Argenta Spaarbank

Financial Results First Half 2023

August 2023

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Agenda

1. Argenta Spaarbank Key Takeaways

- Argenta Spaarbank benefited from rising interest rates with a **net profit of EUR** 132m, adjusted for upfront bank levies (reported EUR 91m). This is an increase of EUR 61m compared to last year. ROE is at 10.7% vs. 5.9% in H1 2022.
  - The net interest income increased EUR 134m YoY due to a positive impact of rising interest rates on the investment portfolio and the cost-of-carry of swaps. The NIM increased to 1.45% (vs. 1.13% FY2022)
  - The balance sheet stabilized in the first half year of 2023 with mortgage markets slowing down and stable deposit market. Market shares remained stable.
  - Net fee and commission income returned to the level of H1 2022 due to recovering markets and new production.
  - A new benchmark covered bond was issued in June 2023.
  - **C/I ratio of 53%** (vs. 60% FY 2022) as a result of higher profit, partly offset by an increase of operating expenses (~7%), mainly inflation-linked.
- **Sound Solvency position and Liquidity ratios** with a CET1-ratio of 22.6%, LCR of 192% and NSFR of 141%.

2. H1 2023 overview

2. Argenta Group key financials
H1 2023

Argenta Group

Net result	131.8 m
Return on Equity [1]	10.6%
Total assets	59.9 bn
Total equity	3.6 bn
Cost / Income [1]	51.2%
Total funds under mgmt	59.0 bn
CET 1	22.8%

Argenta Spaarbank

Net result	90.8 m
Return on Equity [1]	10.7%
Total assets	53.5 bn
Total equity	2.6 bn
Cost / Income [1]	53,4%
Total funds under mgmt	53.4 bn
CET 1	22.6%

Argenta Assuranties[1]

Net result	37.1 m
Return on Equity	12.4%
Total assets	6.6 bn
Total equity	0.6 bn
Premium Life	227 m
Premium Non-life	106 m
Solvency II	239%

Credit Rating

Standard & Poor's	
Short-term	A-1
Long-term	A
Outlook	Stable

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

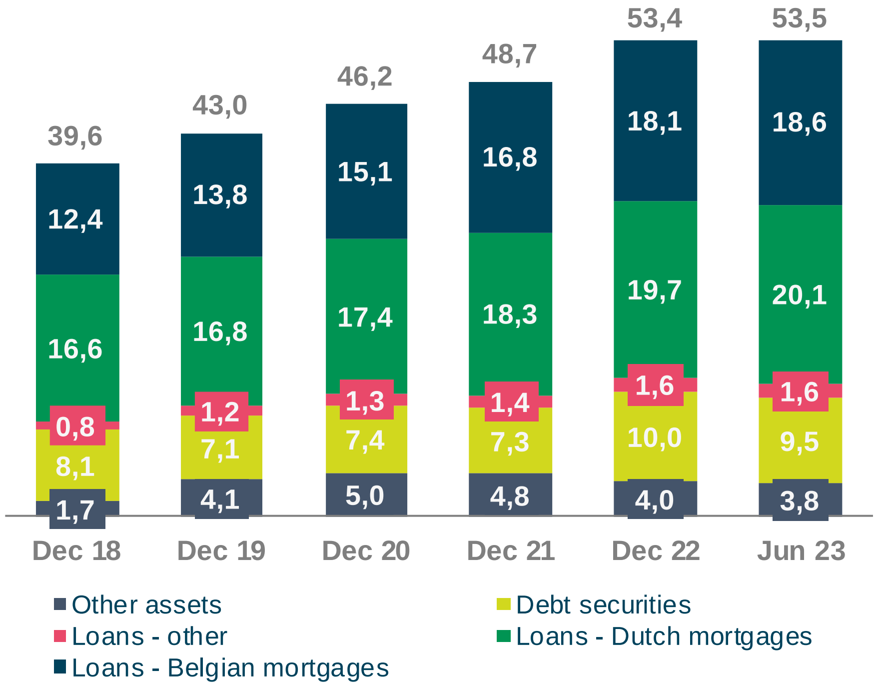
2. Financial Objectives on Key Parameters

Argenta Spaarbank	2022 FY	2023 H1	LT Target
Return on Equity	8.2%	10.7%	>8%
Leverage Ratio	4.3%	4.6%	>5%
Cost / Income Ratio	60%	53%	<55%
CET 1 Ratio	21.5%	22.6%	>18%
Total Capital Ratio	21.5%	22.6%	>20%
Net Interest Margin (NIM)	1.12%	1.45%	>1.25%
NSFR	142%	141%	>132%
LCR	186%	192%	>150%

