Argenta Spaarbank

Financial results first half 2019

August 2019

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Agenda

1. Key takeaways
2. Strategy and Business Profile
3. Financial Performance
4. Asset Quality
5. Solvency and Liquidity
6. Wrap up
7. Appendices

1. Key takeaways H1 2019

- Still solid financial performance in H1 2019 despite lower interest rate environment:
  - Adjusted[1] net profit of 47 million EUR in H1 2019.
  - The decrease in market interest rates has led to a negative mark-to-market of hedge derivatives of 16 mio EUR after tax. Excluding the non-operational MtM effect, ROE[1] is 6.2% and the net interest margin is stable at 1.35%.
  - 2.5 billion EUR[2] new loans granted in H1 2019 to the Belgian and Dutch households, up 13% yoy in total, mainly the result of higher volumes in the Netherlands (+51%). Retail mortgage loan production market share at 6.3% in Belgium and 2.8% in the Netherlands.
  - Funds under management grew to 41.6 billion EUR (+5%) mainly as a result of higher saving volumes, strong fee production volumes and positive stock market movements in H1 2019. Fee income remained stable at 49 million EUR compared to H1 2018.
  - Higher recurring net interest income and stable net fee and commission result were compensated by inefficiencies in hedge accounting (due to low interest rates) and higher operating expenses, leading to a cost/income ratio for H1 2019 to 60% (excluding bank levies).
- Robust capital and liquidity position:
  - Fully loaded BIII IRB CET 1 at 22.3%, TCR of 27.9%, well in excess of the SREP requirement.
  - Sound liquidity position with LCR of 170% and NSFR of 138%.

(1) Adjusted for IFRIC21 (which requires full year bank levies to be recognised on 1 January) – linear amortization of levies over FY2019
(2) New loans granted, excluding internal refinancings of existing loans from Argenta

2. Strategy and Business Profile

2. Argenta Group Strategy and Business Profile

simple and easy-to-understand business model

Market share[1]	
Deposits	0.6%
Mortgage loans	2.6%

Market share[1]	
Deposits	8.4%
Investment funds	4.0%
Mortgage loans	5.5%
Life insurance	5.0%
Non-life insurance	2.1%

- Integrated bank-insurance business model focussed on fruitful long term relationships with its retail clients, employees, tied agents, family shareholders and investors.
- Offering simple and transparent bank and insurance products and free of charge payment and custodial services.
- Broad reach through a strong network of independent agents in Belgium, third party distribution in the Netherlands, complemented by a user-friendly digital platform.
- Unrivalled levels of customer satisfaction, loyalty and brand strength:
  - Internal and external NPS surveys show top notch results.
  - Voted best bank in Belgium – Satisfaction survey by Test Aankoop in 2019
  - Voted best Savings and Current Account by Bankshopper.be in 2017 and 2018.
  - Voted best bank – General Satisfaction by the independent inquiry by Spaargids.be in 2018.
  - Identified as strongest bank brand strength in Flanders in 2016 in a study published by the Benchmark Company.
- Integrated operating model creating cost synergies and efficiencies.

(1) Total portfolio for Banking and Investment products, latest available figures

2. Overview of Key Financial Data

H1 2019

Argenta Group[1]

Net result	77.3 m
Return on Equity	5.9%
Total assets	49.0 bn
Total equity	2.7 bn
Cost / Income[2]	67%
Total funds under mgmt	47.1 bn
CET 1	22.5%

Argenta Spaarbank[1]

Net result	46.8 m
Return on Equity	4.6%
Total assets	42.4 bn
Total equity	2.0 bn
Cost / Income[2]	75%
Total funds under mgmt	41.6 bn
CET 1	22.3%

Credit Rating

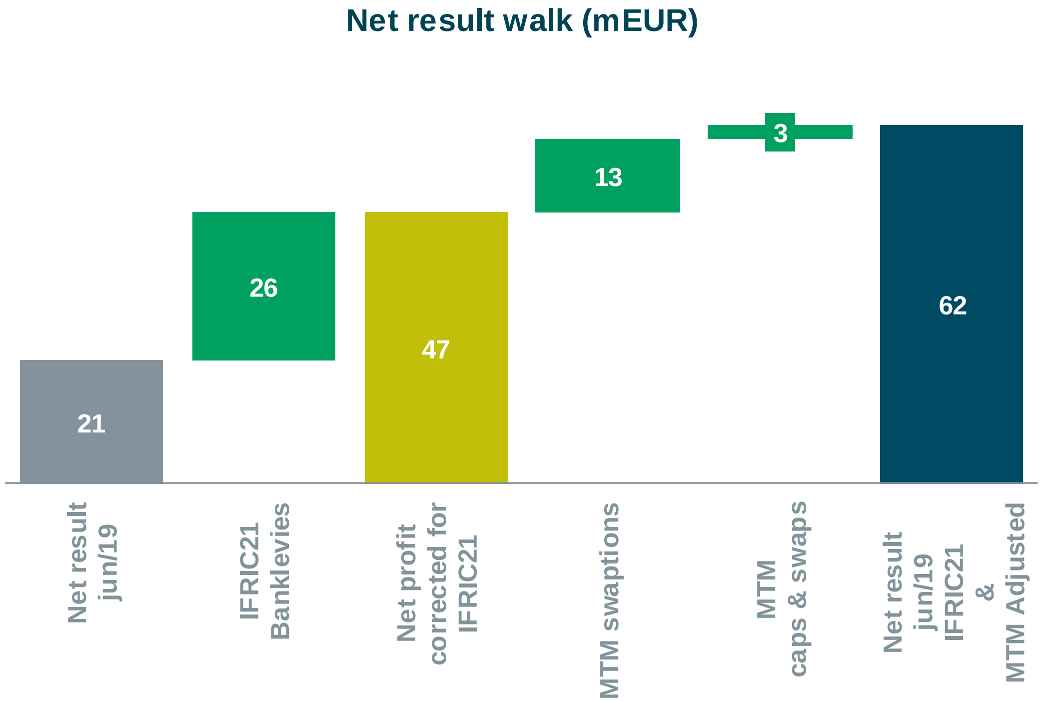
Standard & Poor's	
Short-term	A-2
Long-term	A-
Outlook	Stable

Argenta Assuranties[3]

Net result	29.3 m
Return on Equity	12.9%
Total assets	6.9 bn
Total equity	0.5 bn
Premium Life[4]	355 m
Premium Non-life	92 m
Solvency II	276%

Note: all numbers are stated in EUR
(1) Consolidated and adjusted for IFRIC 21
(2) Cost / Income ratios excluding bank levies are 55% for Argenta Group and 60% for Argenta Spaarbank – see slide 15
(3) BGAAP
(4) Including Universal Life unit-linked

2. Impact of one-off effects on net result



	Not adjusted	incl. IFRIC21 correction	incl. IFRIC21 & MTM correction
Net result (mio EUR)	21	47	62
ROE	2,1%	4,6%	6,2%
NIM	1,26%	1,26%	1,35%

- H1 2019 result of 21 million EUR impacted by IFRIC 21 ruling, corrected net result of 47 mio
  - Upfront bank levies of 72 mio: -26 mio impact (after tax) on H1 2019 results
- Continued lower interest rates cause MtM accounting effects in profit and net interest margin
  - Mark-to-market of hedge derivatives: -16 mio (after tax)
- Adjusted H1 2019 result of 62 mio EUR with an ROE of 6.2%

