2021 (the **Supplement N°1**) to the Base Prospectus dated 22 January 2021 (the **Base Prospectus**), which comprises a base prospectus for the purposes of the Prospectus Regulation, constitutes a supplement to the Base Prospectus for the purposes of Article 23(1) of the Prospectus Regulation and is prepared in connection with the EUR 7,500,000,000 Belgian Mortgage Pandbrieven Programme (the **Programme**) established by Argenta Spaarbank SA/NV, incorporated as a limited liability company under the laws of Belgium, with registered office at 2018 Antwerp, Belgiëlei 49-53, and is registered with the Crossroads Bank for Enterprises (BCE/KBO) under number BE0404.453.574 (RPR Antwerp, division Antwerp) (the **Issuer**). Terms defined in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°1. When used in this Supplement N°1, **Prospectus Regulation** means Regulation (EU) 2017/1129.

This Supplement N°1 is supplemental to, and should be read in conjunction with, the Base Prospectus.

This Supplement N°1 has been approved by the Luxembourg *Commission de Surveillance du Secteur Financier* (the **CSSF**) as competent authority under the Luxembourg act dated 16 July 2019 on prospectuses for securities (the **Luxembourg Law on Prospectus**). This approval does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement N°1. To the best of the knowledge of the Issuer, the information contained in this Supplement N°1 is in accordance with the facts and makes no omission likely to affect the import of such information.

### **Purpose of the Supplement N°1**

The purpose of this Supplement N°1 is (a) to incorporate by reference in the Base Prospectus the Issuer's audited consolidated financial statements for the financial year ended 31 December 2020 (the **2020 Annual Financial Statements**) and the Issuer's consolidated interim financial statements for the half-year ended 30 June 2021 (the **2021 Interim Financial Statements**) and (b) to update some of the sections of the Base Prospectus providing a description of the Issuer and an overview of the Issuer's business.

### **Documents Incorporated by Reference**

Reference is made to the Issuer's 2020 Annual Financial Statements published on 31 March 2021 and the Issuer's 2021 Interim Financial Statements published on 26 August 2021, each of which has been previously filed with the CSSF. By virtue of this Supplement N°1, the 2020 Annual Financial Statements<sup>1</sup> and the 2021 Interim Financial Statements<sup>2</sup> are incorporated by reference in, and form part of, the Base Prospectus.

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<sup>1</sup> Available at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2020/argenta-spaarbank-ifs-annual-statements-2020.pdf>

<sup>2</sup> Available at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2021/argenta-interim-financial-statements-IH-2021.pdf>

Copies of this Supplement N°1, the 2020 Annual Financial Statements and the 2021 Interim Financial Statements will be available for inspection on the website of the Issuer ([www.argenta.eu](http://www.argenta.eu)) and on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The first paragraph of the section entitled "*Documents Incorporated by Reference*" on page 48 of the Base Prospectus shall be deemed deleted and replaced with the following:

“This Base Prospectus should be read and construed in conjunction with:

- (a) the audited consolidated accounts of the Issuer for the years ended 31 December 2019<sup>3</sup> and 31 December 2020<sup>4</sup> including the reports of the statutory auditors in respect thereof; and
- (b) the unaudited consolidated interim financial statements of the Issuer for the half-year ended 30 June 2021, including the report of the statutory auditor in respect thereof (the “**2021 interim report**”);<sup>5</sup>

each of which is incorporated by reference in this Base Prospectus and has been prepared by the Issuer and is available at [www.argenta.eu](http://www.argenta.eu). Such documents shall be incorporated by reference in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.”

The third paragraph of the section entitled "*Documents Incorporated by Reference*" on page 48 of the Base Prospectus shall be deemed deleted and replaced with the following:

“The table below sets out the relevant page references for the (i) (condensed)<sup>6</sup> consolidated balance sheet, (ii) (condensed) consolidated statement of income, (iii) (condensed) consolidated (interim) cash flow statement, (iv) audit report on the consolidated accounts, and (v) notes to the (condensed) consolidated (interim) financial statements as set out in each of the 2021 interim report and the 2019 and 2020 annual reports of the Issuer.”