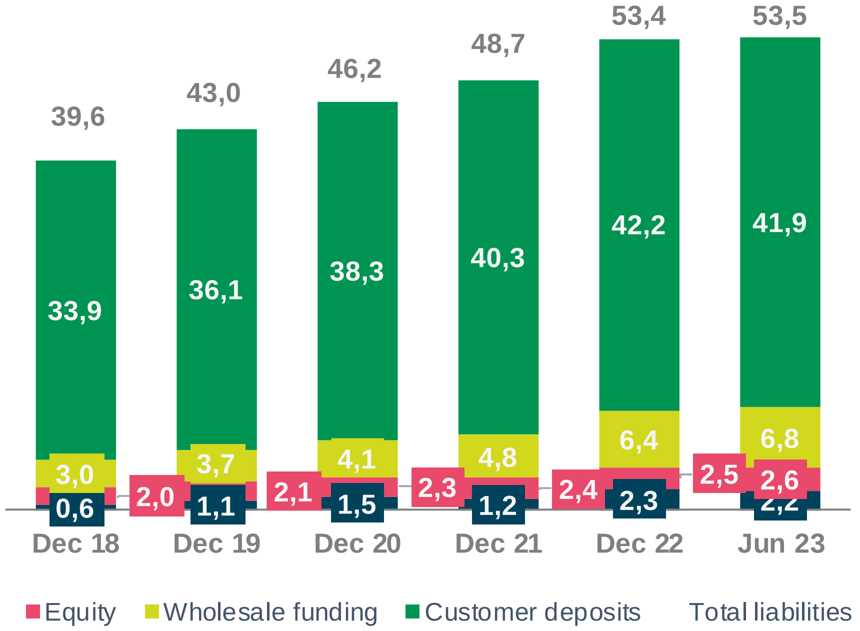
(1) Adjusted for IFRIC 21

2. Stable Balance Sheet in H1 2023

Total assets



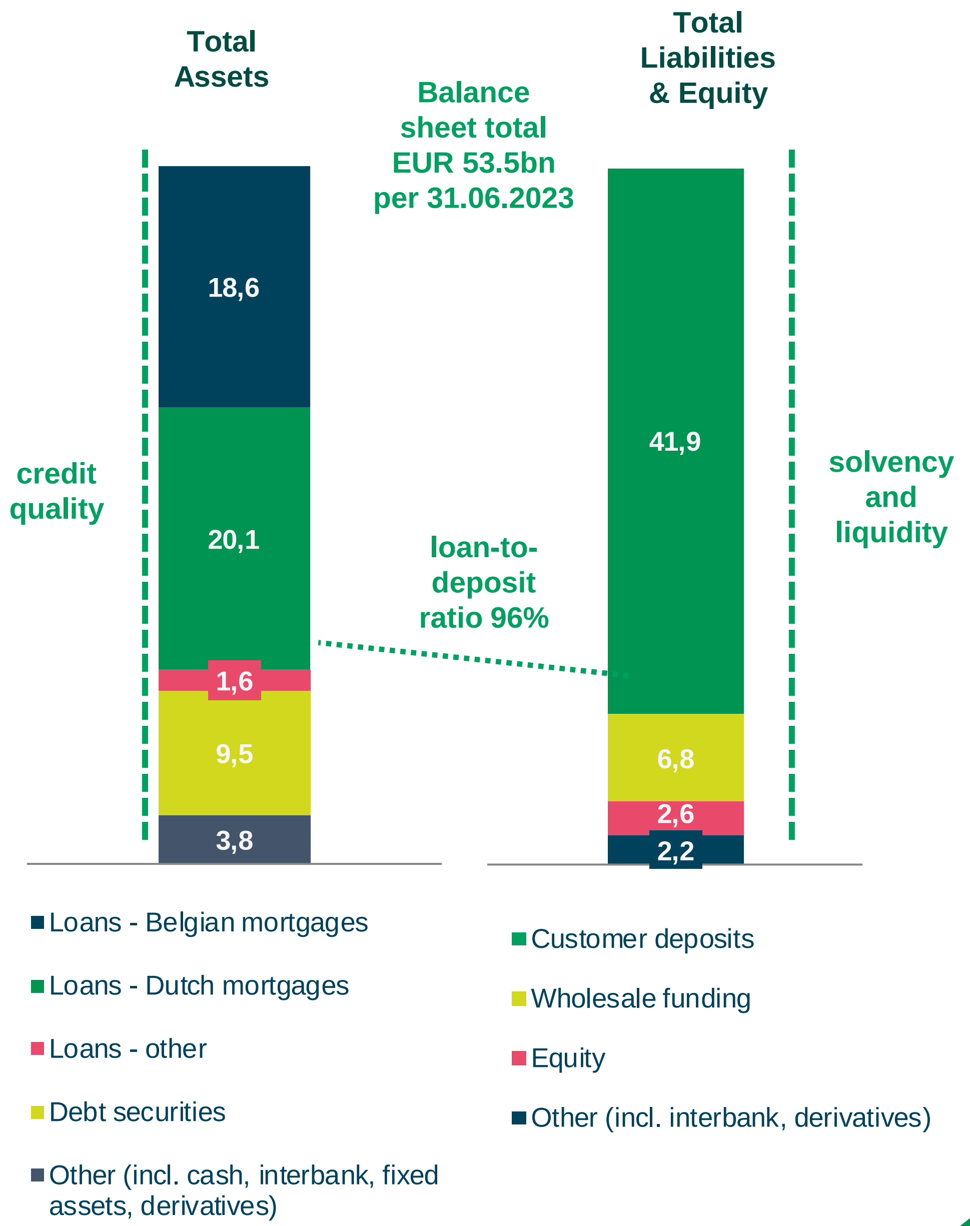
Total liabilities



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

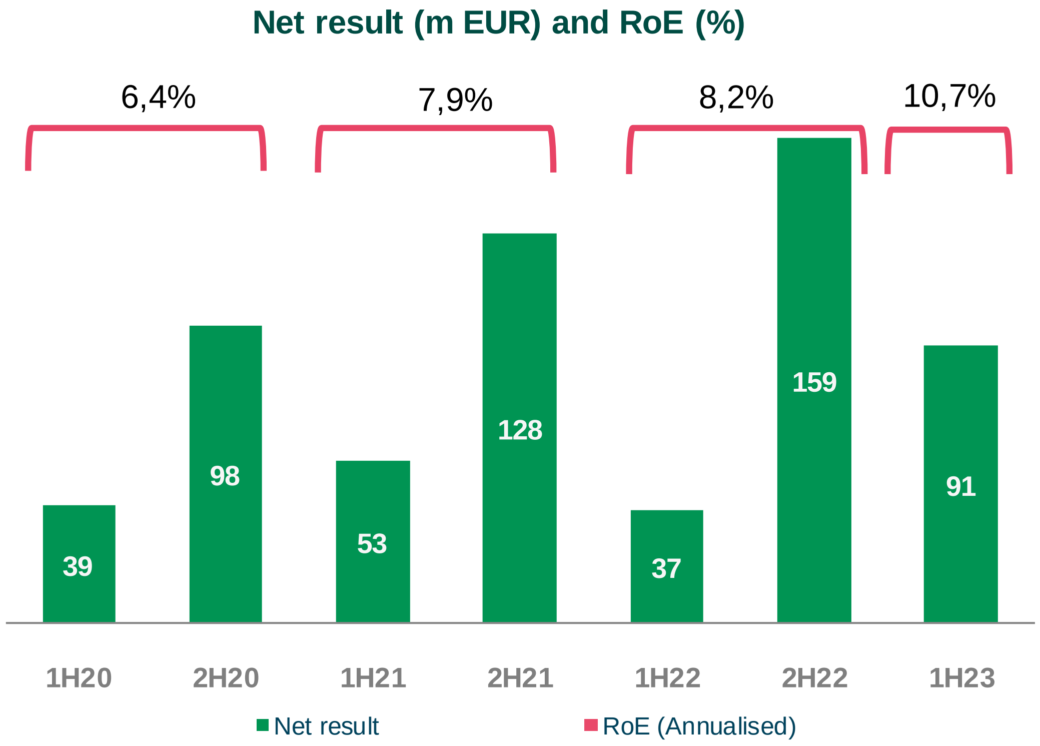
2. Balance Sheet Composition

- Slower asset and liability growth results in stable balance with a low-risk loan book of prime retail mortgage loans in the Netherlands and Belgium and a diversified and conservative investment portfolio.
- Limited portfolio of loans granted to local authorities and public-private partnerships.
- Strong and stable retail deposit base with a slightly increasing loan-to-deposit ratio to 96%.
- Wholesale funding of EUR 6.4bn outstanding.
  - EUR 1.9bn securitizations
  - EUR 0.5bn SP
  - EUR 2.1bn SNP
  - EUR 2.5bn covered bond
- A new benchmark covered bond was issued in June 2023.



