



Argenta Spaarbank

Financial Results First Half 2021

August 2021





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Agenda

1. Argenta Spaarbank Key Takeaways
2. H1 2021 overview
3. Financial Performance
4. Asset Quality
5. Solvency and Liquidity
6. Wrap-up
7. Appendices



1. Argenta Spaarbank Key Takeaways (1)

- Argenta Spaarbank delivers in H1 2021 solid financial results with a **net profit of EUR 53.5m**, up EUR 15m YoY. A strong commercial performance combined with a strategic diversification of income sources and favourable macro-economic expectations extend the rebound started in H2 2020 into H1 2021.
 - **Balance sheet total increases with EUR 3.2bn to EUR 47.8bn** due to strong mortgage production.
 - Strong **growth of 19% in fee production** to a total portfolio of EUR 11bn assets under custody. This leads to a record-high EUR 95m fee income, now 19.5% of net operating income.
 - **Net interest income stabilizes** YoY where asset growth, lower cost of funding and higher fees from prepayments in the Netherlands compensate for **lower NIM** due to the low-for-long environment.
 - Extra diversification of funding with an inaugural issuance of EUR 500m Covered Bond and EUR 650m Dutch RMBS.
 - Stable operating expenses, resulting in a **C/I ratio of 61% (-2 pct.-points YoY)**.
- **Robust Solvency position** with a CET1-ratio of 22.7% and a leverage ratio of 4.8%.
- **Sound liquidity ratio's** with LCR of 160% and NSFR of 146%.



1. Argenta Spaarbank Key Takeaways (2)

- 65 years of simple and transparent bank and insurance products with unrivalled levels of customer satisfaction
 - First open banking partnership with Cake now live and already >100k clients signed up
 - For the second consecutive year, Argenta's pension savings fund won the gold award in the prestigious Fund Awards from (De Tijd/L'Echo, March 2021)
 - Launch of daily banking packages allowing to make daily banking a revenue driver whilst keeping the most extensive free package on the Belgian market (2021 Q1)
- 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), confirmed by 20% YoY growth in active app users



2. H1 2021 overview

3. Argenta Group key financials H1 2021

Argenta Group

Net result	103.9 m
Return on Equity ¹	9.2%
Total assets	54.7 bn
Total equity	3.2 bn
Cost / Income ¹	54.2%
Total funds under mgmt	55.6 bn
CET 1	23.1%

Argenta Spaarbank

Net result	53.5 m
Return on Equity ¹	7.5%
Total assets	47.8 bn
Total equity	2.3 bn
Cost / Income ¹	61.1%
Total funds under mgmt	49.8 bn
CET 1	22.7%

Credit Rating

Standard & Poor's

Short-term	A-2
Long-term	A-
Outlook	Stable

Argenta Assuranties²

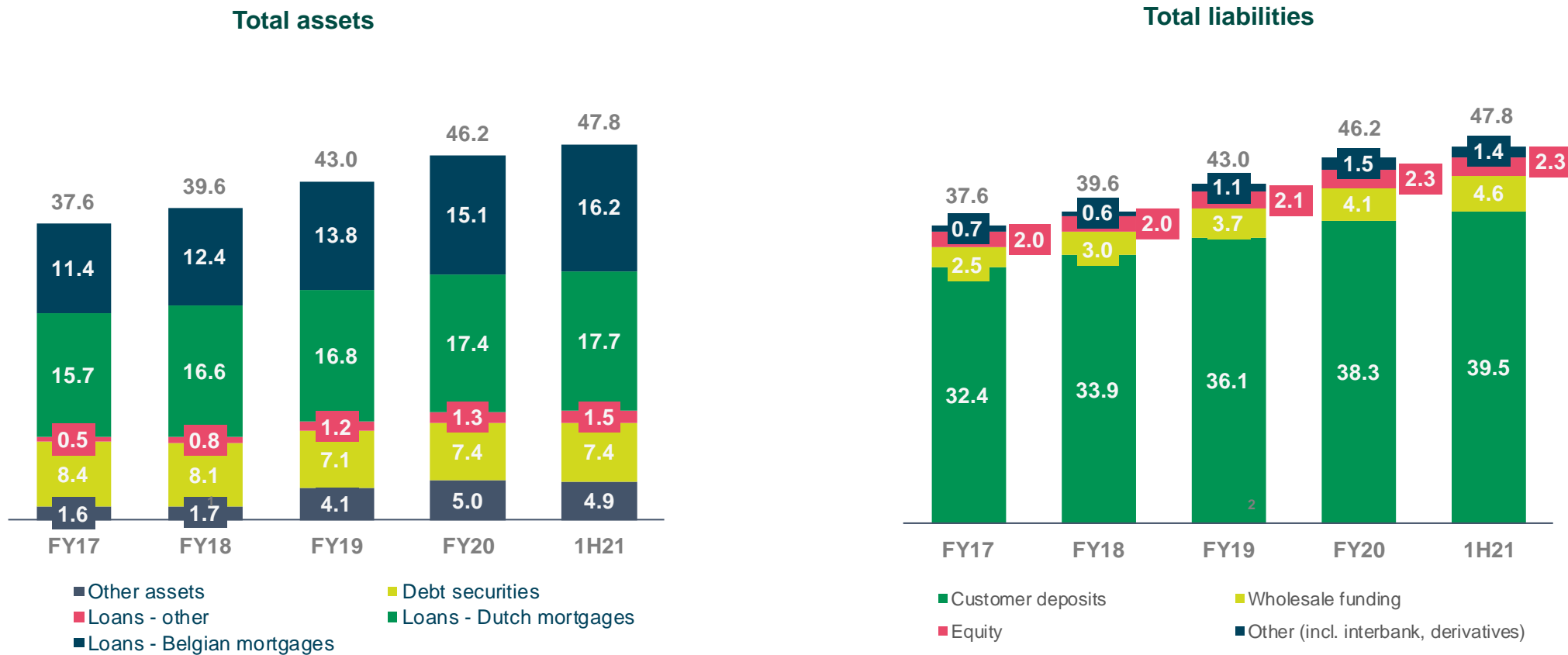
Net result	48.7 m
Return on Equity	17.4%
Total assets	6.8 bn
Total equity	0.6 bn
Premium Life	203 m
Premium Non-life	96 m
Solvency II	240%

Note: all numbers are stated in EUR
 (1) Adjusted for IFRIC 21
 (2) BGAAP

3. Financial Objectives on Key Parameters

Argenta Spaarbank	2020 FY	2021 H1	LT Target
Return on Equity ¹	6.4%	7.5%	>7%
Leverage Ratio	4.9%	4.8%	>5%
Cost / Income Ratio ¹	63%	61%	<60%
CET 1 Ratio	23.3%	22.7%	>18%
Total Capital Ratio	28.5%	22.7%	>20%
Net Interest Margin (NIM)	1.28%	1.21%	>1.35%
NSFR	136%	146%	>132%
LCR	159%	160%	>137%