The text that appears after the fourth paragraph in the section entitled "*Documents Incorporated by Reference*" on pages 48 and 49 of the Base Prospectus shall be deemed deleted and replaced with the following:

**Consolidated interim financial statements 2021**

**(English version)**

The Statutory Auditor’s review report	page 3
Condensed consolidated statement of financial position	pages 7-8
Condensed consolidated interim statement of profit or loss	page 9
Condensed consolidated interim statement of comprehensive income	Page 10
Condensed interim statement of changes in equity	Page 11

<sup>3</sup> Available at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2019/IFRS%20Annual%20Statements%20Argenta%20Bank-%20en%20Verzekeringsgroep%202019.pdf>.

<sup>4</sup> Available at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2020/argenta-spaarbank-ifs-annual-statements-2020.pdf>

<sup>5</sup> Available at: <https://www.argenta.eu/content/dam/argenta-eu-site/financial-information/2021/argenta-interim-financial-statements-1H-2021.pdf>.

<sup>6</sup> Condensed financial information is only available for the 2021 interim report.

Condensed consolidated interim cash flow statement	Pages 12-13
Notes to the condensed consolidated interim financial statements	pages 14-17

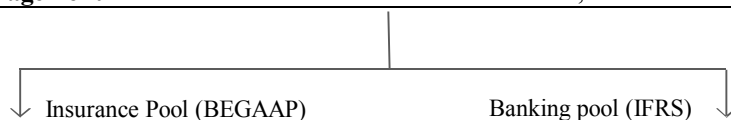
	Consolidated financial statements 2019	Consolidated financial statements 2020
	(English version)	(English version)
Audit report on the consolidated accounts	pages 9-15	pages 10-15
Consolidated balance sheet	pages 16-17	pages 16-17
Consolidated statement of profit or loss	pages 18-19	Pages 18-19
Consolidated statement of comprehensive income	page 20	page 20
Consolidated statement of changes in equity	page 21	page 21
Consolidated cash flow statement	pages 22-24	pages 22-24
Notes to the consolidated financial statements	pages 25-143	pages 25-140

### Business overview of the Argenta Group

The final paragraph of the section entitled “*Key facts and figures of the Argenta Group*” on page 135 of the Base Prospectus and the tables on page 136 of the Base Prospectus shall be deemed to be deleted and replaced with the following:

The following Table summarises key facts and figures for the Argenta Group on a consolidated basis under IFRS, except for the Insurance Pool, for which the BEGAAP figures are displayed in lieu of the IFRS figures:

€ millions	30 June 2020	30 June 2021
<b>Total assets</b>	51,723	54,695
<b>Shareholder’s equity</b>	2,899	3,200
<b>Net income (adjusted for IFRIC 21)</b>	62 (94)	104 (143)
<b>C/I ratio adjusted for IFRIC 21 (excl. bank levies)</b>	59% (48%)	54% (42%)
<b>CET1 ratio (Danish compromise)</b>	22.6%	23.1%
<b>Customer Assets under Management</b>	50,270	55,648



€ millions	30 June 2020	30 June 2021	€ millions	30 June 2020	30 June 2021
<b>Total assets</b>	6,877	6,834	<b>Total assets</b>	44,786	47,756
			<b>Shareholder’s equity</b>	2,155	2,333
			<b>Deposits (incl. non-subordinated term products)</b>	37,537	39,773
<b>Shareholder’s equity</b>	511	609	<b>Loans to customers</b>	31,982	35,409
<b>Gross premiums life<sup>1</sup></b>	426	203	<b>Net income (adjusted)</b>	39 (67)	53 (86)
<b>Gross premiums non-life</b>	93	96			

			<b>for IFRIC 21)</b>		
<b>Net income</b>	31.4	48.7	<b>RoE adjusted for IFRIC 21</b>	6.4%	7.5%
<b>RoE</b>	13.1%	17.4%			
<b>Solvency ratio</b>	246%	240%	<b>CET1 (IRB)</b>	22.1%	22.7%
			<b>MREL ratio (SRB target)</b>	7.98% <sup>2</sup> (4.85%)	8.09% <sup>3</sup> (7.16%)
			<b>S&amp;P rating</b>	A-	A-