2. Financial Objectives

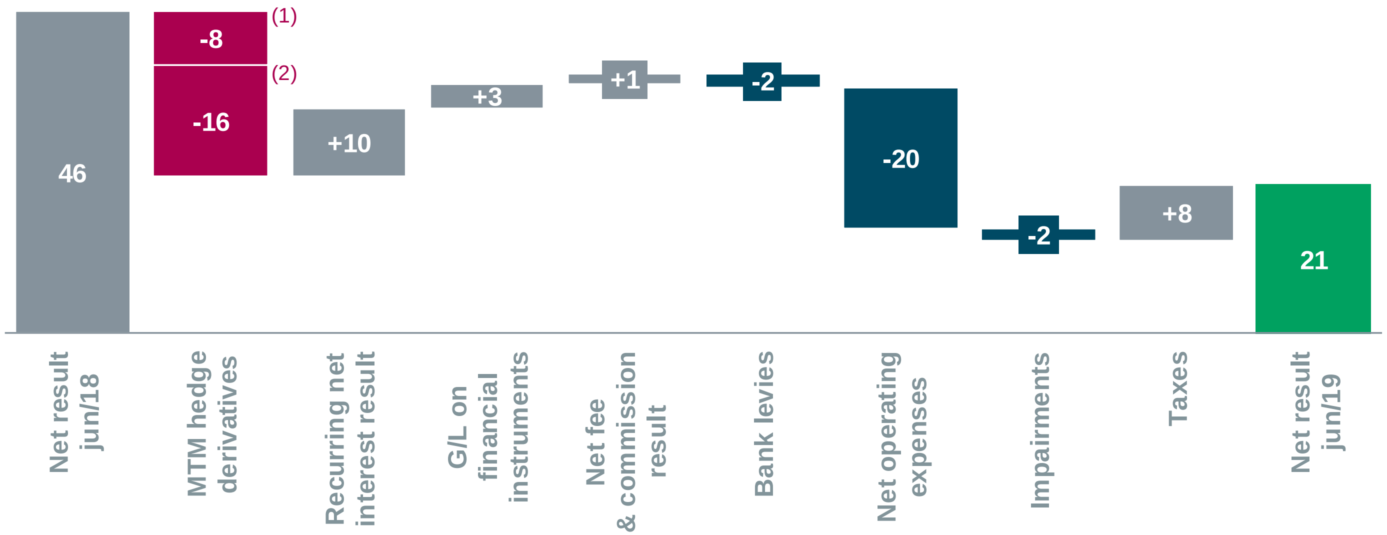
Argenta Spaarbank	FY 2018	1H 2019	LT Target
Return on Equity	6.8%	6.2% [1,2]	>8%
Leverage Ratio (fully loaded)	4.7%	4.5%	>4%
Cost / Income Ratio (excluding bank levies)	56%	56% [1,2]	40%
CET 1 Ratio (BIII fully loaded)	23.1%	22.3%	>18%
Total Capital Ratio (BIII fully loaded)	29.0%	27.9%	>20%
Net Interest Margin (NIM)	1.37%	1.35% [1,2]	>1.4%
NSFR	141%	138%	>120%
LCR	170%	170%	>125%

(1) Adjusted for IFRIC 21
(2) Adjusted for MTM hedge derivatives – see page 8 for more clarification for ROE and NIM, and page 15 for cost / income ratio

3. Financial performance

3. Overview H1 result 2019

Net result walk Actual - Actual (mEUR)

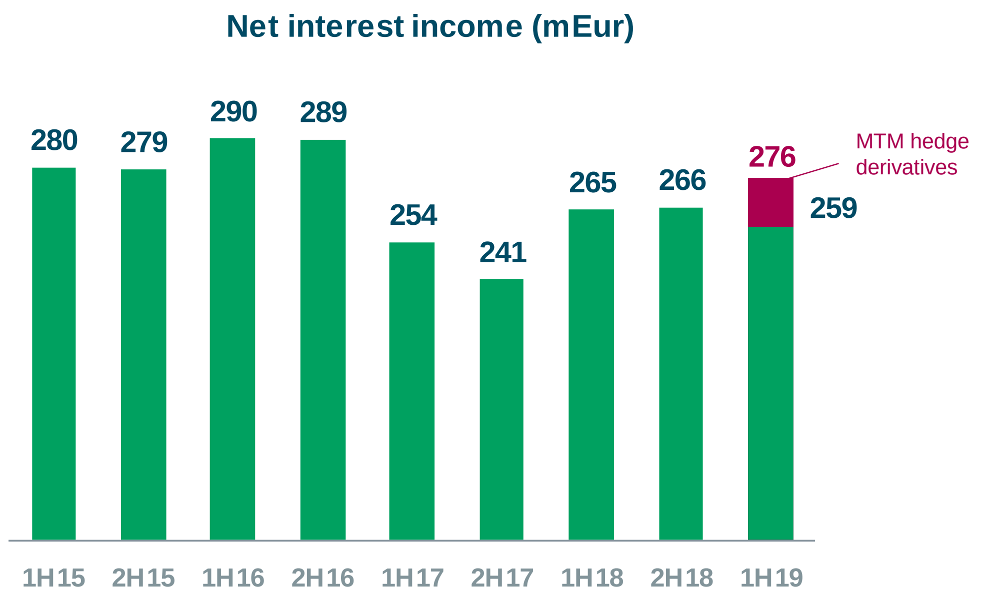


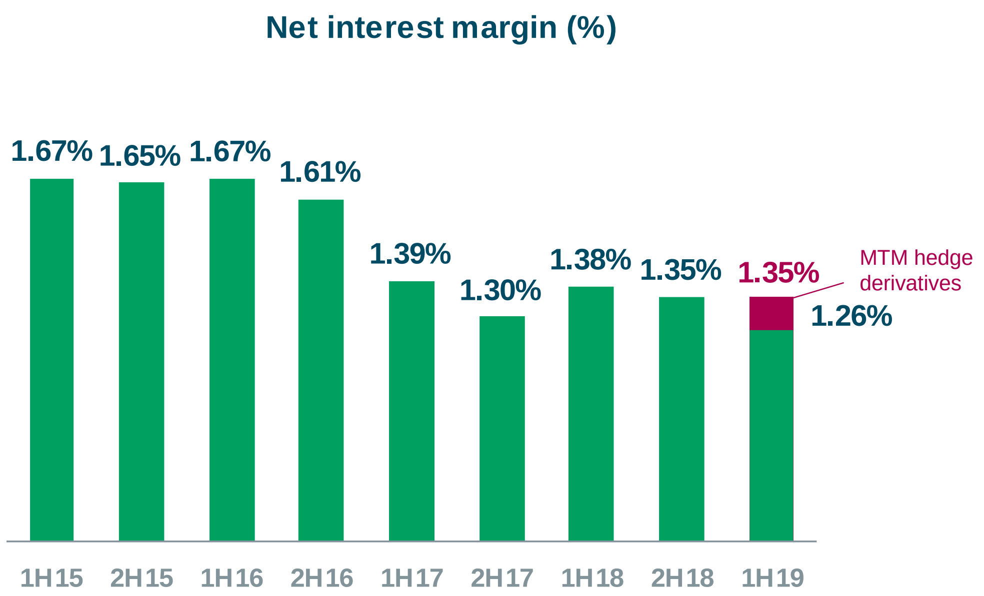
In millions of EUR	1H 2018	1H 2019	Δ
Net interest income	265	259	-6
recurring NII	*266*	*276*	*+10*
one-off impact MTM	*-1*	*-17*	*-16*
G/L on financial instruments	3	-2	-4
general result	*-2*	*1*	*+3*
one-off impact MTM	*4*	*-3*	*-8*
Net fee & commission result	-19	-18	+1
fee income	*49*	*49*	*-0*
commissions to agents	*-68*	*-67*	*+1*
Bank levies	-70	-72	-2
Net operating expenses	-120	-140	-20
other operating income	*16*	*10*	*-6*
operating expenses	*-136*	*-150*	*-14*
Impairments	1	0	-2
Income tax expense	-13	-5	+8
Net profit	**46**	**21**	**-25**
IFRIC21 adjustment	25	26	+1
Adjusted net profit	**71**	**47**	**-24**

- IFRIC21 adjusted H1 2019 result of 47 million EUR compared to 71 million EUR over the same period of last year.
- Net result is impacted by a one-off IFRS effect: -24 mio YoY related to mark-to-market of hedge derivatives because of lower interest rates.
- 4% higher recurring net interest income partially compensates this temporary effect. Main drivers are an increased mortgage production and the maturing of expensive term deposits and diversification of funding sources.
- Net operating expenses up 17% mainly driven by digital and IT investments.