3. Financial Performance

3. Net Result up 86 %[1] YoY

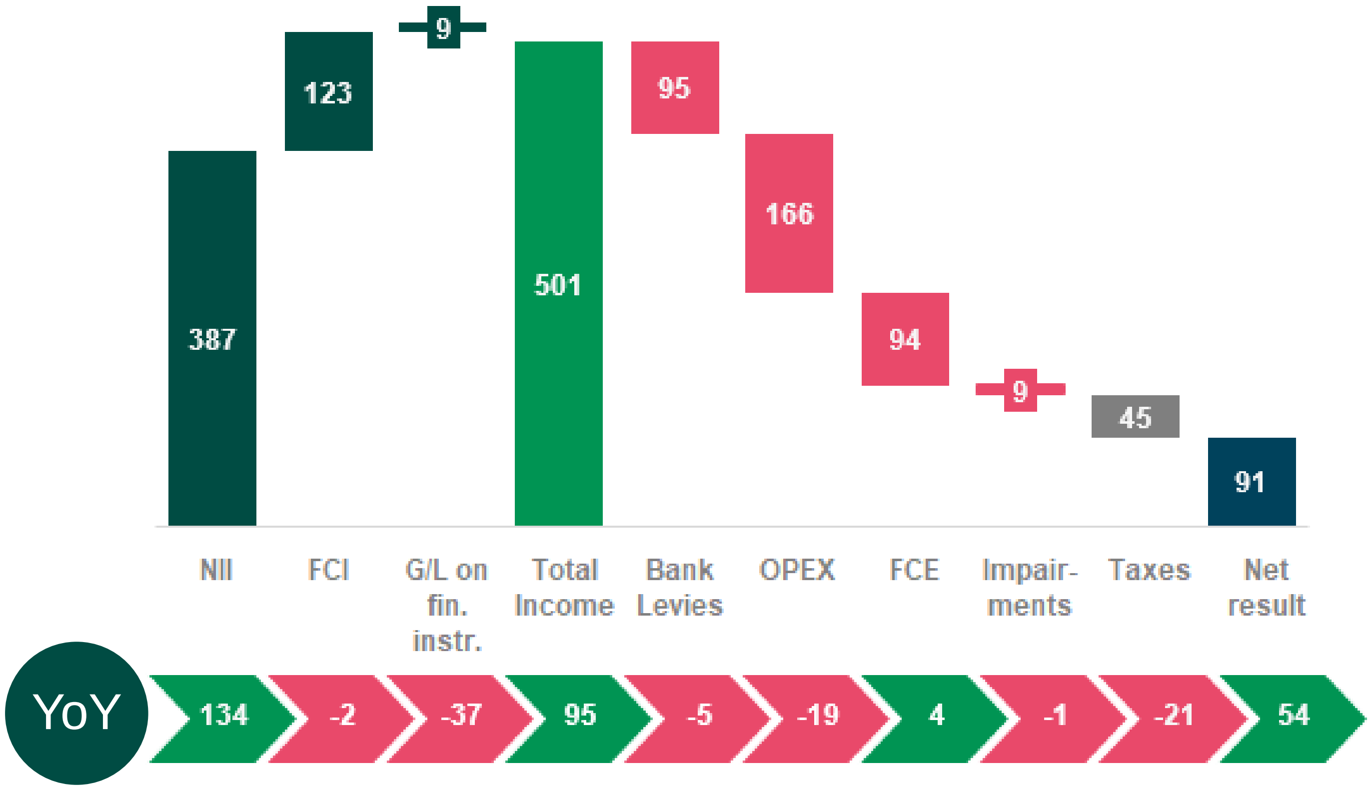


In millions of EUR	1H 22	1H 23	Δ YoY
Net interest income	253	387	+134
recurring NII	*254*	*381*	*+127*
prepayment fees	*16*	*1*	*-15*
one-off impact MTM	*-17*	*5*	*+22*
G/L on financial instruments	28	-9	-37
general result	*-6*	*-1*	*+5*
one-off impact MTM	*34*	*-8*	*-42*
Net fee & commission result	26	29	+3
fee income	*104*	*104*	*-1*
commissions to agents	*-78*	*-75*	*+3*
Bank levies	-91	-95	-5
Net operating expenses	-147	-166	-19
other operating income	*7*	*8*	*+1*
operating expenses	*-154*	*-174*	*-20*
Impairments	-8	-9	-1
Income tax expense	-25	-45	-21
Net profit	**37**	**91**	**+54**
IFRIC21 adjustment	34	41	+7
Adjusted net profit	**71**	**132**	**+61**

- The net profit is up EUR 54m following a sharp Euribor increase, leading to a recovery of the recurring NII.
- Slightly higher net fee & commission income due to resilient funds under management levels and lower acquisition cost.
- Additional impairments almost equalling last year's level
- Higher operating expenses and bank levies given inflation and growth in bank levy basis.
- Partial disallowance of banking tax deduction in tax calculations leads to 5m additional taxes.

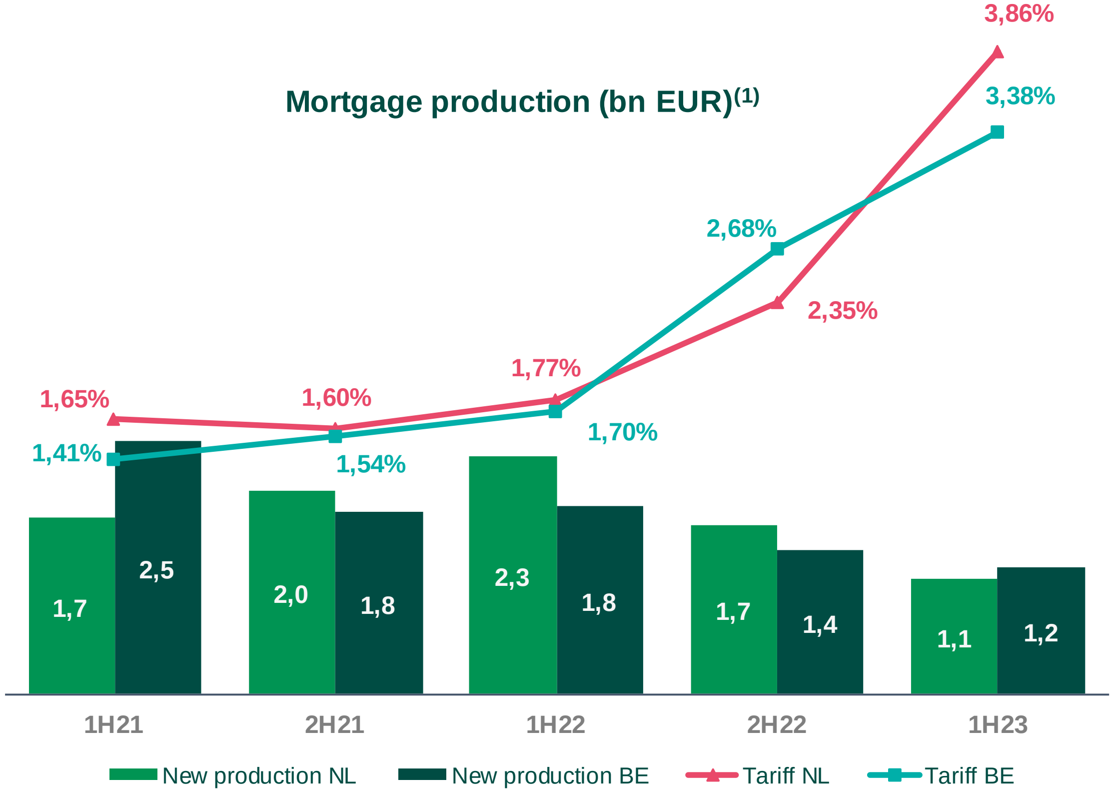
(1) Adjusted for IFRIC21

3. Solid Financial Results driven by 53 % increase of NII



- Total NII increased YoY lifted by higher interest rates and slightly offset by lower prepayment fees:
  - Strong interest rate hikes materially lowered the carry cost on swaps and increased the average yield of the bond portfolio. On the other hand, wholesale and retail funding costs rose.
  - Increasing time value of swaptions
  - Higher interest rates also led to less prepayment fees on mortgages than last year.
- Slightly higher Net Fee and Commission income (FCI/E).
- Lower gains & losses driven by hedge inefficiencies and MtM on hedging instruments.
- Increased inflation and IT-investments impacted operating expenses. Bank levies increased further as a result of higher retail savings than 1H22.
- Increasing impairments compared to YE 2022, mainly due to less favorable macro-economic parameters compared to 1H22 and internal rating downgrades.