Notes

- 1) Gross premiums life including branch 23 insurance premium income
- 2) Expressed as % of Total Liabilities and Own Funds (TLOF) (SRB target for 2020)
- 3) Expressed as % of Leverage Rate Exposure (LRE) (SRB target for 2021)

## Business overview of the Issuer

The tables on page 138 of the Base Prospectus in the section entitled “*Main geographical markets*” shall be deemed to be deleted and replaced with the following tables:

### Loans and Receivables outstanding

(€ billion)	<u>30 June 2021</u>	
Belgium	17.7	50%
The Netherlands	17.7	50%
<b>Total</b>	<b>35.4</b>	<b>100%</b>

(€ billion) Belgium	<u>30 June 2021</u>	
Current and savings deposits	35.3	89%
Non-subordinated term products	1.2	3%
Total Belgian deposits	36.5	92%

(€ billion) The Netherlands	<u>30 June 2021</u>	
Current and savings deposits	2.1	5%
Non-subordinated term products	0.9	2%
Total Dutch deposits	3.0	8%
Total deposits	39.5	100%
Securitisation funding	2.6	
EMTN	1.5	
Subordinated debt	0.0	
Covered Bonds	0.5	
Other	0.3	
Total	44.4	

The sections titled “*Performance*”, “*Loan Portfolio*”, “*(Re)investment portfolio*” and “*Net Interest Income, Net Interest Margin and net profit*” on pages 139 to 144 of the Base Prospectus shall be deemed deleted and replaced with the following:

### Performance

Despite the continued pressure on net interest income in a low interest rate environment, the Issuer has been able to realise strong results over the recent periods.

<sup>7</sup> For the avoidance of doubt, the percentages set out in this overview are rounded. As a consequence thereof, the sum of these differ from the (sub)total percentages displayed here.

The Issuer's balance sheet grew further in the first half of 2021. The Issuer's total balance sheet now amounts to EUR 47.8 billion. Apart from increased retail funding both in Belgium and the Netherlands, the Issuer also further diversified its funding sources with an inaugural issuance of EUR 500 million Mortgage Pandbrieven and EUR 650 million Dutch RMBS.

### **Loan portfolio**

Since 2017 the Issuer's balance sheet grew with a compound annual growth rate ("CAGR") of 7%, and the portfolio of loans to customers still increased in the first half of 2021, by EUR 1.4 billion, as a result of new production in mortgage loans. The gross mortgage production in the first half of 2021 amounted to EUR 1.7 billion in the Netherlands and EUR 2.5 billion in Belgium for both countries at a margin of respectively 1.55% and 1.35%.

Additionally, the portfolio remained of very good quality with declining 'Loan to Value' ("LTV"): more than 95% of the total amount outstanding of the mortgage portfolio has an LTV of less than 90% or has a Dutch State guarantee (the so-called NHG Guarantee). The average LTV on the total loan portfolio as at 30 June 2021 was 59%.

The Issuer continues to adopt a conservative loan acceptance policy. At a global level, the total loan loss reserve declined from EUR 47.4 million end of 2020 to EUR 45.4 million as of 30 June 2021 (including impairments on the investment portfolio). The main reasons for the decrease are the favourable macro-economic revisions resulting in lower impairments on Dutch mortgages and on the investment portfolio, tapered by some higher impairments on Belgian mortgages due to higher forbearance rates. Overall, this amount is very limited relative to the Issuer's total portfolio, which is demonstrated by a cost of risk of 0.02% as at 30 June 2021.