(1) -8 mio YoY impact of MtM changes caps and swaps, normally included in gains & losses
(2) -16 mio YoY impact of MtM changes swaptions, normally included in net interest result

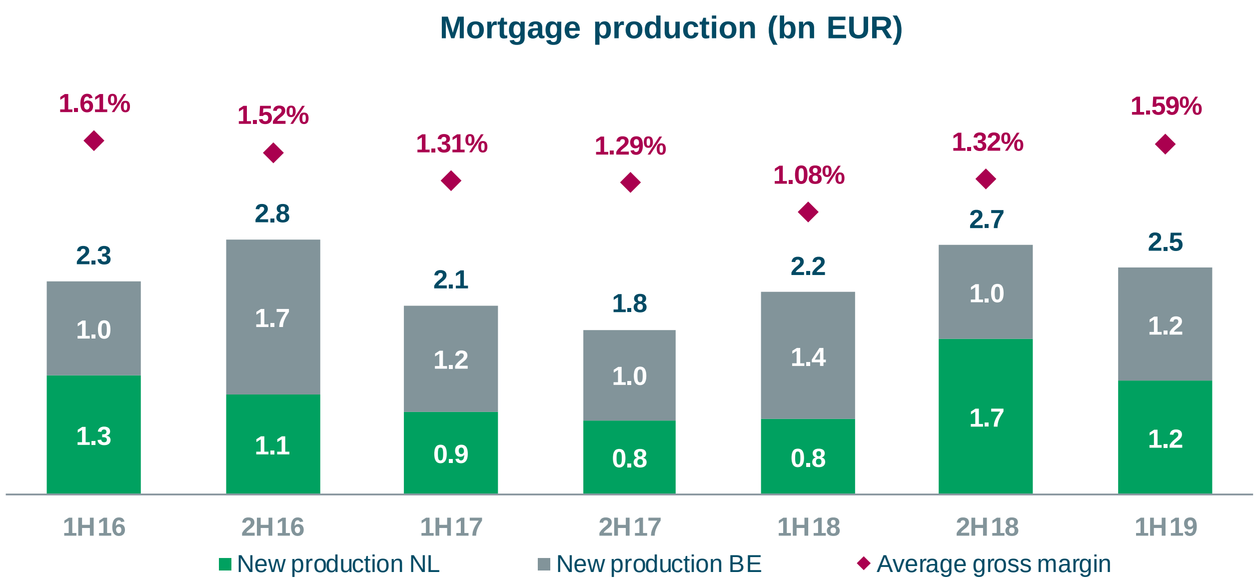
3. Recurring NII up by 4% yoy at stable margins





- Net interest income (259 mio) down by 2%, but up 4% (to 276 mio) when corrected for the mark-to-market impact of hedge derivatives.
- Pressure on new mortgage loan pricing and lower reinvestment yields in the investment portfolio, compensated by lower interest expenses as more expensive retail term deposits mature.
- Funding cost for Belgian retail funding is at the legal floor, but diversification of funding sources to wholesale funding with 3.2 bio securitization funding outstanding supports the improvement of the net interest result.
- Recurring net interest margin stable at 1.35%.

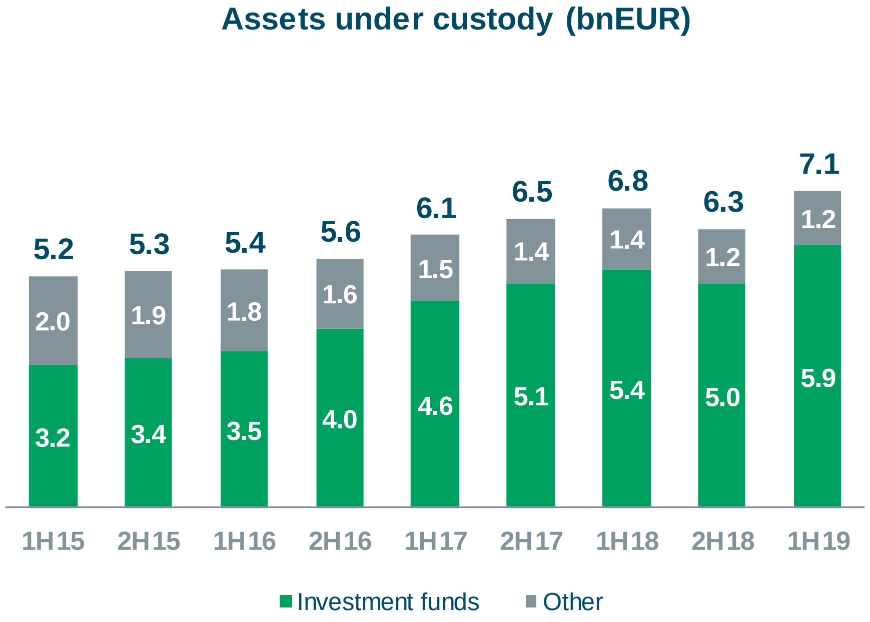
3. Mortgage production and margins

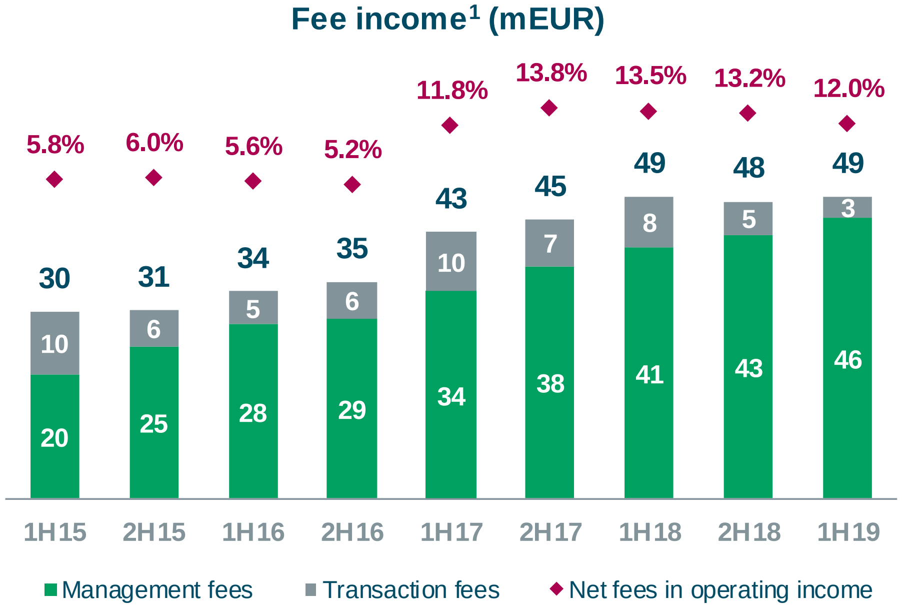


- 2.5 billion EUR[1] new loans granted in H1 2019 to the Belgian and Dutch households
  - Down 11% yoy in Belgium
  - Up 51% yoy in the Netherlands
- Significant increase of 51 bp in average gross margin in H1 2019 to 1.59% versus H1 2018, driven by higher client margins both in Belgium and the Netherlands.
- Retail mortgage loan production market share at 6.3% in Belgium and 2.8% in the Netherlands.