3. Balance Sheet Evolution – CAGR 7%

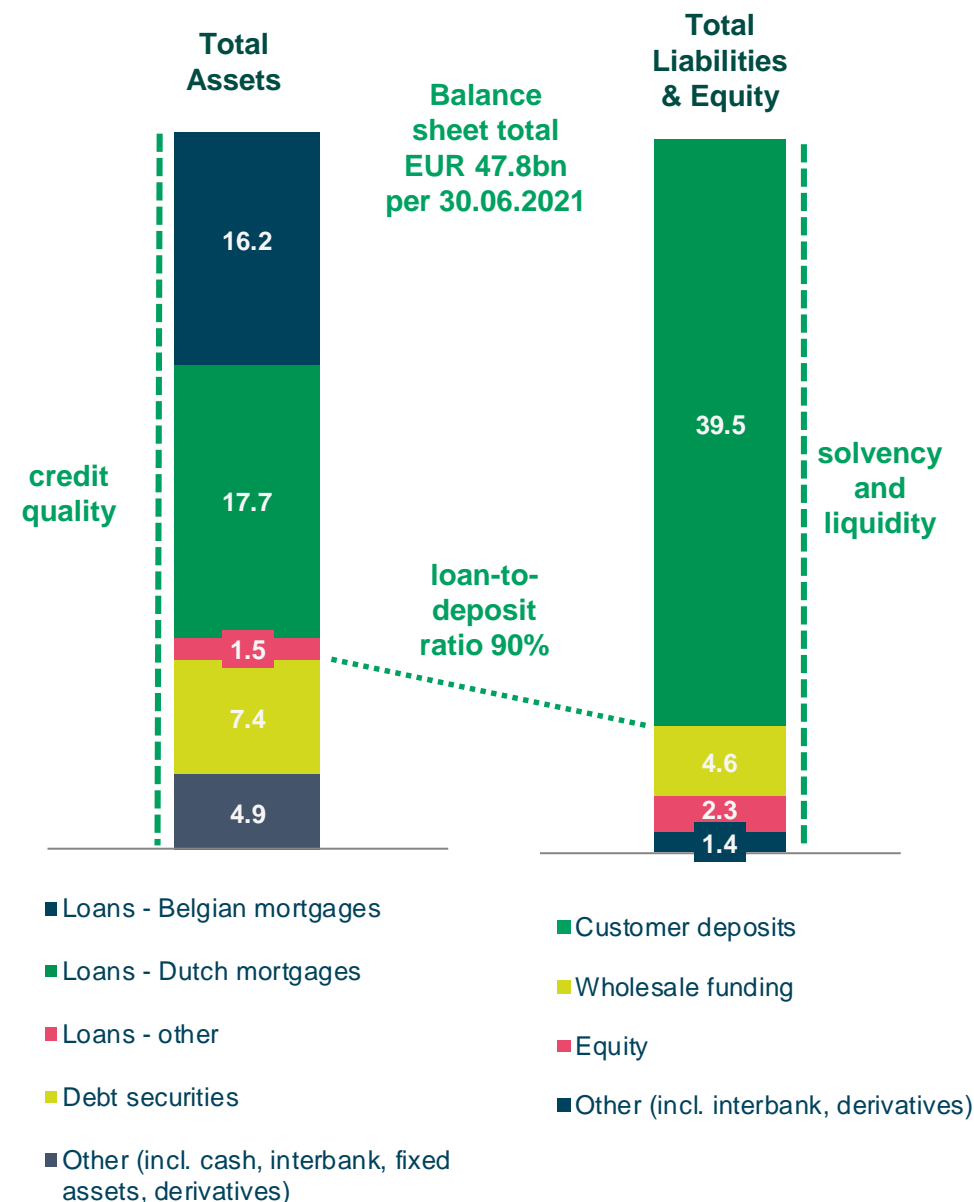


(1) Other loans including cash, interbank, fixed assets, derivatives

(2) Wholesale funding including saving certificates, subordinated debt and securitization funding

3. Balance Sheet Composition

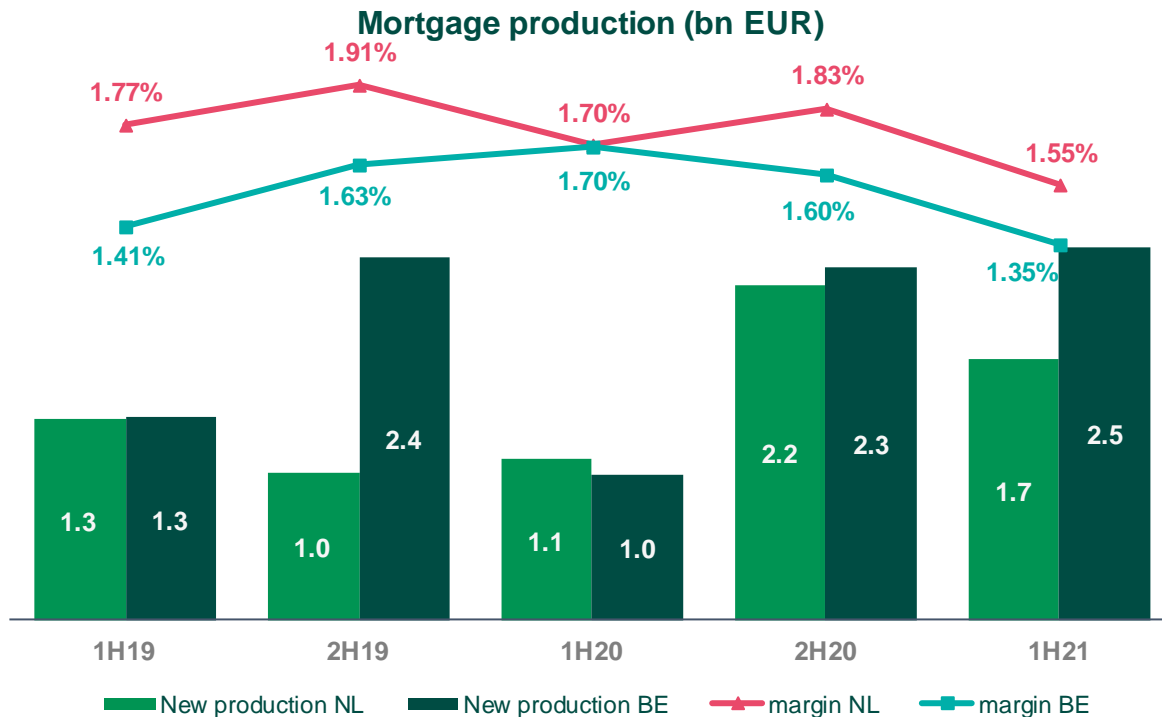
- Balanced growth of assets between a low-risk loan book of prime retail mortgage loans in the Netherlands and Belgium, and a well diversified and conservative investment portfolio
- Limited portfolio of loans granted to local authorities and public-private partnerships
- Strong retail funding profile with a loan-to-deposit ratio of 90%
- Wholesale funding: EUR 4.6bn (+ EUR 1bn YoY):
 - EUR 2.6bn securitizations
 - EUR 0.5bn SP
 - EUR 1bn SNP
 - EUR 0.5bn covered bond.
- Argenta Spaarbank successfully launched its inaugural Belgian Covered Bond (EUR 0.5bn) in February 2021





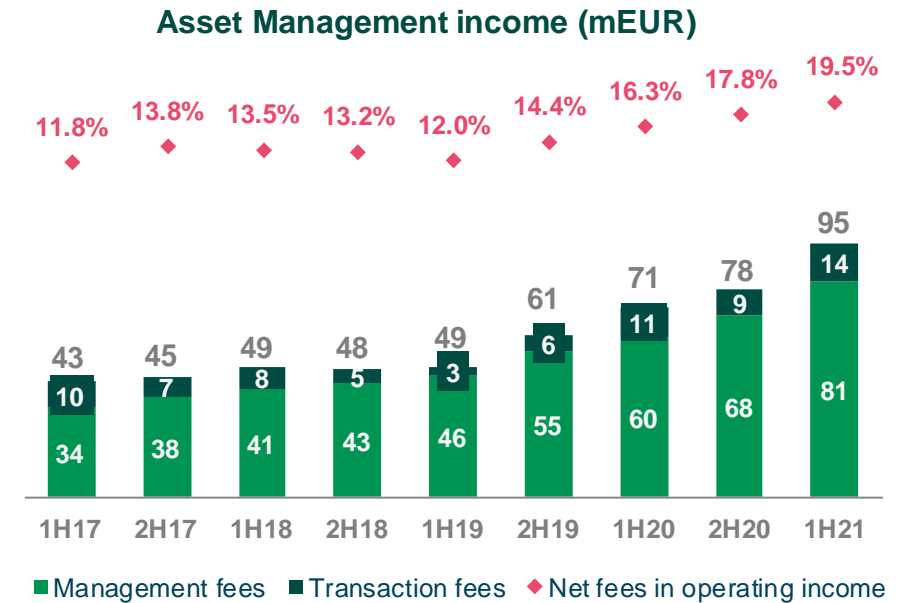
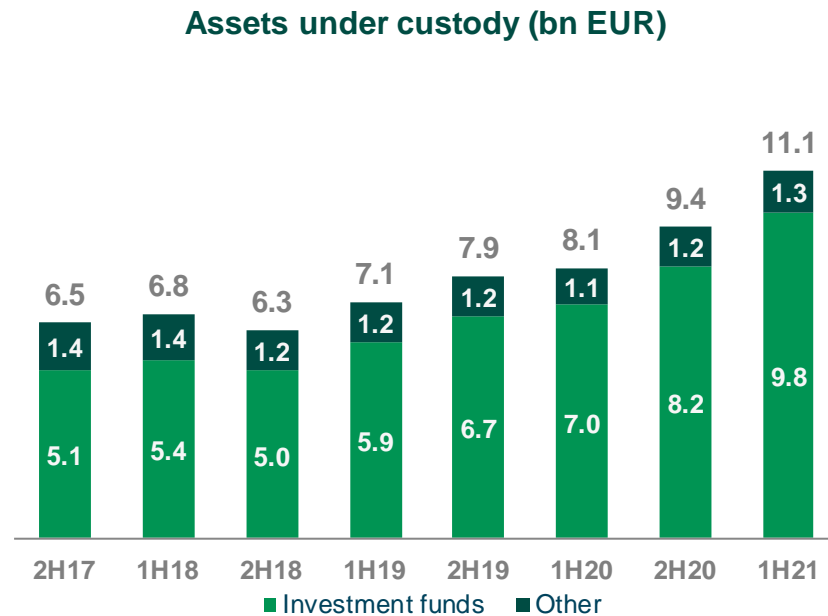
3. Financial performance