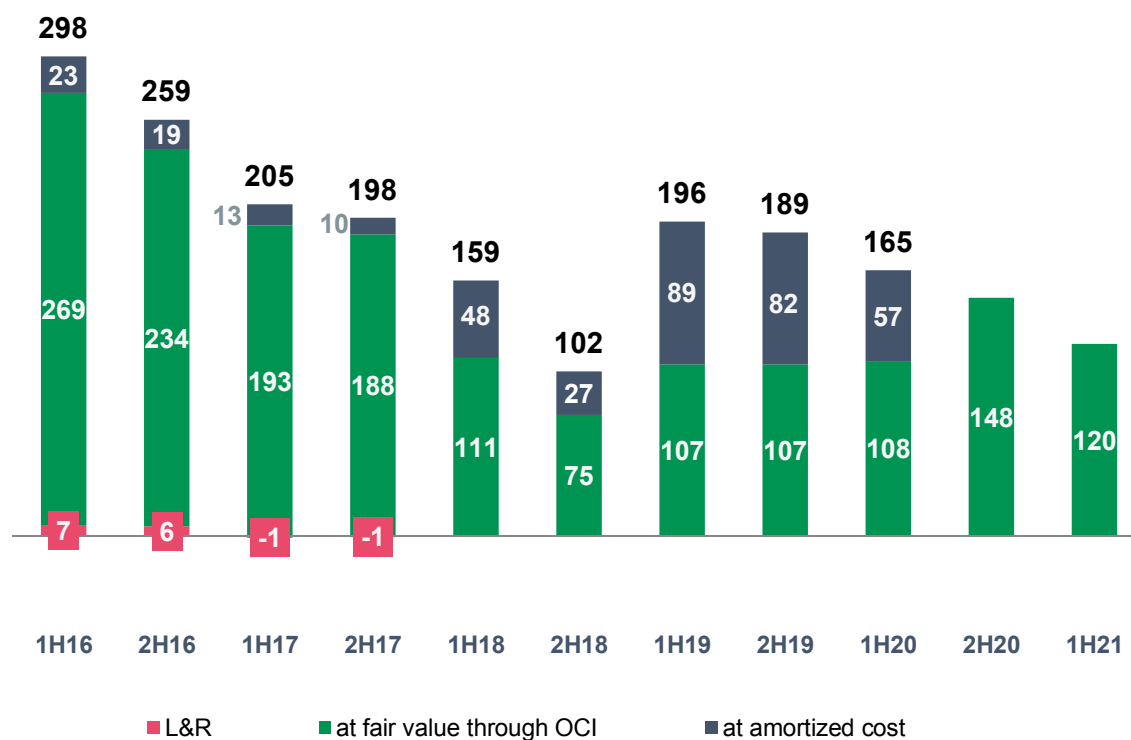
The NPL ratio of the mortgage portfolio in the Netherlands remained very low, at 0.5% as of 30 June 2021. The Issuer's NPL ratio in Belgium remained very low as well, at 0.8% in the first half of 2021.

The Issuer reported an average coverage ratio of 13% on 30 June 2021 evidencing the high quality of prime mortgage collateral.

### **(Re)investment portfolio**

The below graph provides an overview of the unrealised gains divided into loans and receivables ("L&R") (IAS 39), at fair value through other comprehensive income ("OCI") and at amortised cost (IFRS 9). The below data are presented on a half yearly basis.

## Unrealized gains (EUR m)



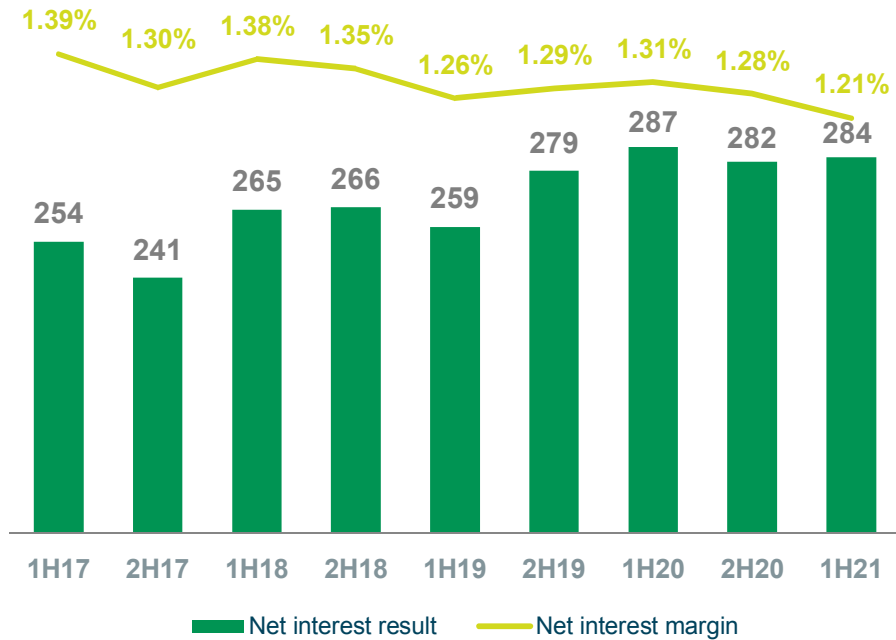
On 30 June 2021, 99% of the investment portfolio (EUR 10.7 billion including cash) was investment grade, 33% of the portfolio was rated AA and above, 95% of the portfolio was invested in the European Economic Area and investments were exclusively in euros, so no foreign exchange risk existed. The unrealized gains of financial assets not measured at fair value through P&L were EUR 120 million at 30 June 2021. The Issuer continues to work on diversification in terms of loans to local governments, corporates and PPP (public private partnerships).