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

3. Stable Revenue in Fund Management

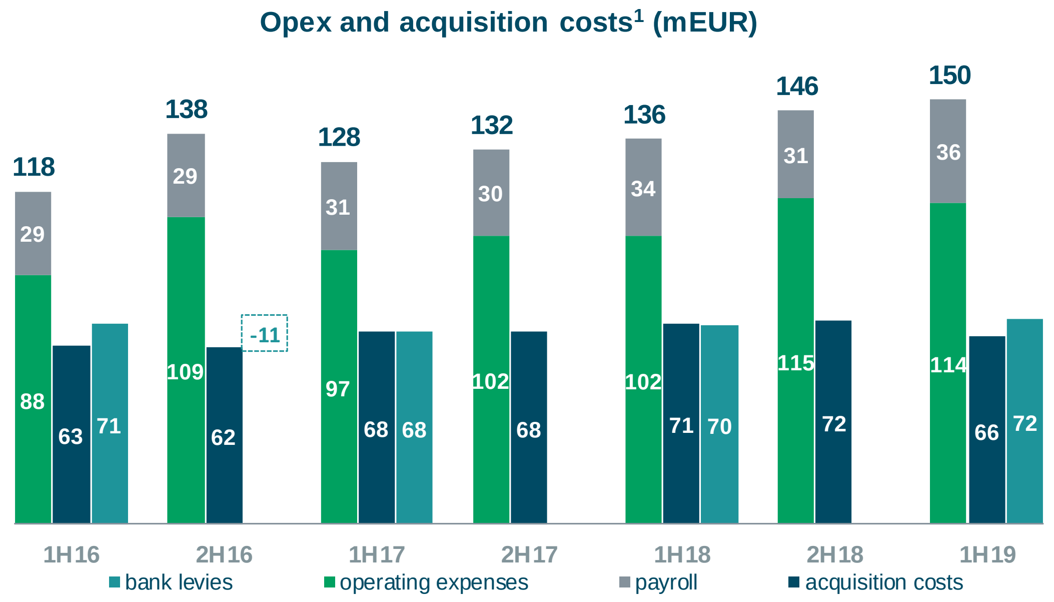


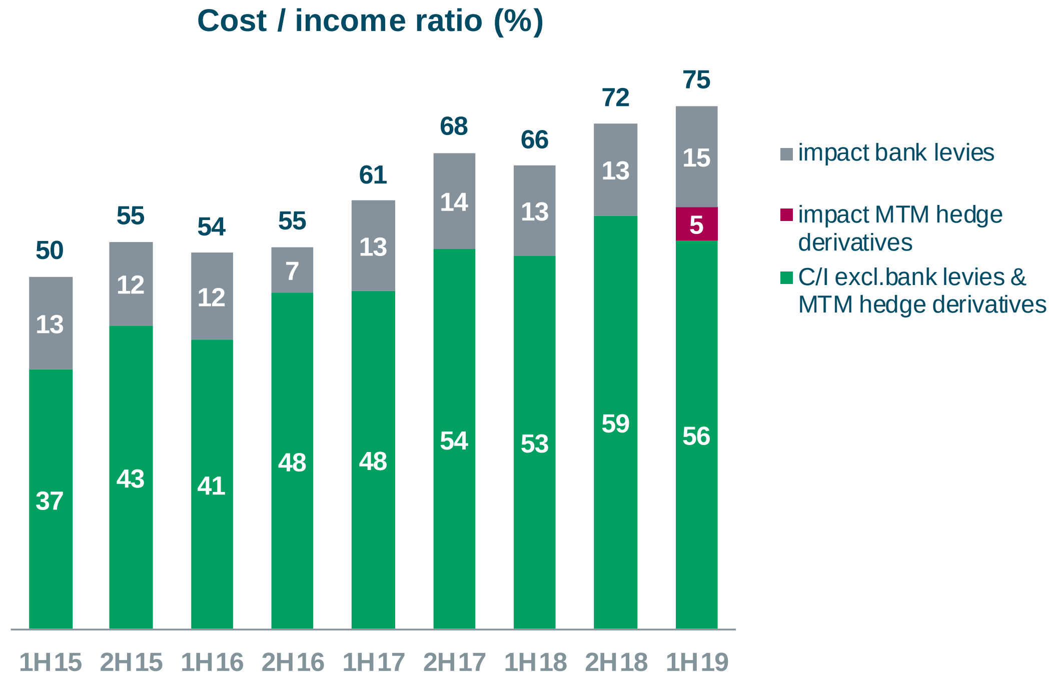


- Strategic focus on fee income derived from retail investment funds offered as an alternative to traditional savings products.
- Commercial action (no entry fee paid by clients) on Argenta Portfolio supports a gross production of 799 mio, including a switch from Carmignac to core funds (266 mio redemption).
- This results in a market share of 4,0% in ICB funds[2], and (together with a positive market valuation) an assets under Custody growth to 7.1 bn EUR, up with 14%.
- Total fee income in H1 2019 stable at 49 mln EUR: Higher management fees offset lower entry fees following commercial initiative.

(1) Excluding commissions to agents.
(2) Data of 31/03/2019

3. Investing in the Future





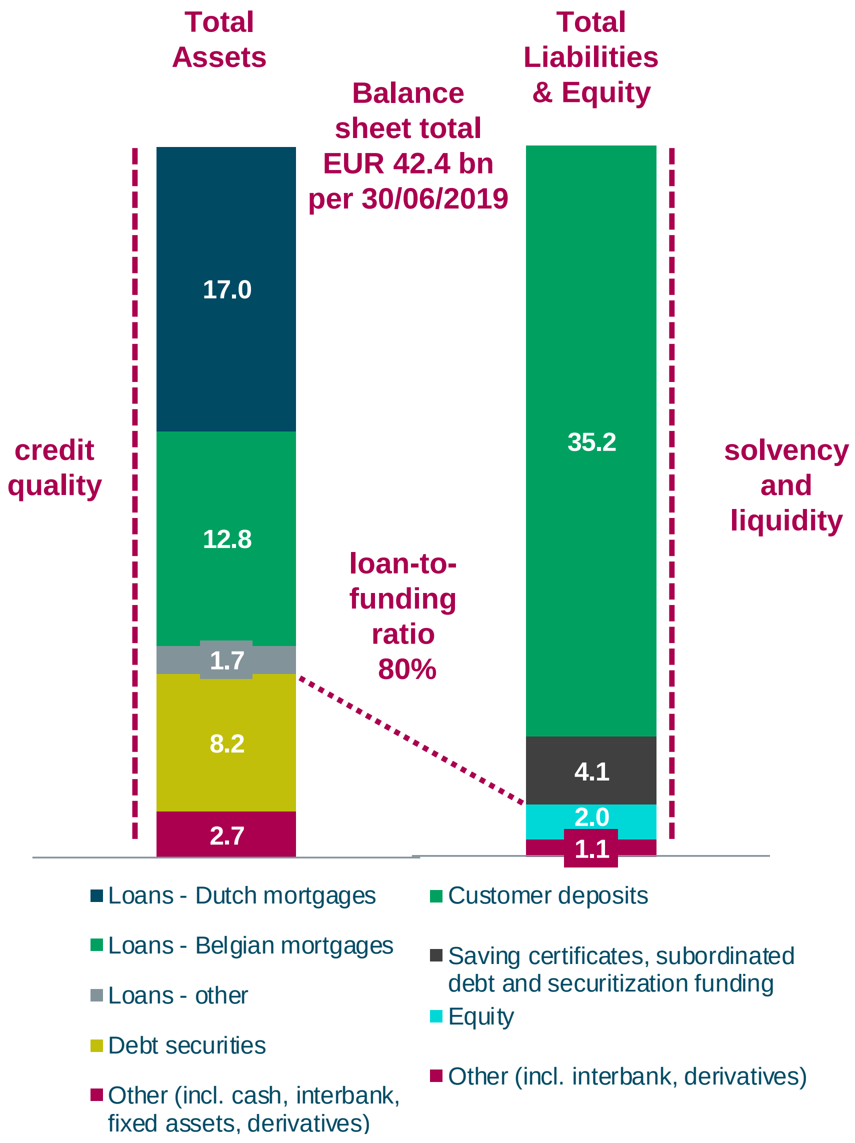
- Continued investments in digital and new core banking system and professionalization of services increase staff and IT expenses.
- Acquisition costs[1] slightly down.
- Increase in total bank levy expense of 2 mio to 72 million EUR.
- H1 2019 cost/income ratio at 60%, bank levies increase ratio to 75%. C/I ratio adjusted for MtM hedge derivatives is 56%