3. Continued Growth in Belgian and Dutch Mortgage Production



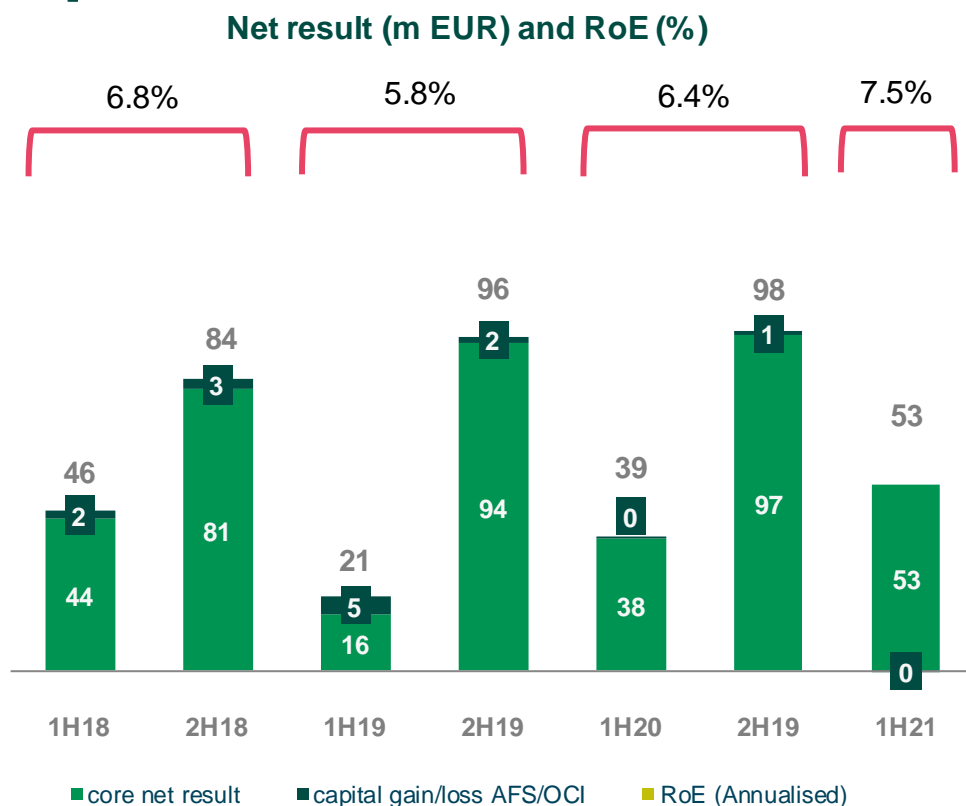
- EUR 4.2bn loans granted in the first half of 2021 to the Belgian and Dutch households.
- Continuing high production post Covid-19 lockdown of H1 2020; rally in housing prices and loose monetary policy keeps mortgage production at elevated levels.
- Declining margins in both Belgium and the Netherlands as a result of strong competition, the persistent low interest rate environment and higher prepayments in the Netherlands

3. Asset Management business rapidly gaining weight in overall result



- Strategic focus on investment products results in record-high assets under custody. In H1 2021 this portfolio grew with 18% to more than EUR 11bn.
- Asset Management fee income rises to EUR 95m (+ EUR 24m YoY) thanks to the higher production volumes and positive market value changes on the portfolio.

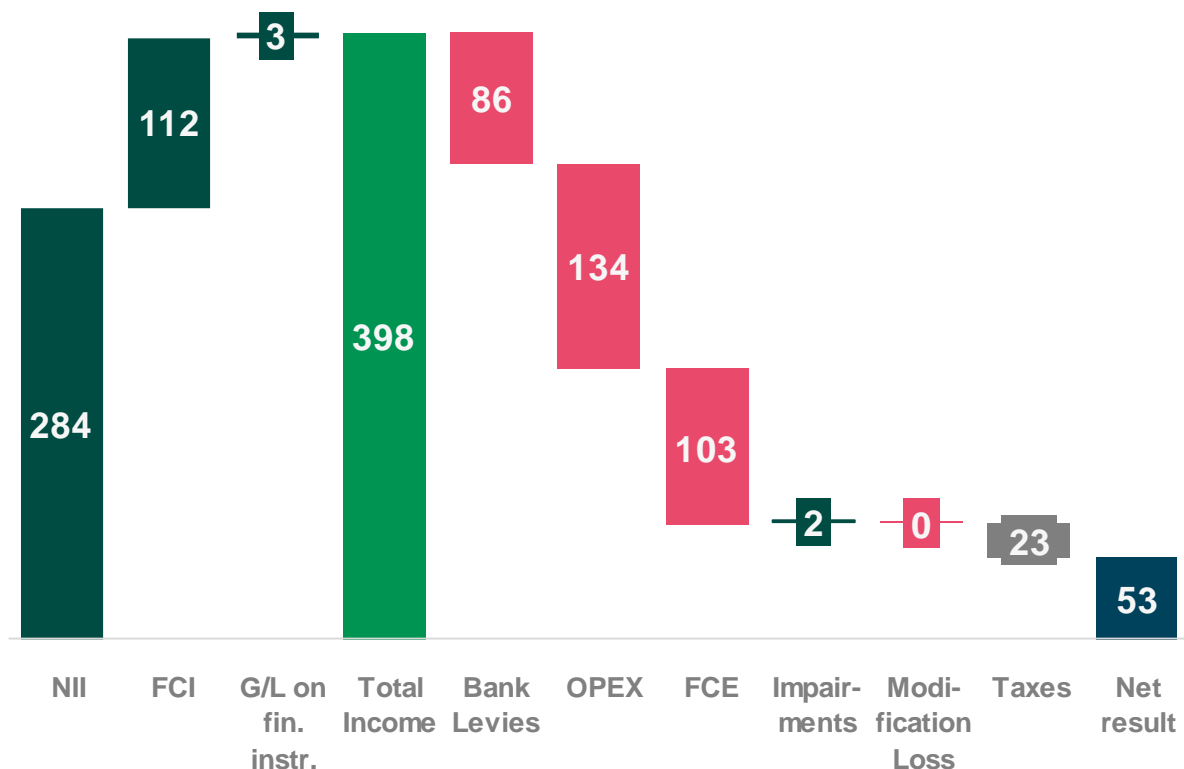
3. Net Result YoY up by 35% driven by fee and reversal of impairments