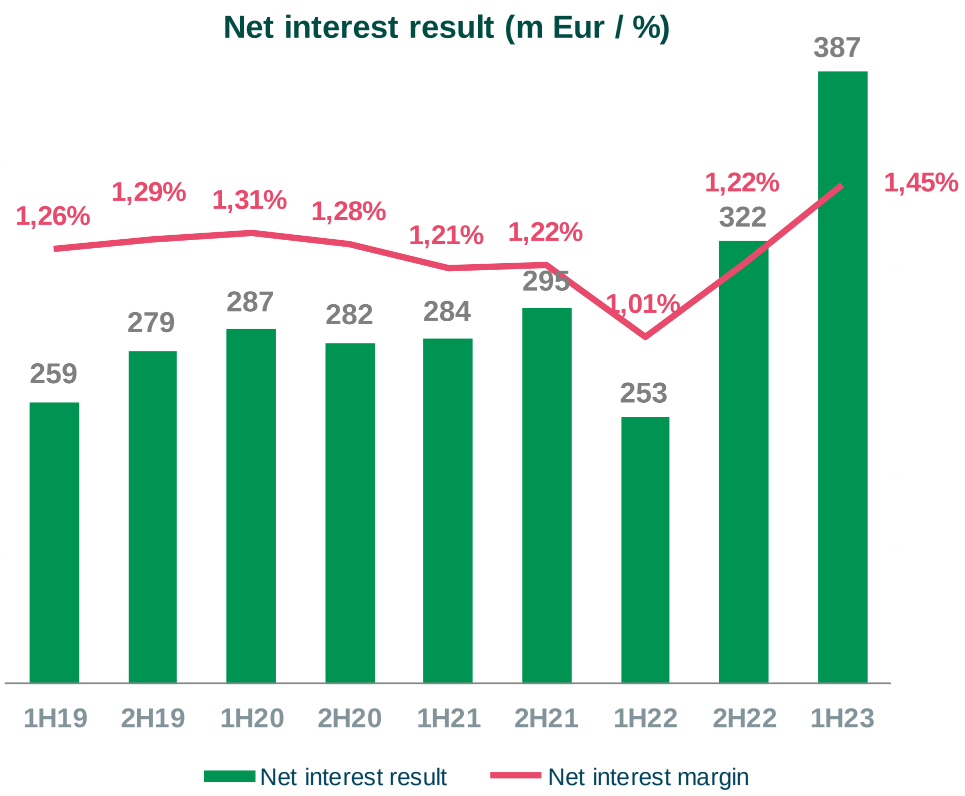
3. Lower mortgage production at rising interest rates



- EUR 2.4bn mortgage loans were granted in H1 2023 to Belgian and Dutch households.
- Production of mortgages slowed down, in line with market evolution.
- Higher pricing followed the increase in 2022 of LT-market rates

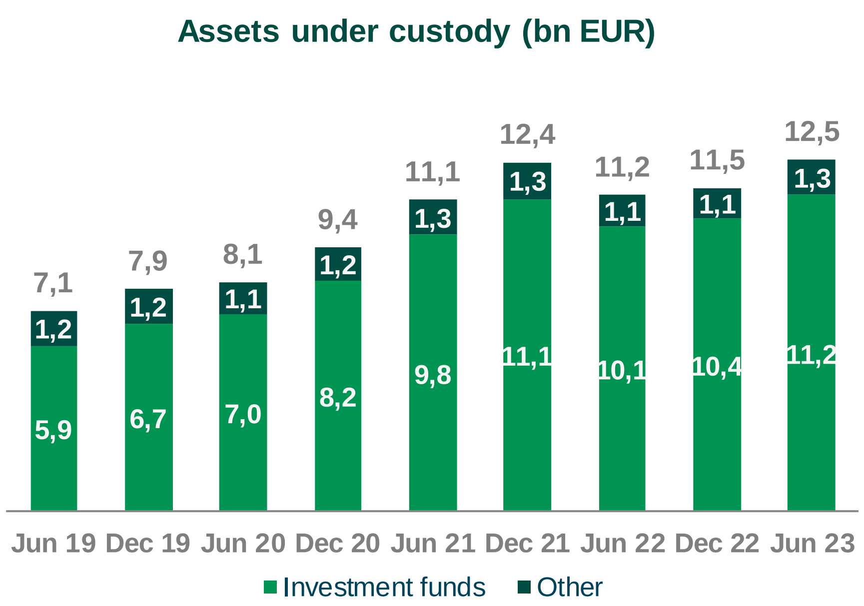
(1) New loans granted, including internal refinancings of existing loans from Argenta

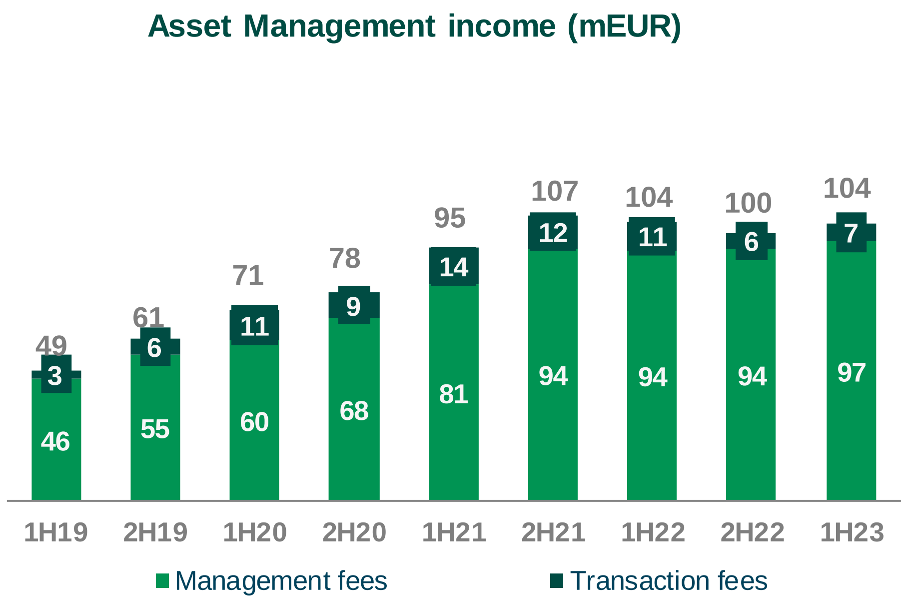
3. Recurring NII boosted by rising interest rates



- Recurring NII up as:
  - the exposure of the bank to 3M Euribor improved the cost-of-carry on hedging instruments (+152m)
  - higher income from the bond portfolio (+55m)
  - partly compensated by increased wholesale funding cost (-52m) and more expensive retail funding (-59m)
- Non-recurring elements were also positive and include the MtM increase of swaptions (increase in time value, +22m YoY) tempered by lower Dutch prepayment fees (-15m YoY).
- NIM rose to 1,45 %

