



ARGENTA'S 2016 SREP OVERALL CAPITAL REQUIREMENT

Antwerp, January 27th 2017

Argenta has been notified of the European Central Bank's decision on the 2016 Supervisory Review and Evaluation Process (SREP), leading to a fully loaded overall capital requirement of 9.75% common equity tier 1 ratio (CET 1) and 13.25% total capital ratio (TCR) for Argenta Spaarbank. This includes a pillar 2 requirement (P2R) of 2.0% CET 1, but excludes the non-mandatory pillar 2 guidance (P2G) which is not disclosed.

On 30 June 2016, Argenta Spaarbanks fully loaded CET 1 (without taking into account the basel floor) stood at 24.8%, well in excess of the regulatory requirement.

In addition to the pillar 2 requirement of the ECB, the capital requirement is determined by decisions of the local competent authorities in the markets where Argenta is active. The National Bank of Belgium (NBB) announced additional capital buffers for Belgian systemic banks in 2016, that gradually increase over a 3-year period. This means a fully loaded O-SII1¹ buffer of 0.75% for Argenta Spaarbank. In addition, the fully loaded capital conservation buffer for Argenta Spaarbank equals 2.50%. Both buffers come on top of the pillar 1 minimum CET 1 requirement of 4.5%.

In total the fully loaded CET 1 requirement adds up to 9.75% and the fully loaded TCR equals 13.25%. Argenta clearly exceeds these requirements. Since the additional buffers imposed by the local competent authorities are gradually built up by 2019, the relevant requirement for 2017 on a phased-in basis is at 8.25% CET 1 and 11.75% TCR.

More details on the new capital requirements can be found in the attached presentation to this press release.

END PRESS RELEASE

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¹ Other Systemically Important Institutions



Argenta Spaarbank

SREP capital requirements

January 2017

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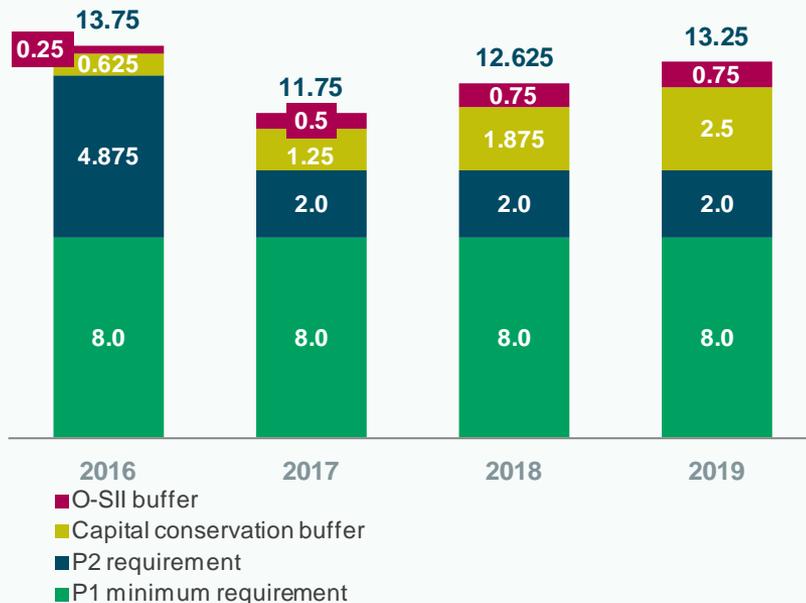


SREP capital requirement

In detail

- Following the Supervisory Review and Evaluation Process performed for 2016 the ECB has notified Argenta Spaarbank of the decision to set a pillar 2 requirement of 2.0%.
- The NBB has set an additional O-SII buffer for systemic banks of 0.75% and capital conservation buffer of 2.5% in 2016. Both buffers will gradually increase over a 3-year period.

Overall capital requirement (%)



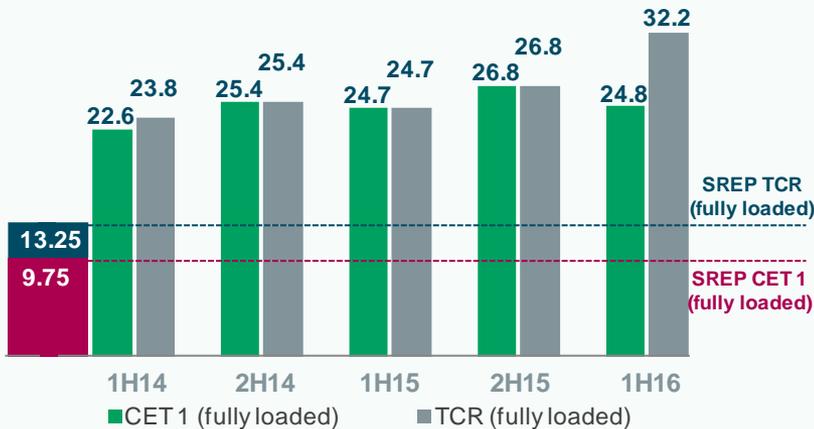
- The transitional overall capital requirement decreased from 13.75% TCR in 2016 to 11.75% TCR in 2017 due to a decrease in pillar 2 requirement.
- The fully loaded overall capital requirement is set at 13.25% TCR, to be reached in 2019.