In millions of EUR	1H2020	1H2021	Δ
Net interest income	287	284	-4
<i>recurring NII</i>	285	277	-8
<i>one-off impact MTM</i>	2	6	+4
G/L on financial instruments	3	3	+0
<i>general result</i>	-1	-3	-2
<i>one-off impact MTM</i>	4	6	+2
Net fee & commission result	-9	9	+18
<i>fee income</i>	71	95	+24
<i>commissions to agents</i>	-80	-86	-6
Bank levies	-77	-86	-9
Net operating expenses	-134	-135	-1
<i>other operating income</i>	10	7	-3
<i>operating expenses</i>	-143	-141	+2
Impairments	-15	2	+17
Modifications	-3	0	+3
Income tax expense	-14	-23	-9
Net profit	39	53	+15
IFRIC21 adjustment	29	32	+3
Adjusted net profit	67	86	+18

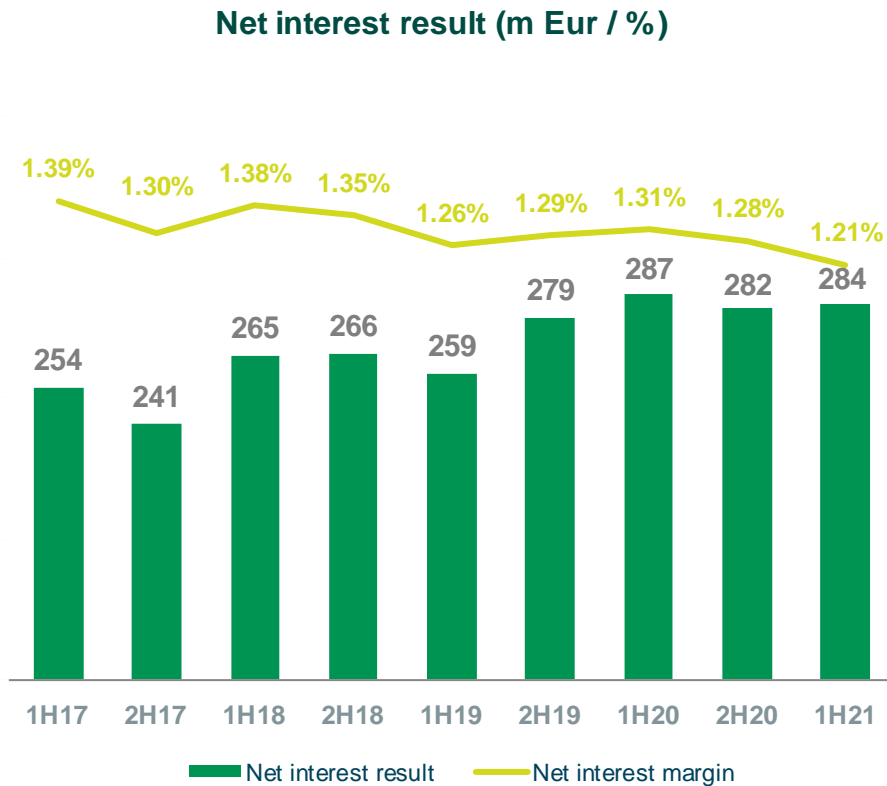
- Net profit up by EUR 15m resulting from persistent income diversification efforts towards asset management products as well as a positive evolution in impairments and MtM on hedging derivatives. Interest income remains stable, while a growing deposit base results in higher bank levies

4. Solid Financial Results



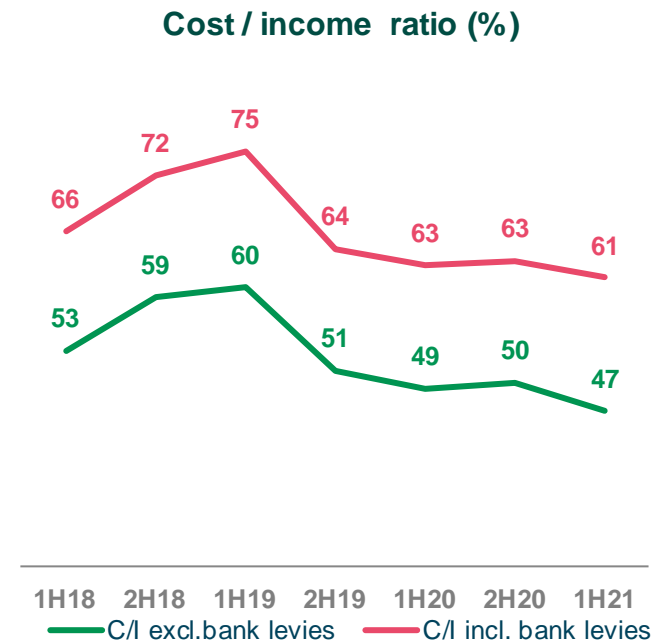
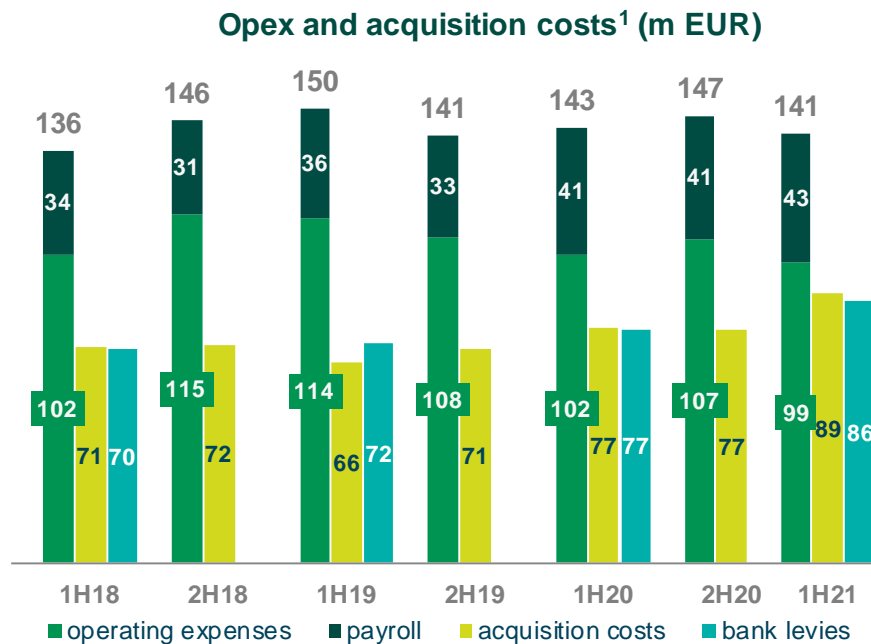
- Net interest result EUR 4m below H1 2020:
 - Prepayment fees for Dutch mortgages remain at similar elevated level as 2020
 - Strong mortgage production in Belgium and Netherlands supports recurring NII but at lower NIM
 - Hedging cost increased by 2m, mainly due to a decrease of the Euribor 3M rate partly offset by an increased market value of swaptions
- Strong growth in Fee and Commission income (FCI) partially offset by related higher commission payments to our independent agents
- 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
- Improved macro economic expectations lead to decreased impairments in H1 2021 compared to the COVID-19 impacted H1 2020

3. Commercial focus supports NII despite declining margins



- Stable NII YoY
- Mortgage production remains at a high level both in Belgium and the Netherlands
- Low-for-long interest environment results in declining Net Interest Margin.
- Continued higher prepayment penalties on Dutch mortgages
- The funding cost for Belgian regulated saving accounts is at the legal floor of 11bps but maturity of expensive retail term deposits and diversification of funding sources to wholesale funding support the decrease in cost of funding

3. Cost Containment and strong income stabilize C/I ratio



- The operating expenses are under control and C/I stabilizes at a level below 65% since the cost turnaround in 2019
- Branch commissions increase as a result of the strong commercial performance, especially on fee business
- Bank Levies grew by 12% to EUR 86m as a result of the growing retail savings portfolio.
- Significant increase in net operating income, in combination with lower operating expenses as a result of cost containment efforts, results in a lower C/I-ratio YoY

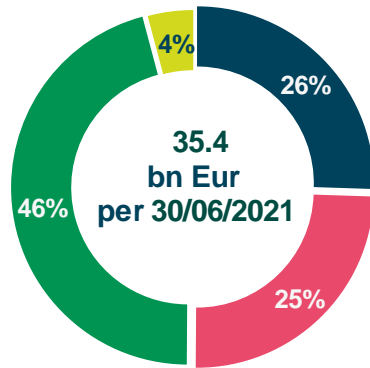
(1) Acquisition costs relate to commissions paid to the branch network for product distribution