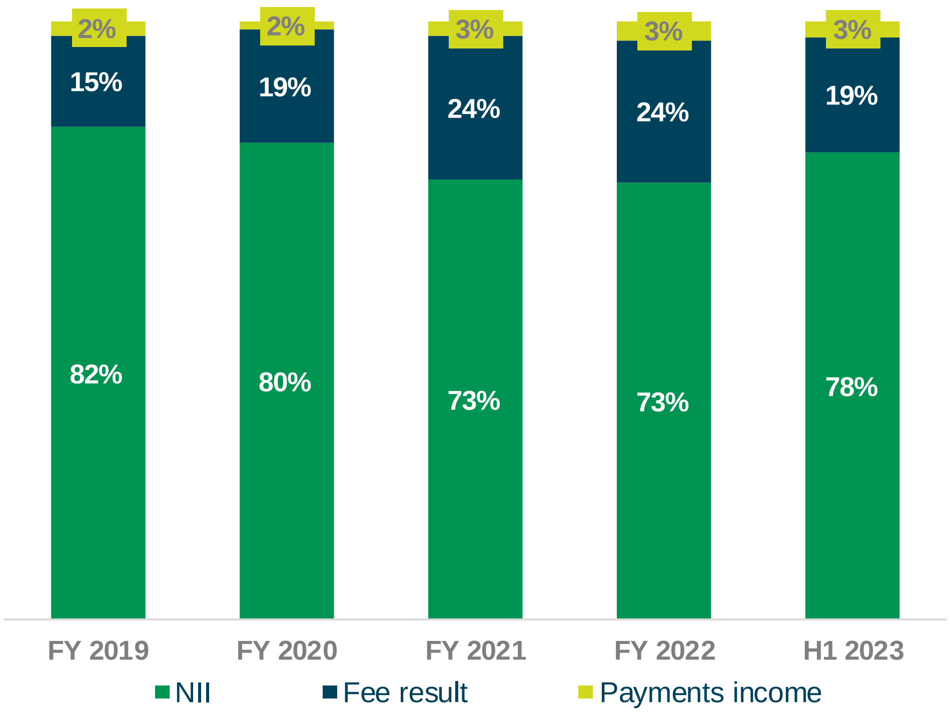
3. Net inflow and market recovery drive stable Asset management income





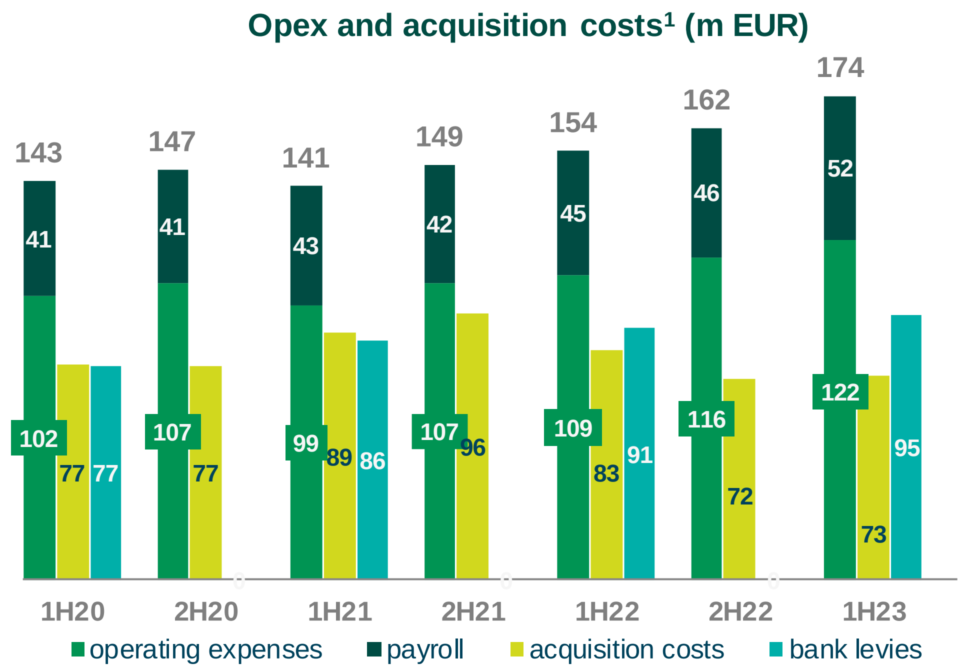
- Market recovery combined with net inflow of assets led to higher portfolio levels.
- Asset Management fee income returned to last year’s level at H1 2022, coming from a slight drop EOY 2022.

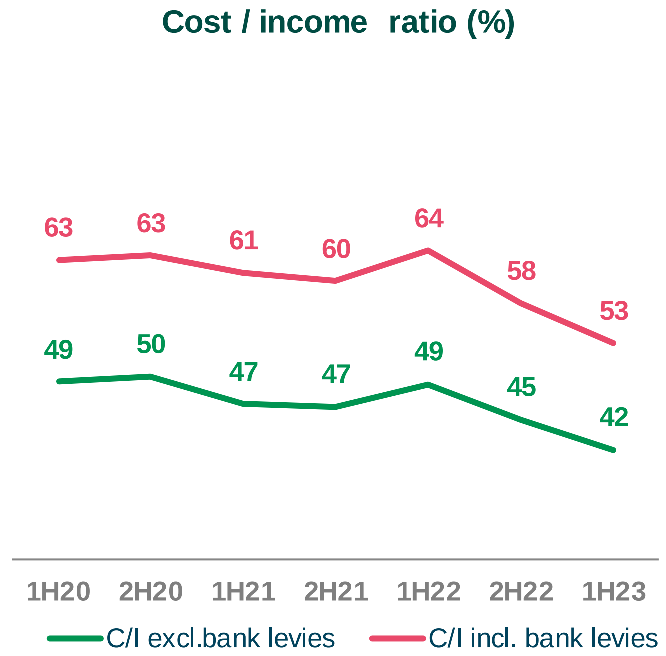
3. Income diversification impacted by NII hike



- Boosted NII triggers altered proportions in income diversification.
- Commercial focus remains on strategic diversification between interest related and fee related products.
- The proportion of non-interest related income decreased from 27 % to 22 %.