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

4. Asset quality

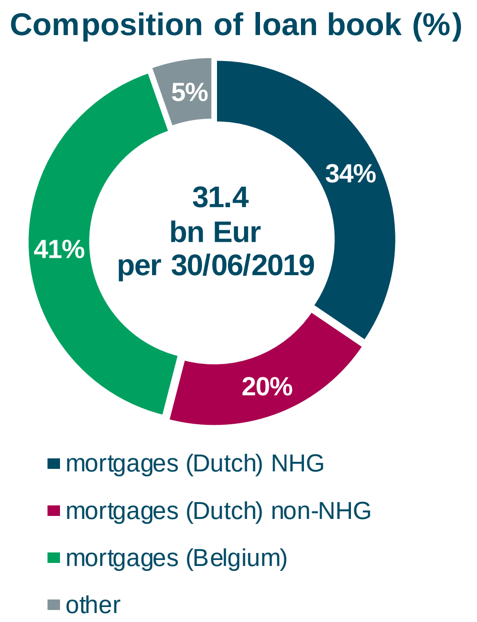
4. Balance Sheet Composition

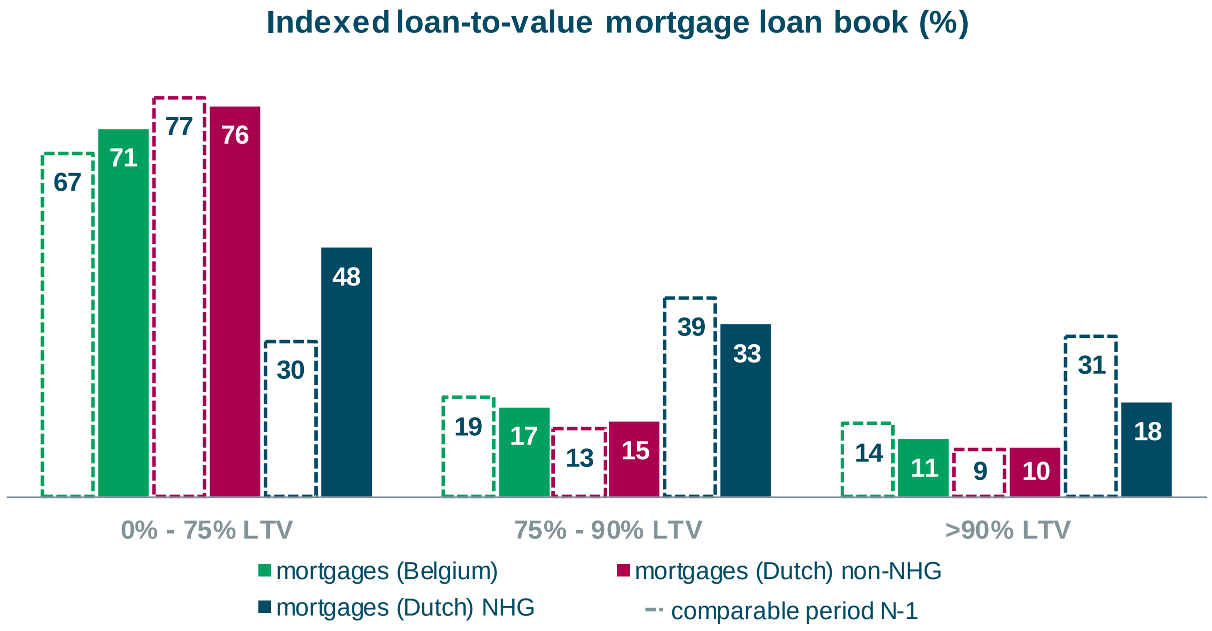
- Low-risk loan book consisting of prime retail mortgage loans in the Netherlands and Belgium.
- Well diversified and conservative investment portfolio.
- Strong retail funding profile with low loan-to-funding ratio of 80%.
- Diversification of funding sources with 3.2 billion EUR of securitizations (issued in 3 Green Apple transactions), EMTN issuance February 2019 and subordinated debt.



4. A high-quality loan book

H1 2019



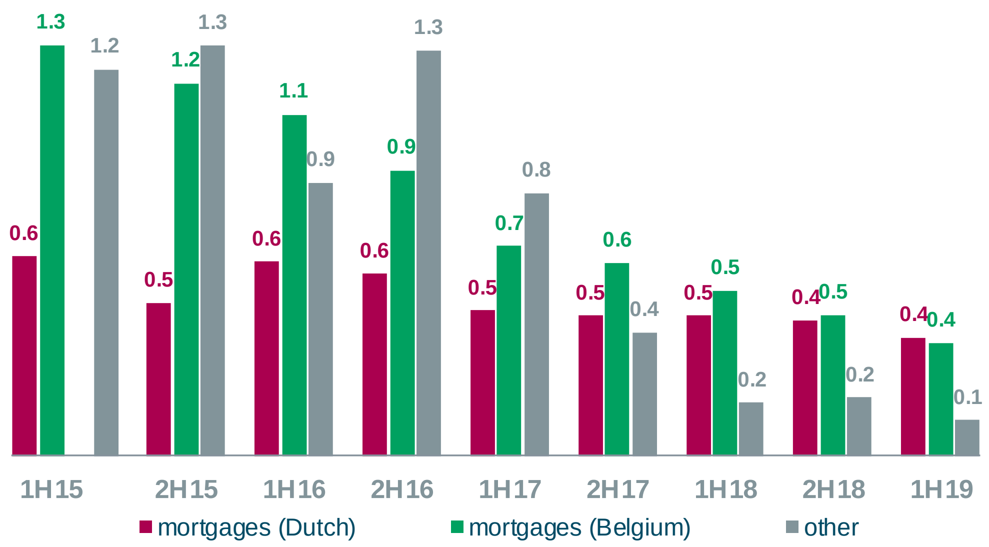


- The residential mortgage loan portfolio in Belgium and the Netherlands composes 95% of the loan book. The remaining 5% consists of consumer loans and local, regional governments and corporate loans.
- The portfolio share of non-NHG[1] mortgages increases, but NHG[1] is still 64% of Dutch portfolio.
- The average LTV for Belgian mortgages is at 58% (stable), for Dutch mortgages at 69% (+100 bp.). The total portfolio LTV is 64% (stable).

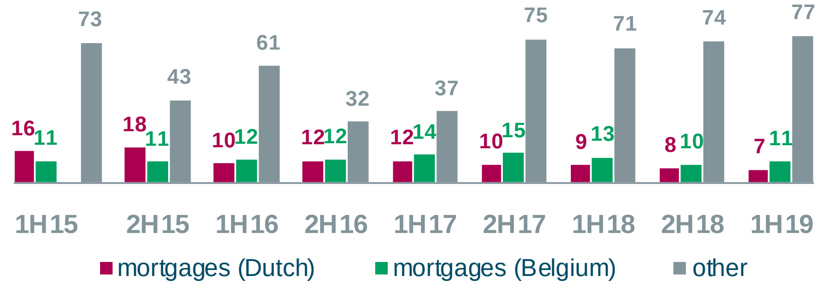
(1) NHG (National Mortgage Guarantee) is a guarantee scheme by the Dutch government on residential mortgages

4. Low Risk Loan Portfolio

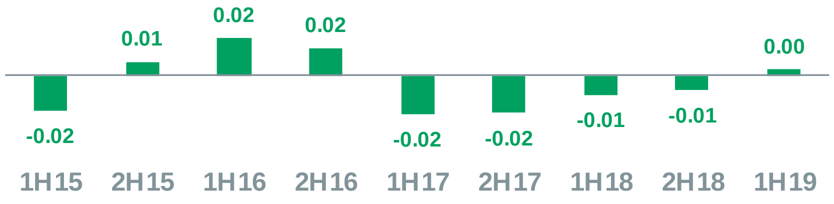
Non-performing loans ratio (%)



Coverage ratio (%)



Cost of risk (%)

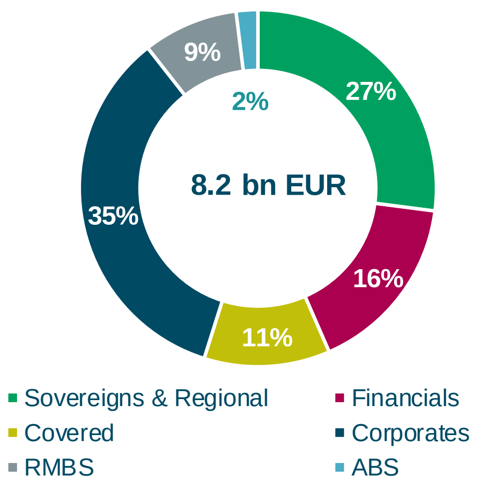


- Consistent low risk at historical low NPL levels confirms high quality of mortgage loan. Only 0.37% of the mortgage loan book is non-performing.
- Average coverage ratio of 10.3% given high quality of prime mortgage collateral.
- Cost of risk remains close to zero.