4. Asset quality

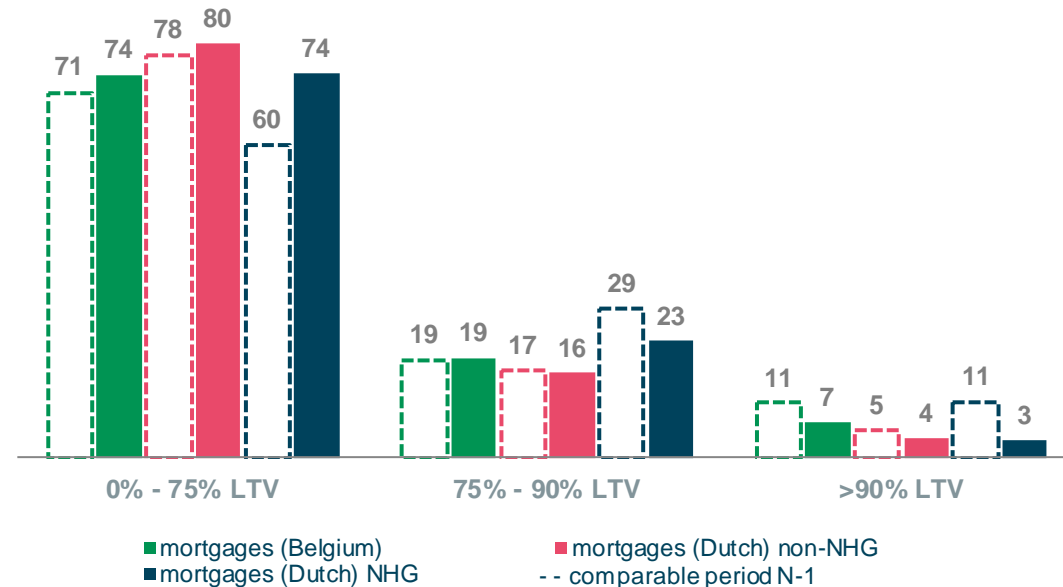
4. High-Quality Loan Book

Composition of loan book (%)



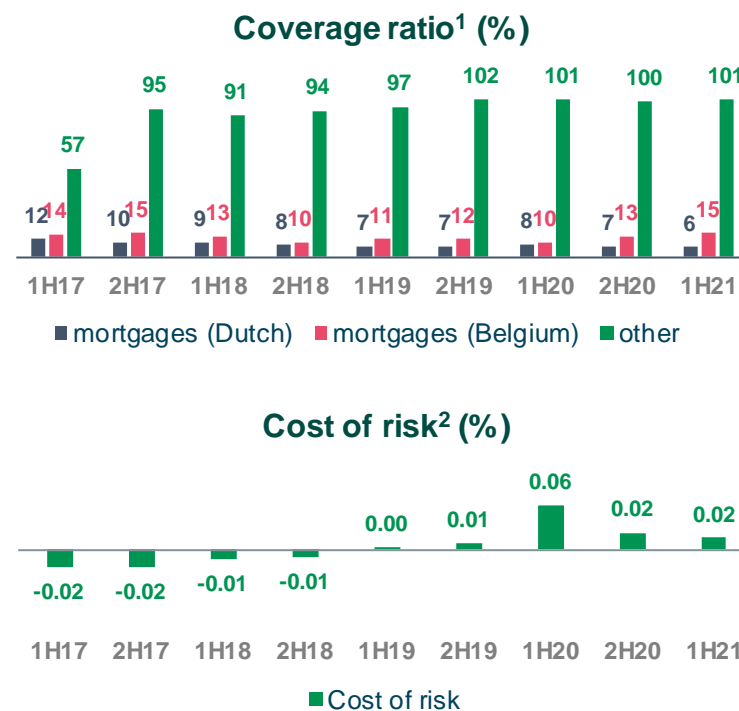
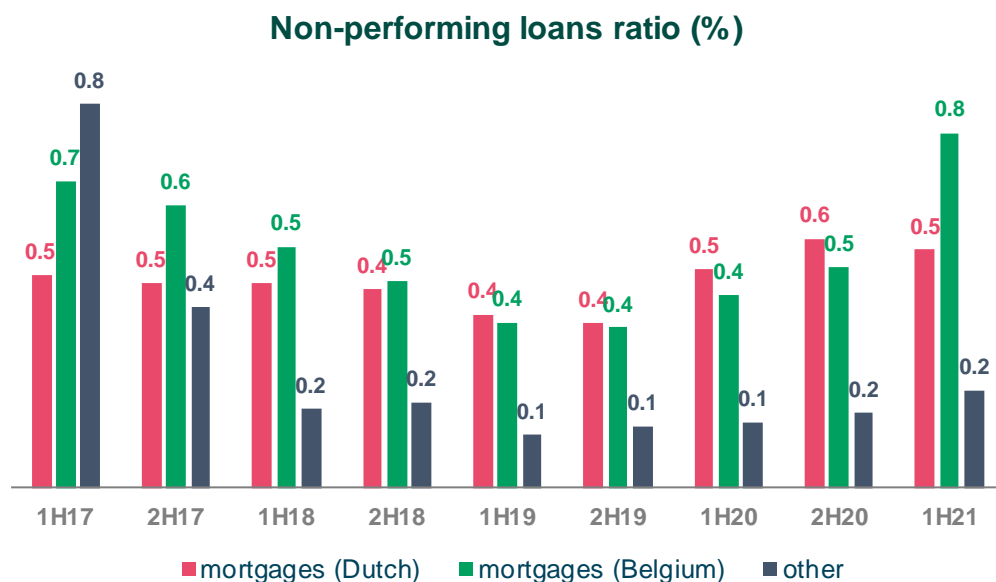
- mortgages (Dutch) NHG
- mortgages (Dutch) non-NHG
- mortgages (Belgium)
- other

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



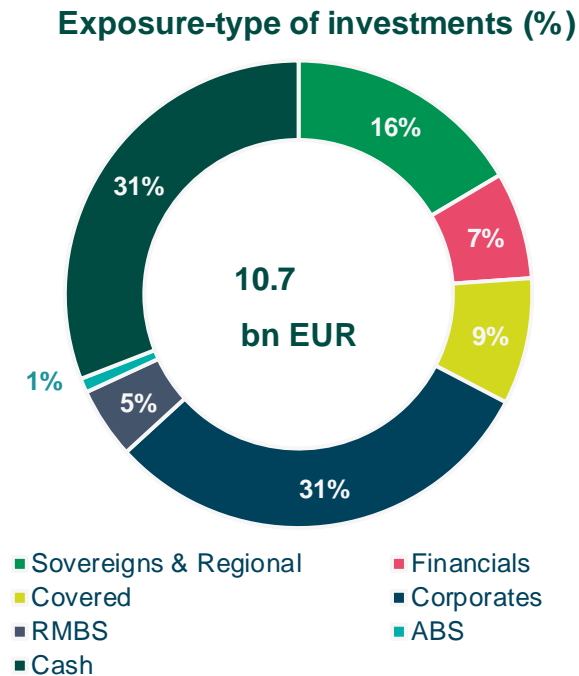
- The residential mortgage loan portfolio in Belgium and the Netherlands composes 96% of the loan book. The remaining 4% consists of consumer loans and loans to local and regional governments and public-private partnerships.
- The share of NHG¹ loans in the Dutch mortgage portfolio continued to decrease in H1 2021 from 55% to 51%.
- Compared to H2 2020 the average LTV dropped for Belgian and Dutch mortgages, resp. to 57% and 60% (coming from 60 and 63%). The total portfolio LTV decreased from 61% to 59%.