3. Historically low C/I ratio driven by NII boost



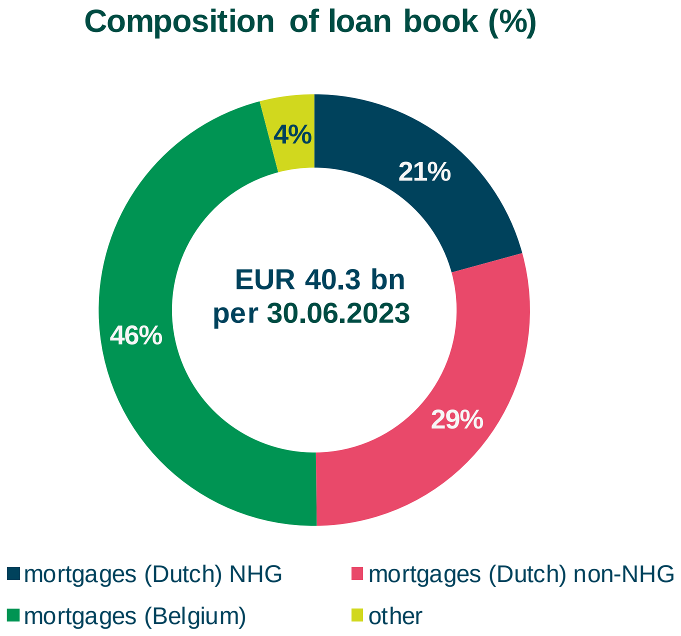


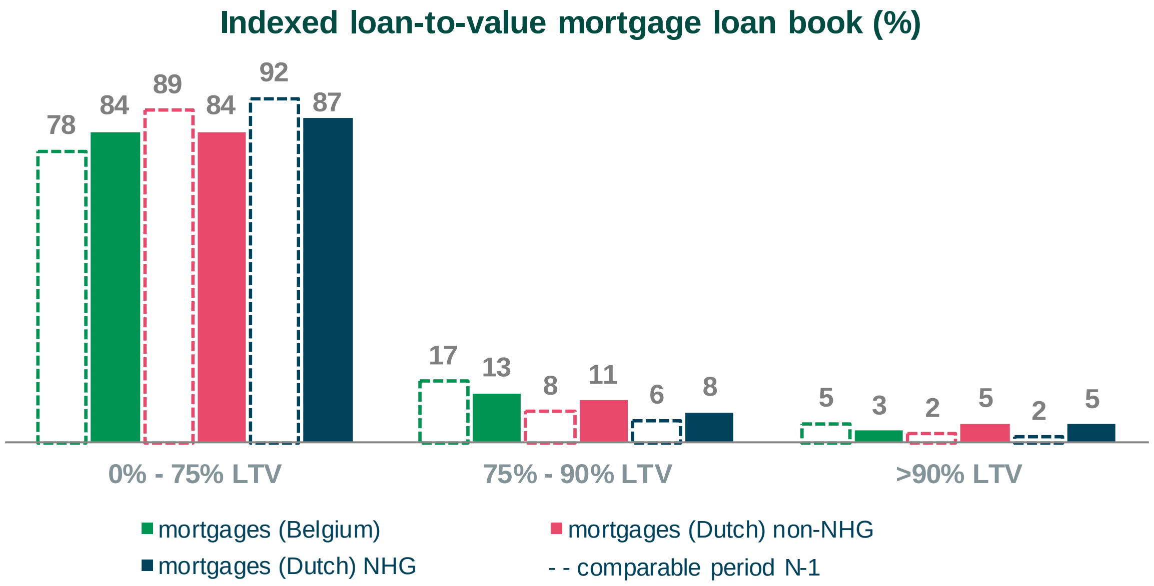
- Rise in income due to a strong NII after the recent interest rate hikes.
- This more than compensated for higher operating expenses from increased IT-investments, inflation, higher staffing and bank levies. Acquisition costs stabilized compared to H2 2022.
- C/I ratio improved to 53% and to 42% excluding bank levies.

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

4. Asset Quality

4. High-Quality Loan Book with stable composition

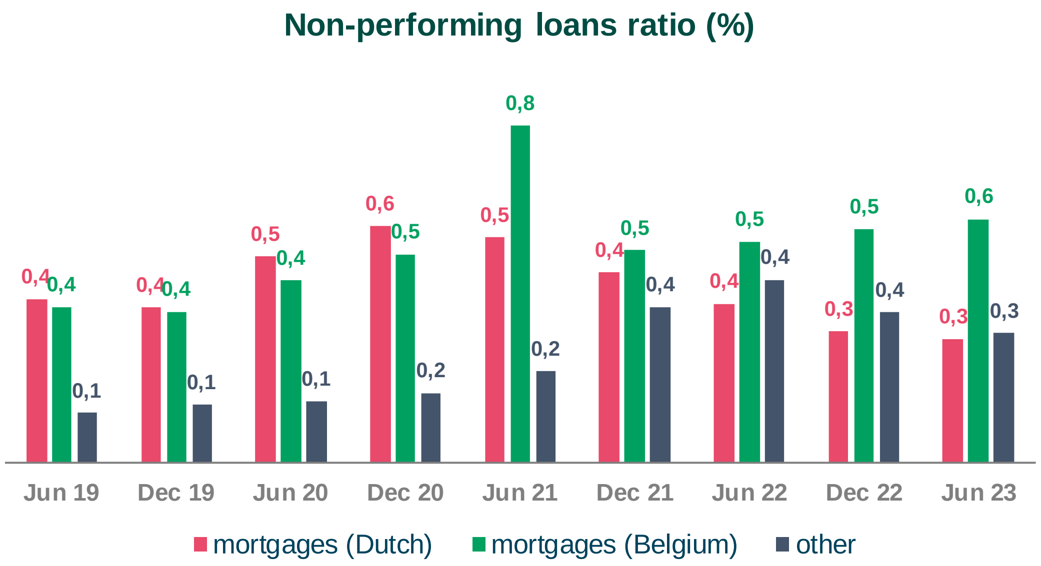


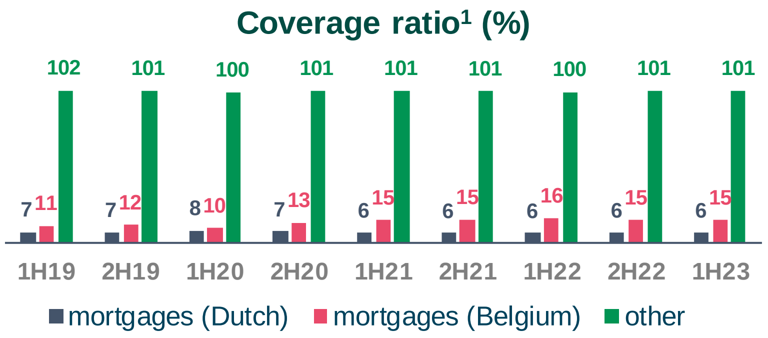


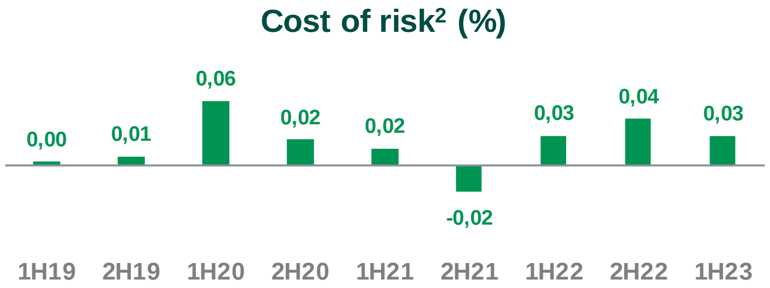
- Per 30/06/2023, 96% of the total loan book consisted of mortgage loans in Belgium and in the Netherlands. The remaining 4% were consumer loans, loans to local and regional governments and public-private partnerships.
- The share of NHG[1] mortgages in the Netherlands remained stable at 42%.
- The total average portfolio-LTV evened out at 53% after years of decline, triggered by stabilizing house prices.

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

4. Risk indicators remained low



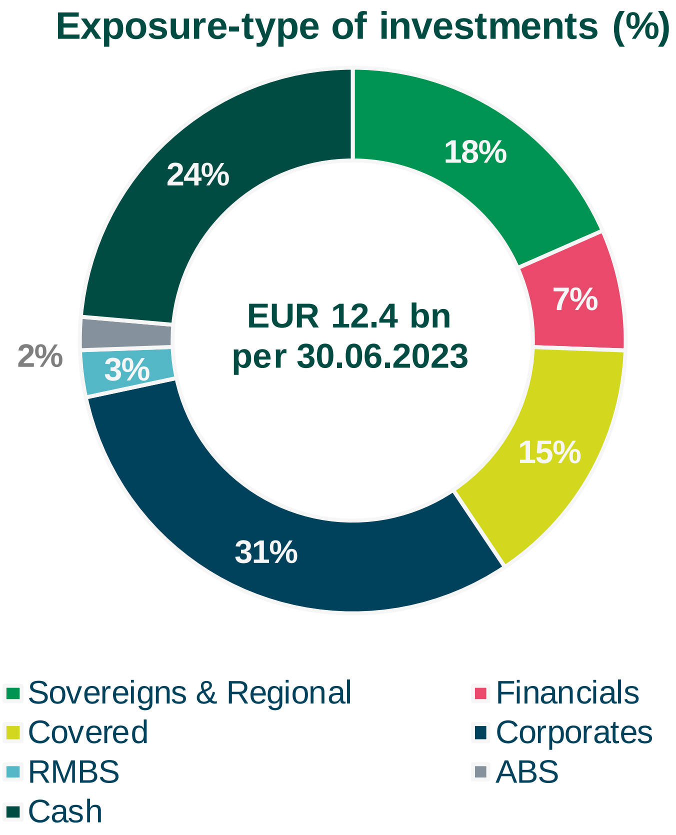




- Consistent with our low-risk business model, the risk indicators reflect again low arrears and limited losses.
- NPL-ratios remain stable at low levels, and the average coverage ratio of 15% confirms the high quality of the prime mortgage collateral.