On 30 June 2021, the investment portfolio was stable compared to the situation on 31 December 2020 as credit spreads remain low and additional investments are thus limited. The temporary cash surplus following the RMBS issuance is reserved to fund the mortgage pipeline.

### Net Interest Income, Net Interest Margin and net profit

The following graph provides an overview of the Net Interest Income (“NII”) and the Net Interest Margin (“NIM”) on a half yearly basis.

### Net interest result (EUR m / %)

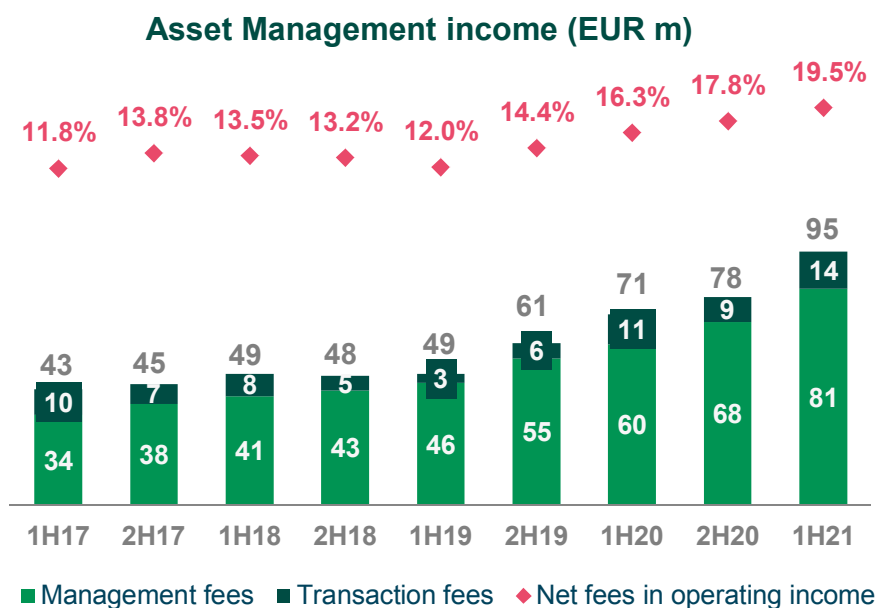


In the first 6 months of 2021, the Net Interest Income amounted to EUR 284 million, which is only EUR 3 million lower than the same period in 2020. Despite the low-for-long interest environment and declining Net Interest Margins (decline from 1.28% in the second half of 2020 to 1.21% in the first half of 2021), the Net Interest Income remains stable because of the high production volumes in mortgage loans both in Belgium and in the Netherlands and because of the continued higher prepayment penalties on Dutch mortgages. On the funding side, there is still the legal minimum of 11bp on Belgian regulated saving accounts, but the maturity of expensive retail term deposits and the diversification of funding sources to wholesale funding supports the decrease in cost of funding. Wholesale funding amounts to EU 4.8 billion representing more than 10% of the total funding.