4. Low Risk Loan Portfolio



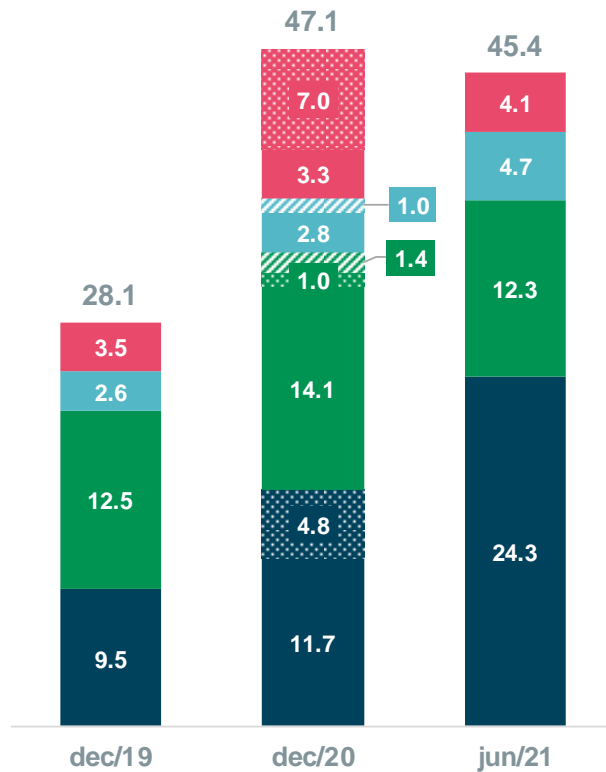
- Additional forbearance measures in the Belgian Mortgage Book following the covid-crisis result in a slightly higher average NPL ratio of 0.65% (+13bp since end of 2020). Overall, the quality of the mortgage loan book remains high.
- The average coverage ratio of 13% reflects the high quality of prime mortgage collateral
- Cost of risk remains low and stable compared to end of 2020 at 1.6bp and lower than the COVID19-related rise in H1 2020.

4. Diversified and Liquid Investment Portfolio



- Stable portfolio at EUR 10.7bn
- Limited additional investments since credit spreads remain low
- Temporary cash surplus following RMBS issuance, reserved to fund the mortgage pipeline
- 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 sensitive to the COVID-19 pandemic
- High quality investments: 33% of the portfolio is rated AA and above, and 99% of the portfolio is investment grade.
- Exclusively euro-denominated with focus on European markets: 95% of portfolio in European Economic Area.
- Unrealized gains of financial assets not measured at fair value through P&L of 208 million EUR (+ EUR 43m YoY)

4. Global decrease in impairments



■ Mortgages BE
 ■ Mortgages NL
■ Consumer credit & other overdrafts
 ■ Debt securities & non-retail loans

Dotted areas represent COVID-19 impact¹
 Shaded areas represent impact DoD changes

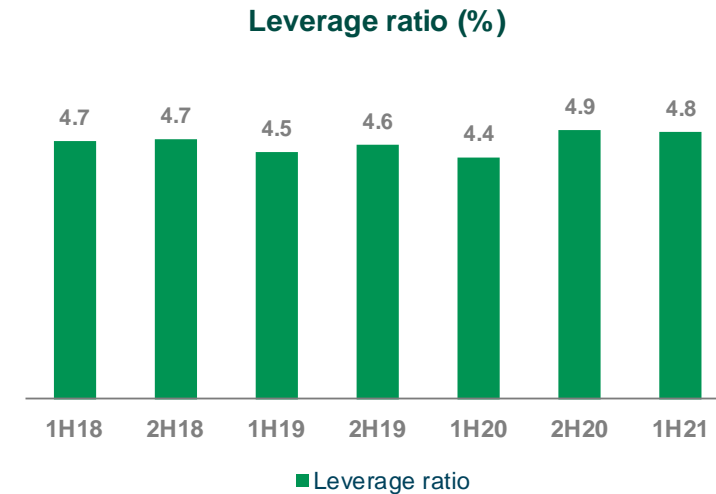
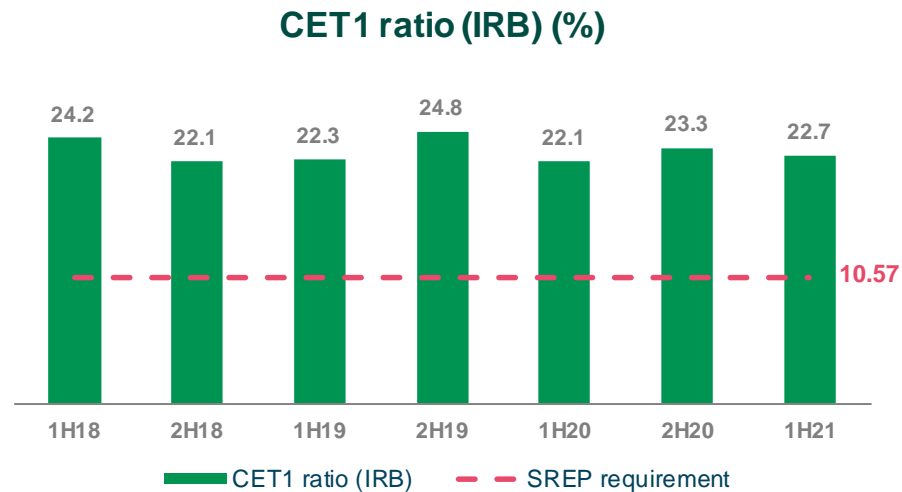
Total decrease in IFRS-9 provisions of EUR 1.7m in H1 2021

- Higher impairments on Belgian mortgages (EUR +7.8m) mainly due to higher forbearance
- Lower impairments on Dutch mortgages (EUR -4.2m) following favourable macro-economic revision
- Higher impairments on consumer loans (EUR +0.9m) in line with the portfolio growth (+22%)
- Lower impairments on the investment portfolio (EUR -6.2m) resulting from favourable macro-economic expectations and rating upgrades on impaired positions



5. Solvency and liquidity

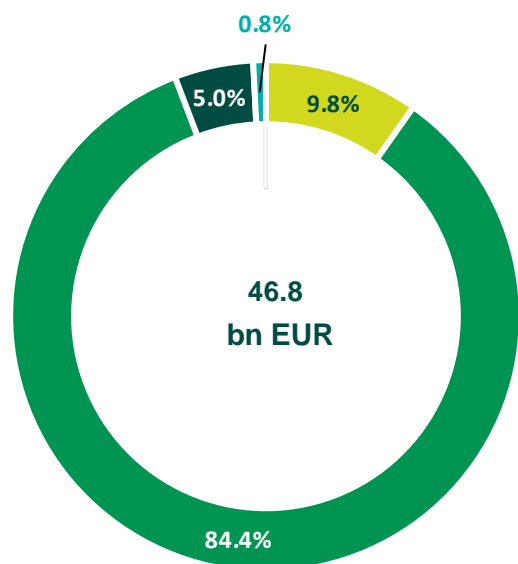
5. Solvency well above SREP requirement



- CET1 ratio remains strong at 22.7%
- Leverage ratio is stable at 4.8% despite the balance sheet increase which is softened by lower credit conversion factors on off-balance exposures. In addition, the relief measure to exclude central bank reserves is extended until end of March 2022. Without relief the ratio amounts to 4.54%