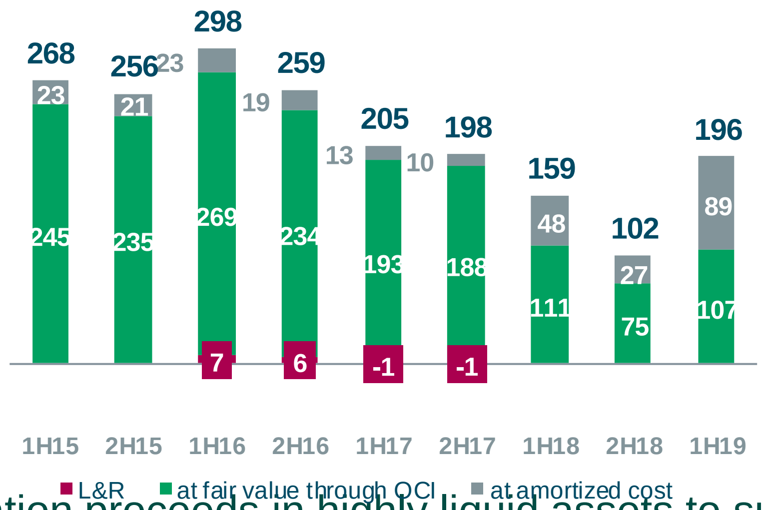
4. Diversified and liquid investment portfolio

H1 2019

Exposure-type of investments (%)



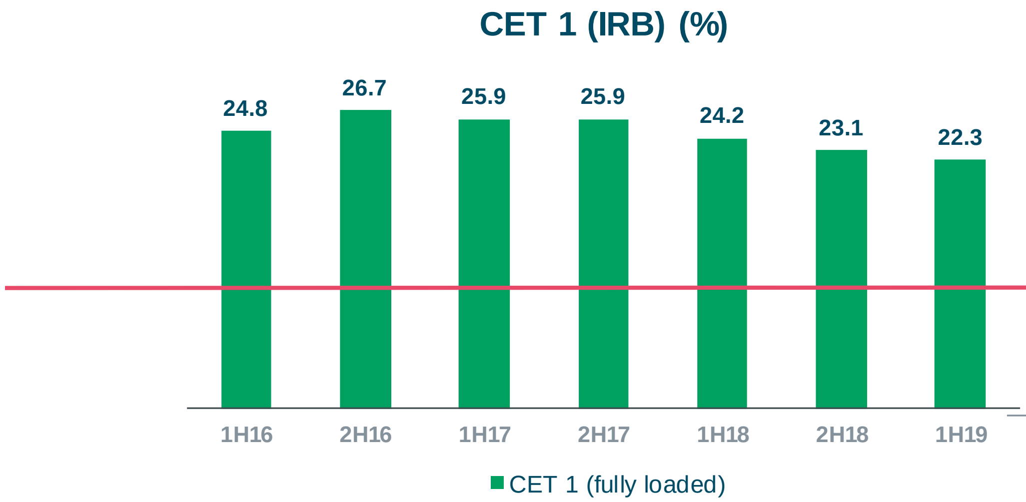
Unrealized gains (mEUR)

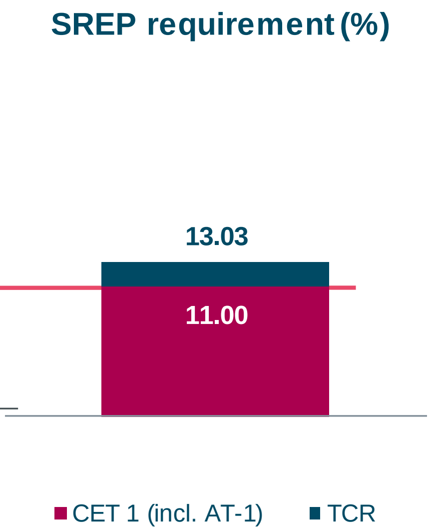


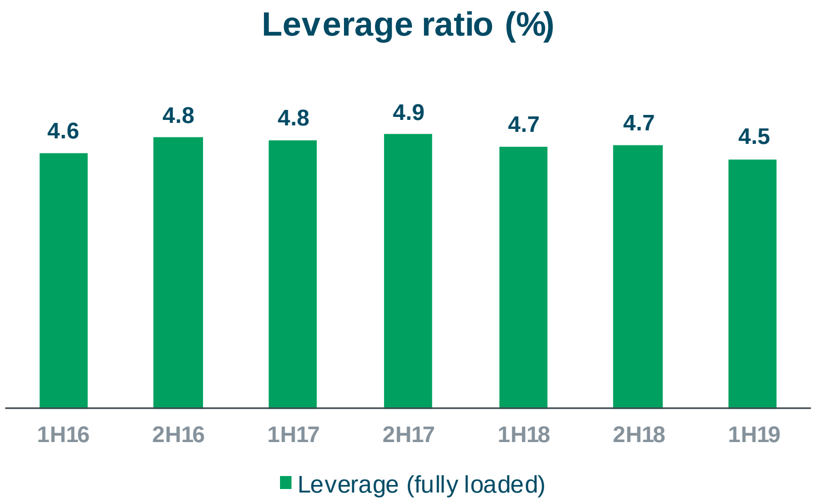
- Portfolio stable (up 0.1 bn EUR) with reinvestment of securitization proceeds in highly liquid assets to support the liquidity position and enable further mortgage loan growth.
- Well-balanced conservative portfolio.
- No exposure to CDO, CLO, Alt-A, subprime.
- High quality of investments: 36% of the portfolio is rated AA and above and 98% of the portfolio is investment grade, unrealized capital gains 196 million EUR
- Exclusively euro-denominated with focus on European markets: 96% of portfolio in European Economic Area.

5. Solvency and liquidity

5. Solvency well above SREP requirement



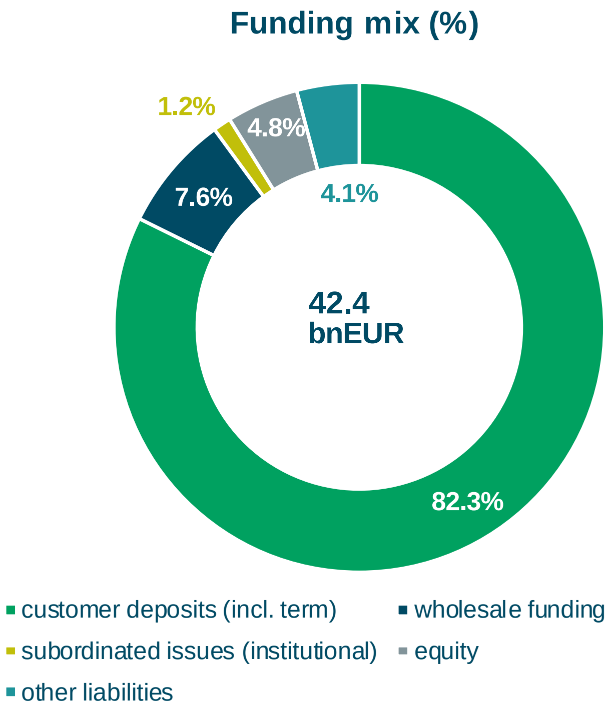




- CET 1 (IRB) ratio of 22.3% fully loaded, down by 0.8% compared to H2 2018 mainly due to:
  - Increase in investments portfolio reflecting extra cash from EMTN issuance, primarily reinvested in corporates and institutions, together with a decrease of market value of derivatives, causes an increase in exposure in posted collateral with a combined impact of -1.0%pt.
  - Partly compensated by CET-1 capital increase in the form of retained earnings and other comprehensive income, with an impact of +0.4%pt.
- Leverage at 4.5%.