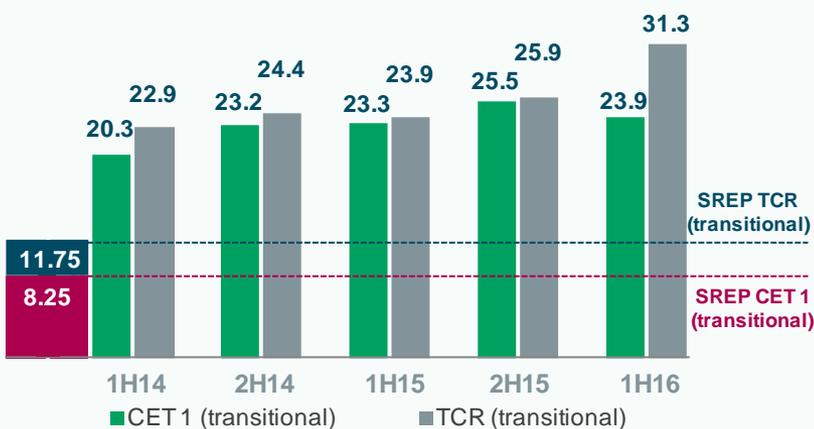
Strong solvency position

Well in excess of regulatory requirement

Solvency (fully loaded) (%)



Solvency (transitional for 2017) (%)



- The solvency position as per 30/06/2016, both on a fully loaded and transitional basis, clearly exceeds the overall capital requirements based on the 2016 Joint Capital Decision (JCD).
- The total capital ratio was strengthened by the issuance of a 500 million EUR T2 benchmark transaction in the second quarter of 2016.
- Under the transitional arrangements of CRR Argenta Spaarbank is subject to the Basel floor, the overall capital requirements do not take into account this floor.



Appendix 1

Overview regulatory requirement

	SREP 2015		SREP 2016			
	phased-in for 2016	fully loaded	phased-in for 2016	phased-in for 2017	phased-in for 2018	fully loaded
Pillar 1 minimum requirement						
Common equity tier 1	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
Additional tier 1	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
Tier 2	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Pillar 2 requirement (P2R)	4.875%	2.50%	2.00%	2.00%	2.00%	2.00%
Combined buffer requirement						
Capital conservation buffer	0.625%	2.50%	0.625%	1.25%	1.875%	2.50%
O-SII buffer	0.25%	0.75%	0.25%	0.50%	0.75%	0.75%
Countercyclical buffer	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Overall capital requirement						
Common equity tier 1	10.25%	10.25%	7.375%	8.25%	9.125%	9.75%
Tier 1	11.75%	11.75%	8.875%	9.75%	10.625%	11.25%
Total capital	13.75%	13.75%	10.875%	11.75%	12.625%	13.25%



Appendix 2

Glossary

Argenta Spaarbank	Consolidation scope of the legal entities Argenta Spaarbank (parent) and Argenta Asset Management (subsidiary).
Common equity tier 1 ratio or CET 1	$[\text{common equity tier 1 capital}] / [\text{total weighted risks}]$
CRR	Capital Requirements Regulation
O-SII	Other systemic important institutions
Overall capital requirement or OCR	Overall capital requirement is made up from: (1) the minimum own funds requirement required under Article 92(1) of Regulation (EU) No 575/2013, (2) the Pillar 2 requirement, and (3) the Combined buffer requirement as defined under Article 128(6) of Directive 2013/36/EU
Pillar 2 guidance or P2G	Additional own funds guidance to be held above the overall capital requirement
Pillar 2 requirement or P2R	Additional own funds requirement to be held in excess of the minimum own funds requirement and to be maintained at all times in accordance with article 16(2)(a) of Regulation (EU) No 1024/2013
Tier 1 or T1	$[\text{common equity tier 1 capital} + \text{additional tier 1 instruments}] / [\text{total weighted risks}]$
Tier 2 or T2	Tier 2 capital is the secondary component of bank capital, in addition to Tier 1 capital
Total capital ratio or TCR	$[\text{common equity tier 1 capital} + \text{additional tier 1 instruments} + \text{tier 2 instruments}] / [\text{total weighted risks}]$



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