5. Funding and Liquidity Position

2021 H1

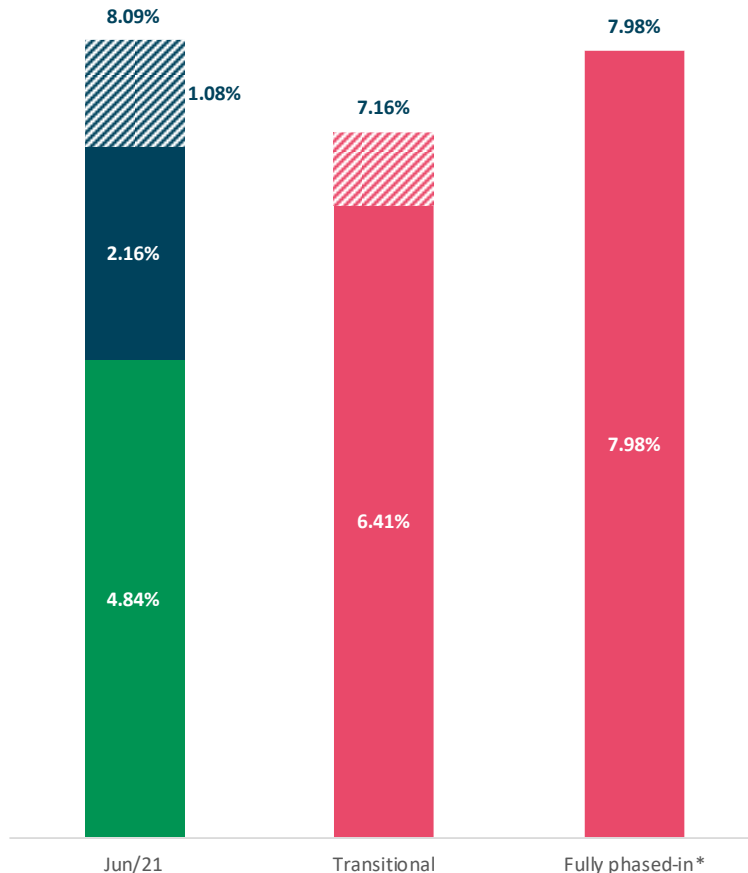


■ Wholesale Funding ■ Retail Funding ■ Equity ■ Other

In %	2H18	1H19	2H19	1H20	2H20	1H21
Liquidity coverage ratio ¹	170	170	172	156	159	160
Net stable funding ratio ²	141	138	136	135	136	146

- 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.
- Wholesale Funding with EUR 2.6bn Dutch RMBS, EUR 1.5bn of EMTN of which EUR 1.0bn subordinated debt (SNP) and EUR 0.5bn Belgian Covered Bond
- H1 2021 highlights in Wholesale Funding:
 - February: Inaugural Belgian covered bond issuance of EUR 500m as part of Argenta Spaarbank's new EUR 7.5bn covered bond programme.
 - May: Call of EUR 500m Tier II subordinated notes
 - June: Issuance of EUR 650m Green Apple RMBS

5. MREL ratio (in terms of LRE)



- The 2022 intermediate MREL target is 7.16% and the intermediate subordination target is 6.41% (SP not included)
- The MREL ratio is at 8.09% and the subordination ratio is at 7.00%, as a result, both requirements are met
- Both targets will move towards a final target of 7.98% in 2024, which will be complied to by SNP issuances over the next years.

▨ MREL target ■ Subordination target
▨ Eligible liabilities not subordinated (SP) ■ Eligible liabilities subordinated (SNP)
■ CET1



6. Wrap-up



6. Wrap-up

H1 2021 Argenta Spaarbank

- Continued strong commercial performance with strong mortgage volumes and very strong fee production.
- Net profit increases 35% YoY driven by a 34% increase in fee income, a stable net interest income, lower impairments and stable expenses.
- Fee income increases EUR 24 m YoY with assets under custody in excess of EUR 11 bn.
- Stable recurring net interest income continues to be supported by higher than average received prepayments penalties on Dutch mortgages.
- Cost containment measures result in a C/I-ratio decrease to 61% while continuing to focus on investments in digitalization.
- Very strong solvency, funding and liquidity position, as before.



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

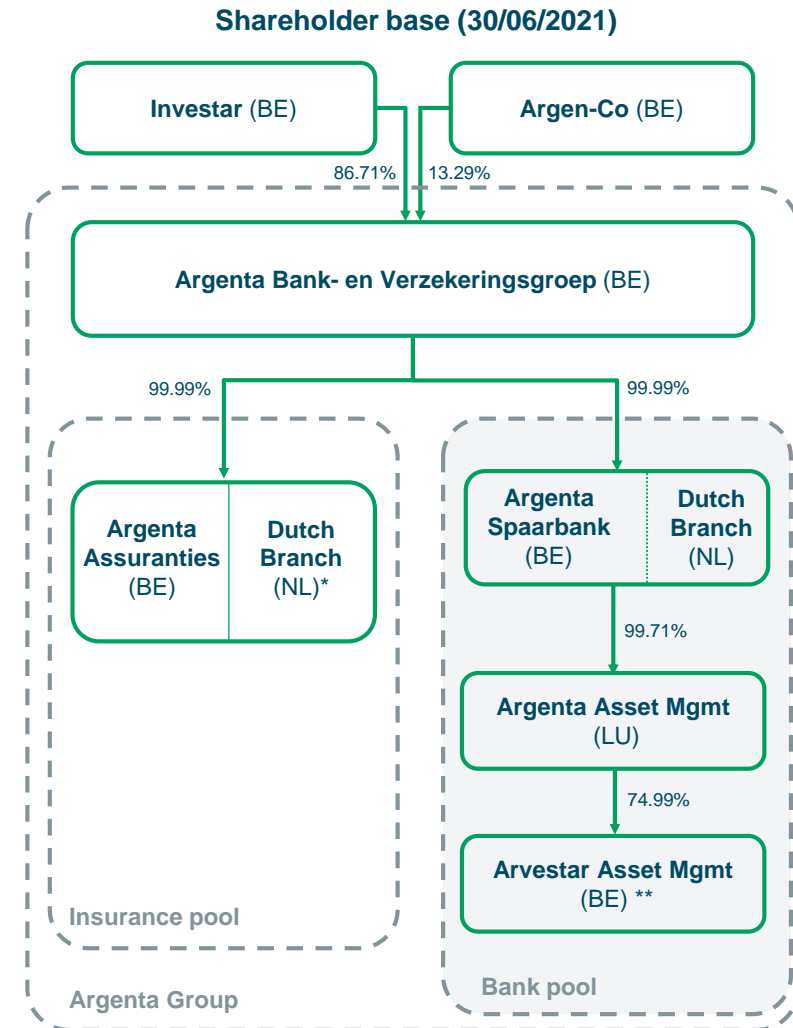
Group structure (share % rounded)

A transparent group structure

- Stable shareholder base Investar (holding company of founding family) and Argen-Co (cooperative capital held by employees and clients).
- Banking operations in Belgium and the Netherlands.
- Insurance operations in Belgium.

In August 2020 Argenta Assuranties sold its Dutch insurance portfolio. The Dutch branch of Argenta Assuranties will be liquidated end of Q3 2021.

- Asset management operation incorporated in Luxembourg.
- Arvestar Asset Management (AAM) is a consolidated joint venture with Bank Degroof Petercam Asset Management N.V. (DPAM).



* In liquidation (September 2021)

** 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	H1 2020	FY 2020	H1 2021	▲ H1-FY
Cash and cash equivalents	2,531	3,023	3,318	295
Loans and advances	32,769	34,624	35,968	1,344
o.w. to credit institutions	582	576	401	-175
o.w. to customers	32,187	34,048	35,567	1,519
Debt securities and equity instrument:	8,253	7,386	7,422	36
o.w. at fair value through P&L	68	68	47	-21
o.w. at fair value through OCI	4,075	3,667	3,626	-42
o.w. at amortized cost	4,110	3,650	3,749	98
Derivatives incl. hedge adjustment	796	773	585	-188
Other assets	437	426	463	37
Total assets	44,786	46,232	47,756	1,524

7. Appendix 3

Argenta Spaarbank balance sheet – Liabilities

In millions of EUR	H1 2020	FY 2020	H1 2021	▲ H1-FY
Financial liabilities at amortised cost	41,441	42,793	44,434	1,641
o.w. deposits from central banks	142	236	259	22
o.w. deposits from credit institutions	7	10	30	20
o.w. deposits from other than central banks and credit institutions	37,387	38,319	39,484	1,165
o.w. senior debt securities issued - saving certificates	10	0	0	0
o.w. senior debt securities issued - other	3,359	3,629	4,576	947
o.w. subordinated debt securities issued	503	511	0	-511
o.w. other financial liabilities	32	88	86	-2
Derivatives	913	890	654	-236
Other liabilities	277	261	335	74
Total liabilities	42,631	43,944	45,423	1,479

7. Appendix 4

Argenta Spaarbank balance sheet – Equity

In millions of EUR	H1 2020	FY 2020	H1 2021	▲ H1-FY
Core equity	2,134	2,232	2,285	53
Paid-in share capital	816	816	816	0
Retained earnings	1,280	1,280	1,416	136
Profit of current period	38	136	53	-83
Gains and losses not recognised in the income statement	21	56	48	-8
Reserve at fair-value-through-OCI	26	58	48	-9
Reserve cash flow hedge	-3	-1	0	1
Revaluation pension plan	-1	0	0	0
Minority interests	0	0	0	0
Total equity	2,156	2,288	2,333	45