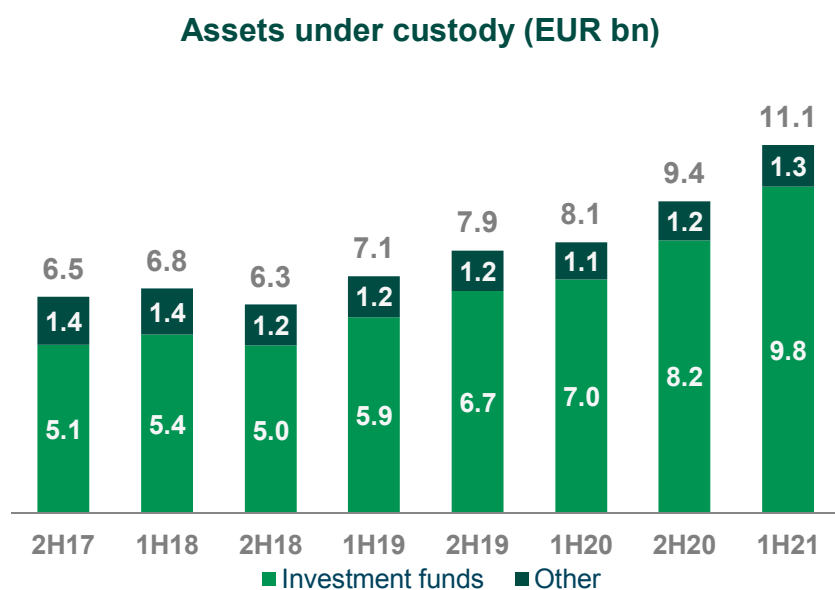
The below graph provides an overview of the asset management income divided into transaction fees and management fees, on a half yearly basis. The percentage represents the net fee/operating income<sup>8</sup>.

<sup>8</sup>

Excluding commissions to agents.



The below graph provides an overview of the growth in assets under custody, on a half yearly basis.

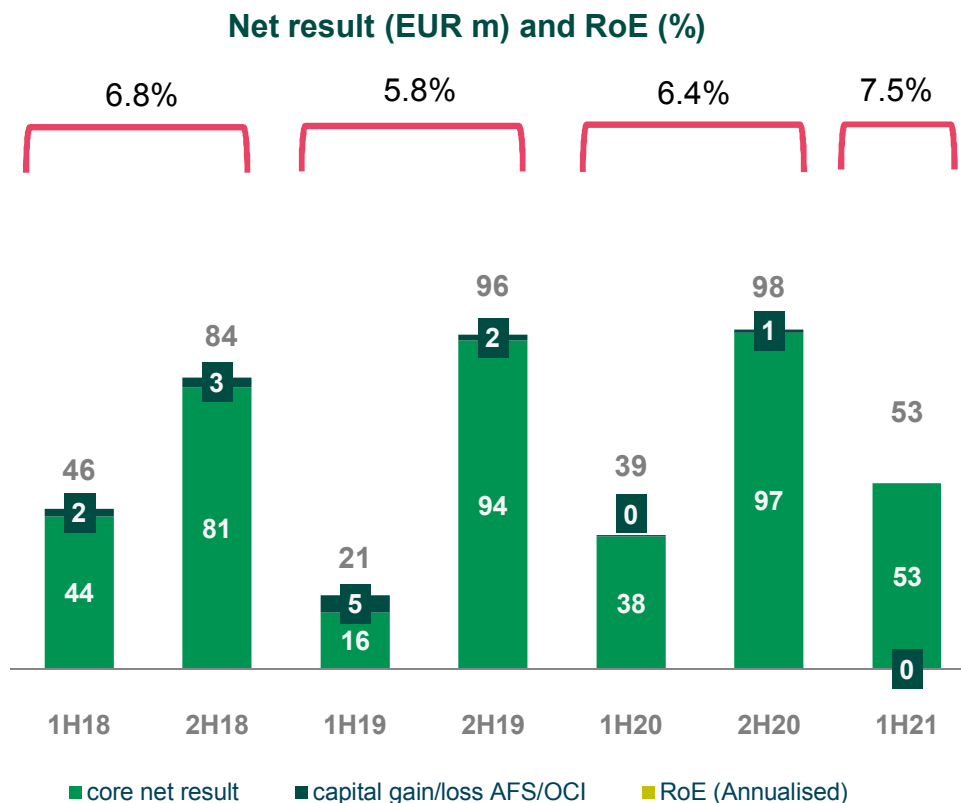


In order to counter the effects of the low-for-long interest environment, the Issuer diversifies its income sources to products that generate fee income. The total portfolio of assets under custody grew with 18% to an amount of more than EUR 11.1 billion as of 30 June 2021. Net income from those funds increased to EUR 95 million, due to higher management fees and higher volumes. The proportion of this Net Fee Income in Total Operating Income increases from 17.8% end of 2020 to 19.5% as of 30 June 2021.