5. Funding and Liquidity Position

H1 2019



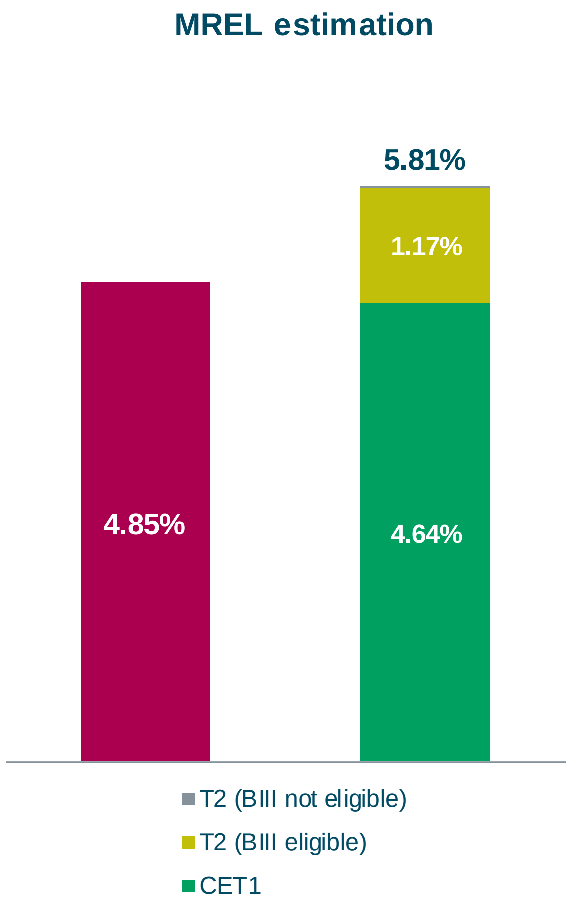
In %	1H15	2H15	1H16	2H16	1H17	2H17	1H18	2H18	1H19
Liquidity coverage ratio[1]	181	180	168	179	167	162	195	170	170
Net stable funding ratio[2]	146	144	142	145	145	143	145	141	138

- Strong liquidity position, well above regulatory limits, for both LCR and NSFR.
- Stable deposit funding base mainly consisting of retail savings deposits.
- Diversification of funding sources with 3.2 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 2018 and 2019
- The MREL requirement based on the target ratio of 4.85% equals 2 billion EUR bail-in requirement. Available MREL is 2.5 billion EUR and well above this requirement.
- Currently no complementary issuance of MREL-eligible debt securities planned.
- Eligibility of Q1 2019 EMTN issuance pending SRB approval.

6. Wrap-up

6. Wrap-up

H1 2019 Argenta Spaarbank

- Strong and resilient business model with unique client loyalty and brand scores.
- Increase of recurring net interest income and stable fee income.
- Strong mortgage loan origination at higher margins in H1 2019 adds to an already robust loan portfolio of high quality.
- Sharp decrease in market interest rates has impacted reported net income as a result of a one-off mark-to-market adjustment of the bank hedging portfolio. We expect that similar or lower market interest rates would increase pressure on recurring interest margins and further increase the mark-to-market adjustment.
- Continued focus on digitalization, leading to a planned increase of expenses and a higher Cost/Income-ratio.
- Very strong solvency, funding and liquidity position.

7. Appendices

7. Appendices Overview

Group Structure

- Appendix 1: Organization chart

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

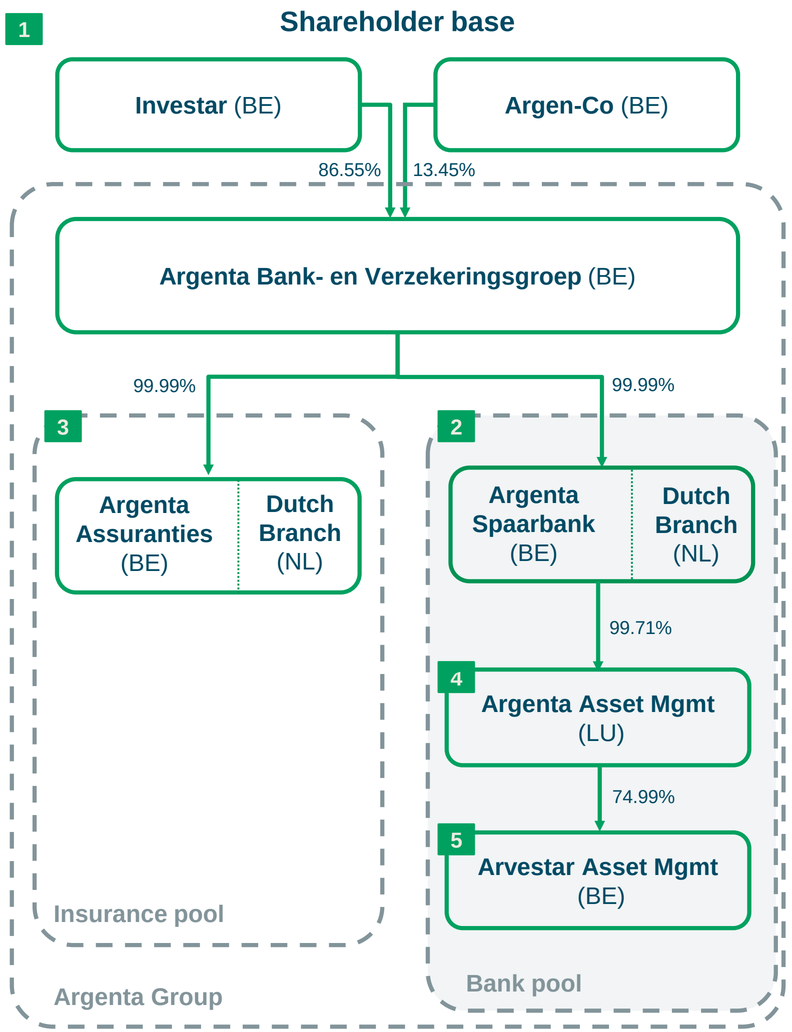
1 Stable shareholder base Investar (holding company of founding family) and Argen-Co (cooperative capital held by employees and clients).

2 Banking operations in Belgium and the Netherlands.

3 Insurance operations in Belgium 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).



7. Appendix 2

Balance sheet – Assets

In millions of EUR	31/12/2017	30/06/2018	31/12/2018	30/06/2019	▲1H-FY
Cash and cash equivalents	**1,069**	**1,874**	**1,140**	**1,678**	**538**
Loans and advances	**27,660**	**28,552**	**29,800**	**31,447**	**1,646**
o.w. to credit institutions	22	22	33	583	550
o.w. to customers	27,637	28,529	29,767	30,863	1,097
Debt securities and equity instruments	**8,363**	**8,240**	**8,063**	**8,217**	**154**
o.w. at fair value through P&L	0	65	65	69	4
o.w. at fair value through OCI	7,901	3,753	3,811	4,004	193
o.w. at amortized cost	463	4,422	4,188	4,145	-43
Derivatives incl. hedge adjustment	**237**	**254**	**277**	**633**	**355**
Other assets	**297**	**330**	**279**	**432**	**152**
Total assets	**37,626**	**39,250**	**39,561**	**42,406**	**2,846**

7. Appendix 3

Balance sheet – Liabilities

In millions of EUR	31/12/2017	30/06/2018	31/12/2018	30/06/2019	▲1H-FY
Deposits from central banks	**0**	**0**	**0**	**0**	**0**
Financial liabilities	**35,012**	**36,680**	**36,960**	**39,302**	**2,341**
o.w. at-fair-value-through-P&L	0	0	0	0	0
o.w. credit institutions	76	55	5	2	-3
o.w. customer deposits	32,427	33,417	33,917	35,232	1,315
o.w. debt certificates	1,912	2,637	2,463	3,518	1,055
o.w. subordinated liabilities	597	571	575	551	-25
Derivatives	**388**	**349**	**355**	**743**	**388**
Other liabilities	**255**	**260**	**230**	**314**	**84**
Total liabilities	**35,655**	**37,290**	**37,545**	**40,359**	**2,814**

7. Appendix 4

Balance sheet – Equity

In millions of EUR	30/06/2018	31/12/2018	30/06/2019	▲1H-FY
Core equity	**1,934**	**2,009**	**2,016**	**7**
Paid-in share capital	716	770	770	0
Retained earnings	1,172	1,109	1,225	116
Profit of current period	46	130	21	-109
Gains and losses not recognised in the income statement	**27**	**6**	**31**	**25**
Reserve at fair-value-through-OCI	37	14	37	23
Reserve cash flow hedge	-9	-8	-6	2
Revaluation pension plan	-1	0	0	0
Minority interests	**0**	**0**	**0**	**0**
Total equity	**1,961**	**2,015**	**2,047**	**32**