7. Appendix 5

Argenta Spaarbank income statement

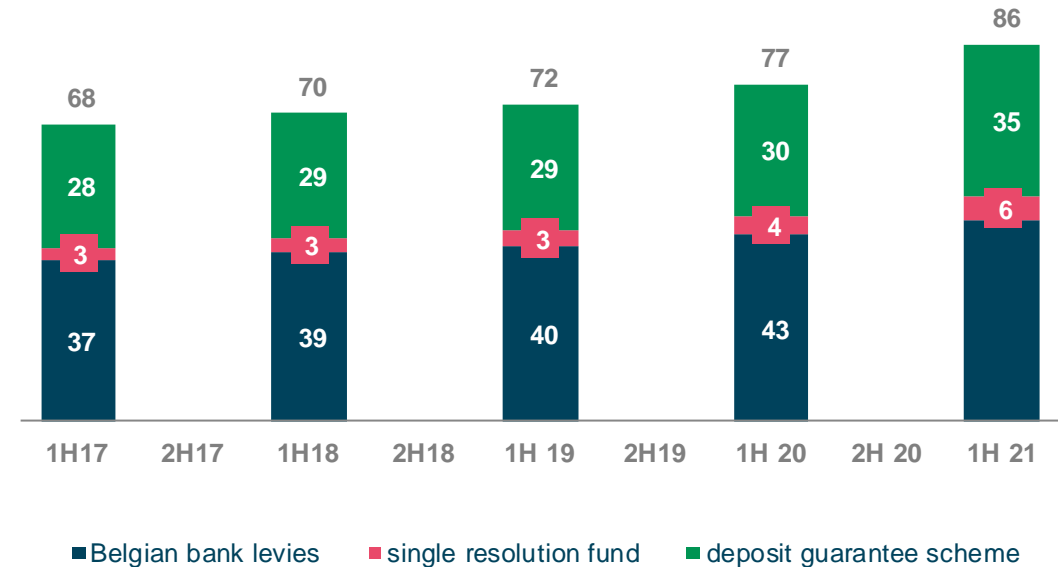
In millions of EUR	1H 2020	2H 2020	1H 2021	▲ 1H-1H
Net interest income	287	282	284	-4
Net commissions and fees	-9	1	9	18
Net gains and losses	3	2	2.4	0
o.w. at fair value through OCI	0	1	0	0
o.w. at amortized cost	0	0	0	-1
o.w. at fair value through P&L	2	1	2	0
Dividend income	0	0	0	0
Other net operating income	10	9	7	-3
Total income	291	294	302	11
Operating expenses	-220	-147	-227	-7
o.w. payroll expenses	-41	-41	-43	-1
o.w. operating expenses	-102	-107	-99	3
o.w. bank levies	-77	0	-86	-9
Operating profit	70	147	75	4
Impairments	-15	-4	2	17
o.w. at fair value through OCI	-2	0	2	4
o.w. at amortized cost	-13	-4	0	13
o.w. other	0	0	0	0
Modification loss	-3	0	0	3
Non-current assets held for sale	0	0	0	0
Profit before tax	52	143	76	24
Income tax expense	-14	-45	-23	-9
Net profit	39	98	53	15

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.

Breakdown of bank levies (mEUR)



7. Appendix 7

Net Interest Income - composition

In millions of EUR	jun/19	jun/20	jun/21
Interest income (excl. hedging)	409	406	401
Loans	372	376	369
Mortgages	363	367	359
<i>Belgium</i>	114	121	126
of which prepayment penalties	2	2	4
<i>Netherlands</i>	249	246	233
of which prepayment penalties	7	18	17
Consumer credit	2	3	3
Other loans	6	6	7
Debt securities	37	30	32
Other interest income	0	0	0
Interest expenses (excl. hedging)	-59	-51	-48
Deposits	-40	-34	-30
Saving accounts	-15	-14	-14
<i>Belgium</i>	-13	-13	-14
<i>Netherlands</i>	-2	-1	0
Term savings	-16	-11	-8
<i>Belgium</i>	-14	-10	-7
<i>Netherlands</i>	-2	-1	-1
Deposits related to mortgages	-10	-8	-8
Debt certificates¹	-17	-14	-15
Retail saving certificates	-5	-1	0
Wholesale debt	-12	-14	-14
Other interest expenses	-2	-3	-4
Hedging result	-90	-68	-70
Hedging income	1	0	0
Hedging costs	-92	-68	-70
Net interest result	259	287	284

¹both debts evidenced by certificates and subordinated liabilities

7. Appendix 8

Regulatory Capital

In millions of EUR	Fully loaded	
	30.06.2020	30.06.2021
Total equity	2,155	2,333
Part of interim or year-end profit not eligible	-17	-53
Prudential filters	-8	-10
Reserve cash flow hedge	3	0
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-6	-6
Value adjustments due to the requirements for prudent valuation	-4	-4
Items to deduct	-61	-22
Other intangible assets	-54	-20
Deferred tax assets	14	5
DTs that rely on future profitability	-20	-7
IRB shortfall of credit risk adjustments to expected losses	-1	-9
Other transitional adjustments	3	1
Common equity tier 1 (IRB)	2,073	2,240
Tier 2 instruments	505	0
Tier 2 (BIII eligible)	499	0
IRB Excess of provisions over expected loss eligible	6	0
Total regulatory capital (IRB)	2,578	2,240

7. Appendix 9

Regulatory Risk Exposures

<u>In millions of EUR</u>	<u>30.06.2020</u>	<u>30.06.2021</u>
Central and regional governments	208	86
Public sector	25	21
Institutions and covered bonds	812	453
Corporates	1,743	1,978
Securitisations	142	101
Retail	201	247
Covered by mortgage	4,822	5,516
Operational risk	1,019	1,079
Other	407	407
<u>Risk weighted assets (IRB)</u>	<u>9,378</u>	<u>9,889</u>



7. Appendix 10

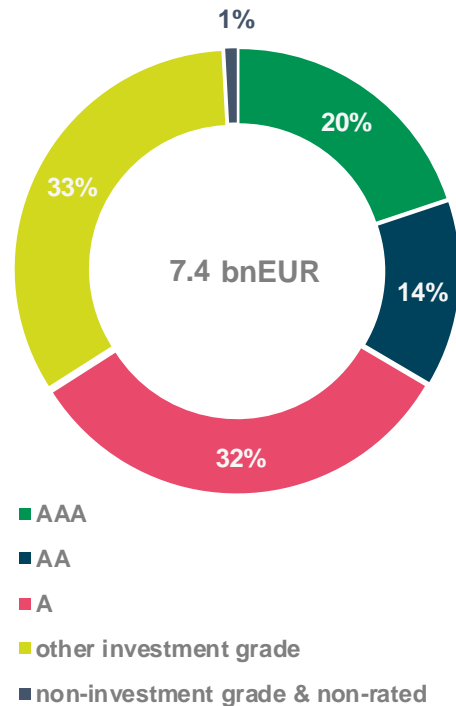
Solvency ratios

<u>In millions of EUR and %</u>	<u>30.06.2020</u>	<u>30.06.2021</u>
Regulatory capital	2,073	2,240
Tier 2 capital	499	0
Risk-Weighted assets	9,378	9,889
CET 1	22.1%	22.7%
TCR	27.4%	22.7%

7. Appendix 11

Investment Portfolio excluding cash (30.06.2021)

Rating class of investments (%)



Investments per country

country	%
Belgium	30.9%
Netherlands	17.1%
France	12.8%
Spain	6.6%
Germany	5.8%
Luxembourg	4.2%
Ireland	3.5%
Sweden	2.3%
Poland	2.1%
Canada	2.1%
Slovenia	2.0%
Finland	1.9%
United States of America	1.7%
Denmark	1.4%
Iceland	1.3%
Other	4.4%

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 excl. 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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