In the first half of 2021, the Issuer continued to keep the operating expenses under control, which combined with a higher net operating income results in a C/I ratio of 61% (from 63% as of 31 December 2020). Bank levies grew by 12% to EUR 86 million as a result of the growing retail savings portfolio. Excluding the impact of bank levies, the C/I ratio amounts to 47%.



As can be seen in the graph below, the net result of EUR 53 million was EUR 15 million higher year-on-year resulting from persistent income diversification efforts towards asset management products as well as a positive evolution in impairments and “Mark-to-Market” (“MtM”) on hedging derivatives. Interest income remains stable, while the growing deposit base results in higher bank levies. Adjusted for IFRIC 21<sup>9</sup>, the net profit amounted to EUR 86 million for the six months ended 30 June 2021.



The graph relating to the Issuer’s quantitative targets on pages 143-144 of the Base Prospectus in the section entitled “*Strategic vision and targets*” shall be deemed deleted and replaced as follows:

<b>Issuer’s quantitative targets</b>	<b>31 December 2020</b>	<b>30 June 2021</b>	<b>Target</b>
Return on Equity	6.4%	7.5% <sup>1</sup>	>7%
Leverage ratio	4.9%	4.8%	>5%
Cost/Income Ratio	63%	61% <sup>1</sup>	<60%
CET1 ratio	23.3%	22.7%	>18%
Total Capital ratio	28.5%	22.7%	>20%
Net Interest Margin (NIM)	1.28%	1.21%	>1.35%
Net Stable Funding Ratio	136%	146%	>132%
Liquidity Coverage Ratio	159%	160%	>137%

**Notes**

1) Adjusted for IFRIC 21

**General Information**

Paragraph 4 in the section “*General Information*” on page 193 of the Base Prospectus shall be deemed deleted and replaced with the following:

<sup>9</sup> Adjusted for IFRIC 21 (full year bank levies are not recognised as at 1 January, but linearly spread over the accounting year)

“There has been no material adverse change in the prospects of the Issuer on a consolidated basis since 31 December 2020. In addition, there are no known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for the current financial year.”

Paragraph 5 in the section “*General Information*” on page 193 of the Base Prospectus shall be deemed deleted and replaced with the following:

“There has been no significant change in the financial or trading position of the Issuer since 30 June 2021”.

Paragraph 12 in the section “*General Information*” on page 194 of the Base Prospectus shall be deemed deleted and replaced with the following:

“The audit of the Issuer’s financial statements and annual reports for the years ended 31 December 2019 and 31 December 2020, was conducted by Deloitte Bedrijfsrevisoren BV o.v.v CVBA, represented by Dirk Vlamincx (2019) and Bernard De Meulemeester (2020), Gateway building, Luchthaven Brussel Nationaal 1 J, 1930 Zaventem (members of *IBR – IRE Instituut der Bedrijfsrevisoren/Institut des Réviseurs d’Entreprises*). The audit of the Issuer’s consolidated interim financial information for the half-year ended 30 June 2021 was conducted by KPMG Bedrijfsrevisoren - KPMG Réviseurs d’Entreprises BV/SRL, represented by Kenneth Vermeire, Luchthaven Brussel Nationaal 1 K, 1930 Zaventem (members of *IBR – IRE Instituut der Bedrijfsrevisoren/Institut des Réviseurs d’Entreprises*).”

To the extent that there is any inconsistency between (a) any statement in this Supplement N°1 or any statement incorporated by reference into the Base Prospectus by this Supplement N°1 and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement N°1, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication of the Base Prospectus.