7. Appendix 5

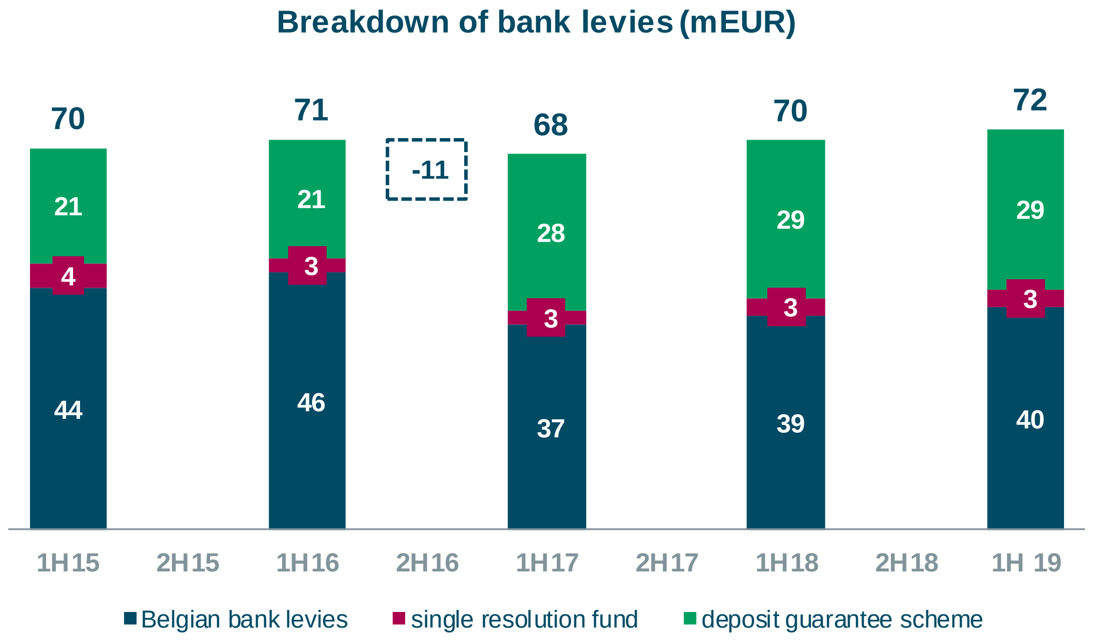
Income statement

In millions of EUR	1H 2018	2H 2018	1H 2019	▲1H-1H
Net interest income	**265**	**266**	**259**	**-6**
Net commissions and fees	**-19**	**-23**	**-18**	**1**
Net gains and losses	**2**	**2**	**-2**	**-4**
o.w. at fair value through OCI	1	3	4	3
o.w. at amortized cost	1	0	1	0
o.w. at fair value through P&L	0	-1	-7	-7
Other net operating income	**16**	**10**	**10**	**-6**
Total income	**264**	**256**	**249**	**-15**
Operating expenses	**-206**	**-146**	**-222**	**-16**
o.w. payroll expenses	-34	-31	-36	-2
o.w. operating expenses	-102	-115	-114	-12
o.w. bank levies	-70	0	-72	-2
Operating profit	**58**	**110**	**27**	**-31**
Impairments	**1**	**2**	**0**	**-2**
o.w. at fair value through OCI	0	0	0	0
o.w. at amortized cost	1	1	0	-2
o.w. other	0	0	0	0
Non-current assets held for sale	**0**	**0**	**0**	**0**
Profit before tax	**59**	**111**	**26**	**-33**
Income tax expense	**-13**	**-28**	**-5**	**8**
Net profit	**46**	**84**	**21**	**-25**

7. 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 spreads the levies over the entire 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	jun/17	jun/18	jun/19
Interest income *(excl. hedging)*	**424**	**404**	**409**
Mortgages	376	359	363
Belgium		*108*	*114*
Netherlands		*251*	*249*
Consumer credit	2	2	2
Other loans	4	5	6
Debt securities	42	38	37
Interest expenses *(excl. hedging)*	**-85**	**-67**	**-59**
Deposits	-58	-49	-43
Saving accounts		-16	-15
Belgium		*-13*	*-13*
Netherlands		*-3*	*-2*
Term savings		-24	-16
Belgium		*-20*	*-14*
Netherlands		*-4*	*-2*
Deposits related to mortgages		-8	-10
Other		-2	-2
Debt certificates[1]	-27	-18	-17
Retail saving certificates		-8	-5
Wholesale debt		-10	-12
Hedging result	**-85**	**-72**	**-90**
Hedging income	2	1	1
Hedging costs	-87	-74	-92
Net interest result	**254**	**265**	**259**
corrected for: MTM swaption		*1*	*17*
Net interest result *(excl. MTM swaption)*	***254***	***266***	***276***

[1]both debts evidenced by certificates and subordinated liabilities

7. Appendix 8

Regulatory Capital[1]

In millions of EUR	Fully loaded 30/06/2018	Fully loaded 30/06/2019
Total equity (excl. minority interest)	**1,960**	**2,047**
Part of interim or year-end profit not eligible	**-17**	**-17**
Prudential filters	**-4**	**-5**
Reserve cash flow hedge	9	6
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-9	-7
Value adjustments due to the requirements for prudent valuation	-4	-4
Items to deduct	**-48**	**-54**
Other intangible assets	-46	-45
Deferred tax assets	-2	-10
Transitional (OCI)	0	0
Common equity Tier 1 (Basel I floor)		
IRB shortfall of credit risk adjustments to expected losses	-3	-5
Common equity Tier 1 (IRB)	**1,890**	**1,966**
Tier 2 instruments	**497**	**498**
Tier 2 (BIII eligible)	497	498
Transitional (grandfathered T2)	0	0
Total regulatory capital (Basel I floor)		
Total regulatory capital (IRB)	**2,387**	**2,464**

(1) Basel 1 floor is no longer reported as of 31st December 2018

7. Appendix 9

Regulatory Risk Exposures[1]

In millions of EUR	31/12/2018	30/06/2019
Central and regional governments	117	154
Public sector	98	24
Institutions and covered bonds	576	870
Corporates	1,495	1,609
Securitisations	119	85
Retail	127	168
Covered by mortgage	4,528	4,453
Operational risk	1,029	1,029
Other	294	443
Risk weighted assets (IRB)	**8,382**	**8,835**

(1) Basel 1 floor is no longer reported as of 31st December 2018

7. Appendix 10

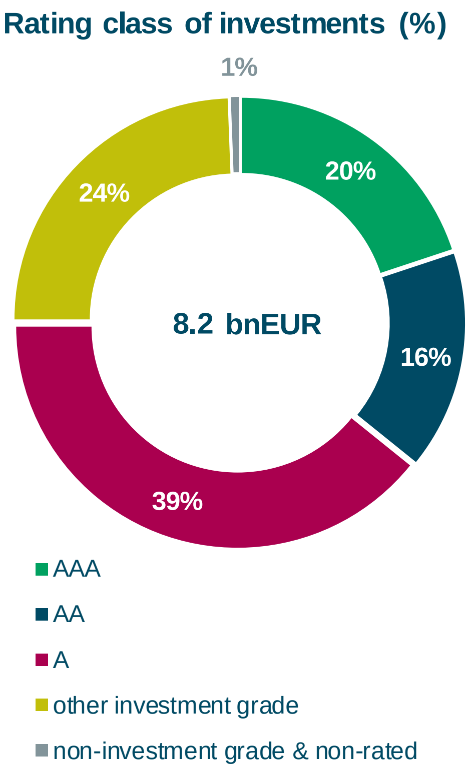
Solvency ratios[1]

In millions of EUR and %	Fully loaded 31/12/2018	Fully loaded 30/06/2019
Regulatory capital	1,935	1,966
Tier 2 instruments	498	498
Risk-Weighted assets	8,382	8,835
CET 1	23.1%	**22.3%**
TCR	29.0%	**27.9%**

(1) Basel 1 floor is no longer reported as of 31st December 2018

7. Appendix 11

Investment Portfolio H1 2019



Investments per country	%
Belgium	30.5%
Netherlands	18.4%
France	12.8%
Spain	5.4%
Germany	5.3%
Ireland	4.8%
Luxemburg	3.8%
UK	3.4%
Sweden	3.1%
Poland	2.3%
Canada	1.9%
Slovenia	1.4%
Denmark	1.3%
Czech Republic	1.2%
Finland	0.9%
Other	3.5%

7. 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 both 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

7. 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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