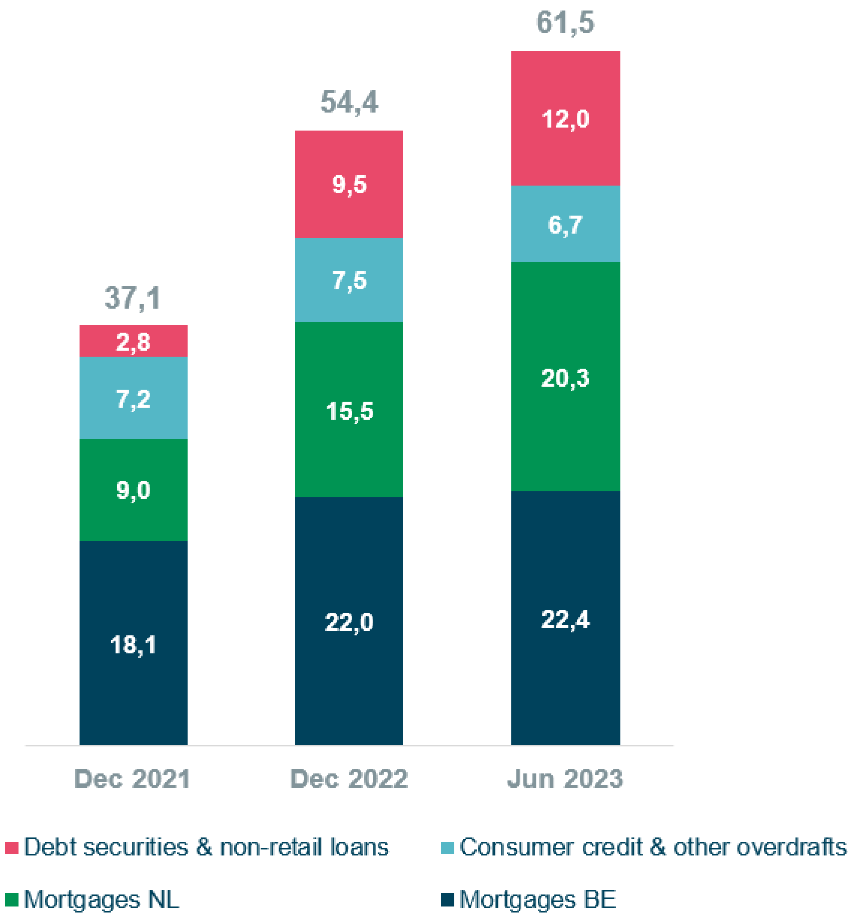
(1) Coverage ratio: Specific (stage 3) impairments/Total outstanding NPLs
(2) Cost of risk: Change in impairments (collective (stage 1&2) and specific (stage 3)) / Average outstanding of total loan portfolio

4. Diversified and Liquid Investment Portfolio



- Decreased portfolio from EUR 13.2bn at the end of 2022 to EUR 12.4bn.
- Balanced investment of the excess cash from wholesale issuance and cash collateral inflow, with a relative increase in covered bonds and sovereigns.
- Low-risk portfolio with sustainable exclusion criteria for activities such as coal, tobacco, nuclear energy,…
- High quality investments: 48% of the portfolio is rated AA and above, and 99% of the portfolio is investment grade
- Exclusively euro-denominated with focus on European markets: 97% of portfolio in European Economic Area.
- The rise in the yield curves reduced the fair value of the investment portfolio. The unrealized result at fair value through OCI amounted to EUR -135m.

4. Higher stage 1/2 provisions as macro-economic outlook changed



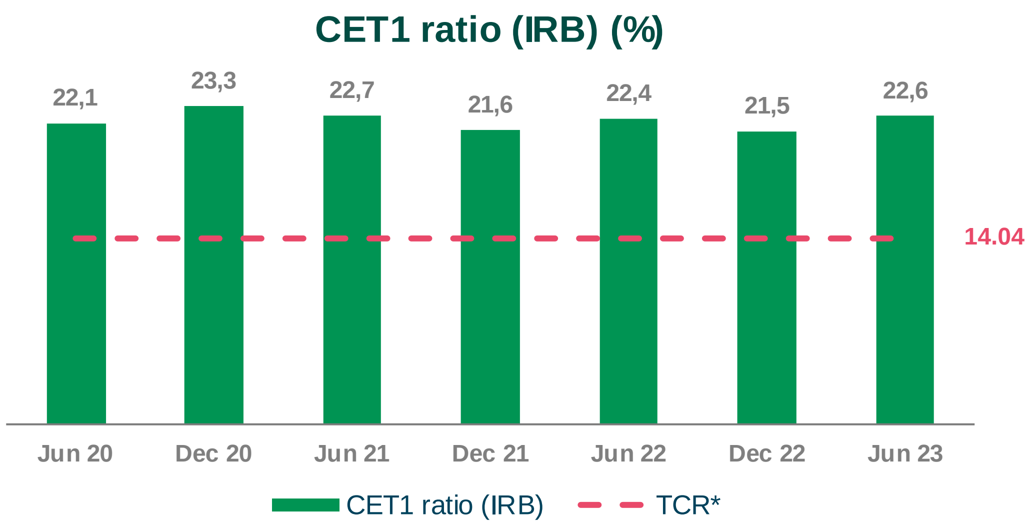
Total increase of EUR 7.0m in IFRS9 provisions:

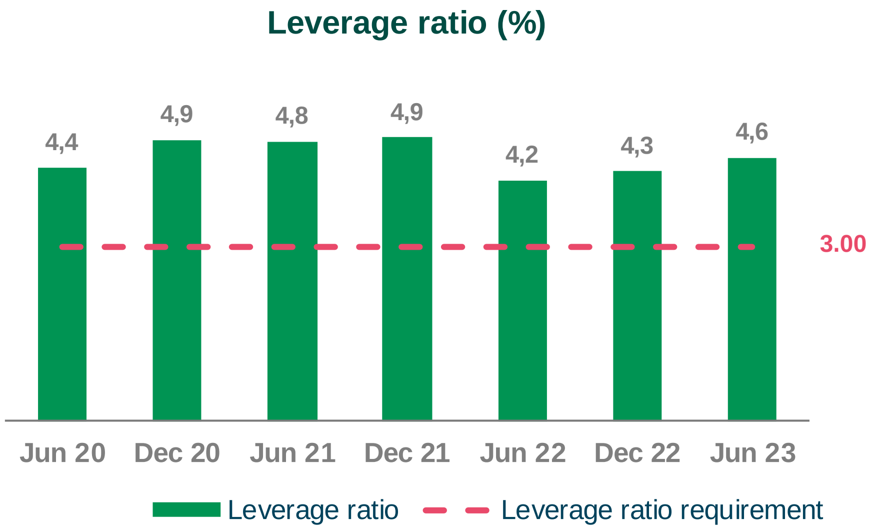
- Higher stage 2 impairments on the investment portfolio (+2.5m) due to internal rating downgrades, partially compensated by modelling less severe macro-economic scenarios.
- Higher impairments on Dutch mortgages (+4.9m) due to higher stage 1 and stage 2 impairments as expected HPI has declined under the most recent central bank projections.
- Stable impairments on Belgian mortgages (+0.4m).
- Credit card overdrafts down 0.7m, mainly due to 0.9m outflow of written-off debt.

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

5. Solvency and Liquidity

5. Solvency well above SREP requirement



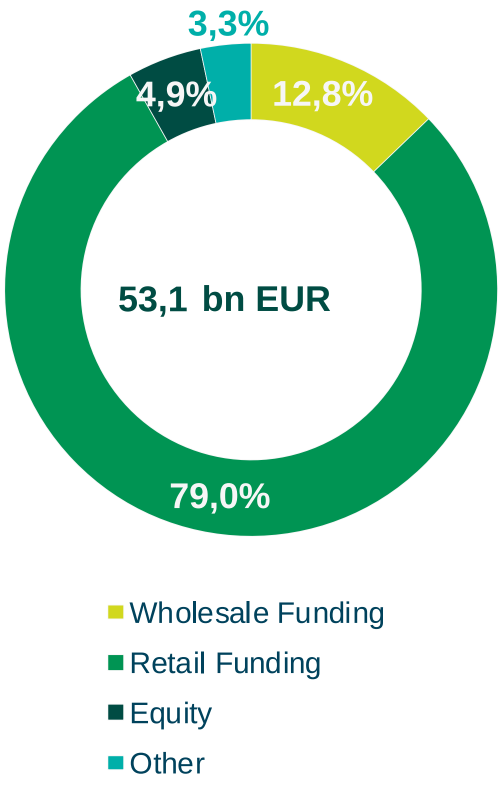


- The CET1 increased by 1.12% to 22.6%, the main factor being the inclusion of higher H1 profits, partly compensated by higher interest rates negatively impacting accumulated OCI on the investment portfolio.
- RWAs remained stable.
- Total Capital Requirement increased to 14.04% due to upwards adjusted CounterCyclical Buffers (mainly NL)
- In line with the CET1 ratio, the leverage ratio also slightly increased by 0.23% to 4.55%

* Aspa's Total Capital Requirement is fully met with CET1 capital

5. Funding and Liquidity Position

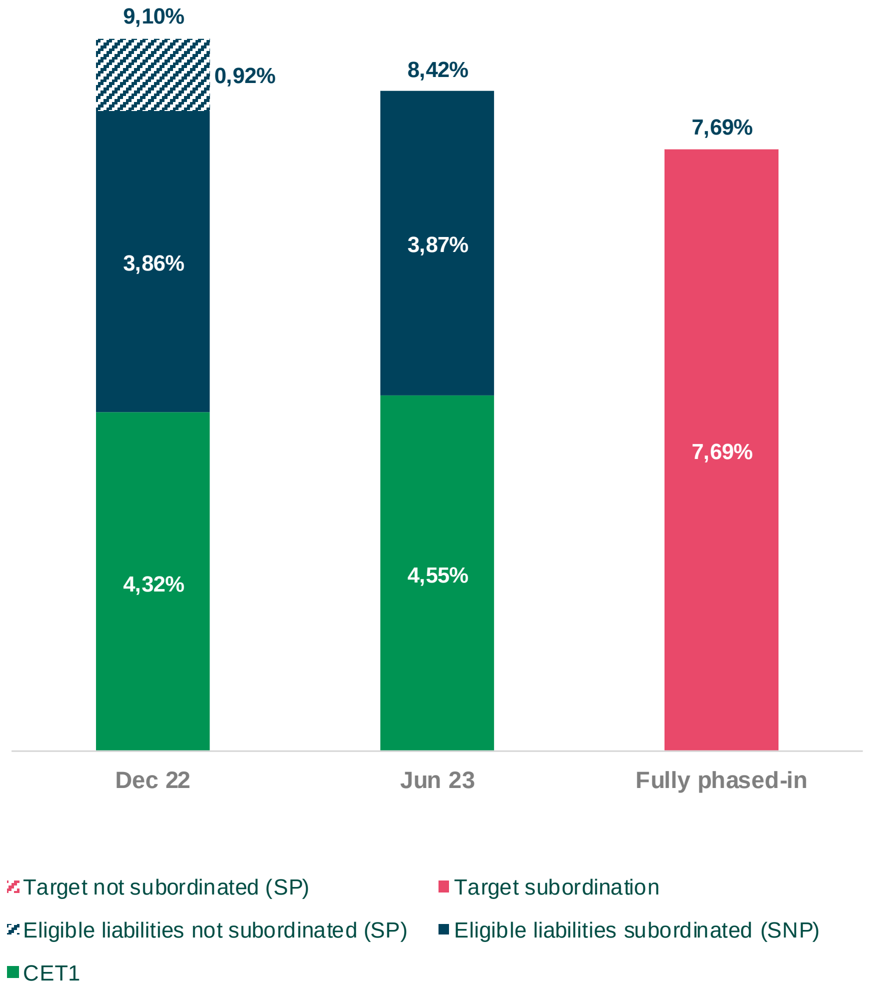
In %	Dec 21	Jun 22	Dec 22	Jun 23
Liquidity coverage ratio[1]	164	197	186	192
Net stable funding ratio[2]	145	145	142	141



- Strong liquidity position, well above regulatory limits for both LCR and NSFR.
  - LCR remains high due to an excess cash position from a covered bond issuance in June and high level of cash collateral.
  - The NSFR remained rather stable at 141%.
- Retail deposits remained by far the most dominant funding source.
- Argenta further diversified its funding by issuing a benchmark covered bond in June 2023.

(1) Basel III
(2) EU Delegated Act

5. MREL ratio (in terms of LRE)



- The 2023 MREL target is 7.69%, fully subordinated.
- The MREL ratio is at 8.42% (=41.69% TREA) and equals also the subordination ratio as Aspa's senior preferred bond is no longer eligible.
- The YTD increase in the MREL subordination ratio can be explained by an increase in own funds, while the leverage ratio exposure (LRE) remained almost unchanged.

6. Wrap-up

6. Wrap-up

H1 2023 Argenta Spaarbank

- Excellent financial performance on the back of increased interest rates and transformation margins, combined with a resilient retail banking model and stable market shares.
- Stable Balance sheet driven by slower mortgage markets and the end of growing deposit markets.
- Net profit rose by 83% resulting in an ROE of 10.7%.
- Net interest income increased EUR 134m YoY driven by the positive impact of rising interest rates on the investment portfolio and on the cost-of-carry of swaps.
- Net Asset Management income returning to H1 2022 level due to a combination of market evolution and net production.
- Newly issued covered bond, confirming our market presence.
- The cost-income ratio decreased sharply to 53% despite an increase in the cost base.
- Further strengthening of solvency, funding and liquidity position, providing a high buffer against adverse market circumstances.

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

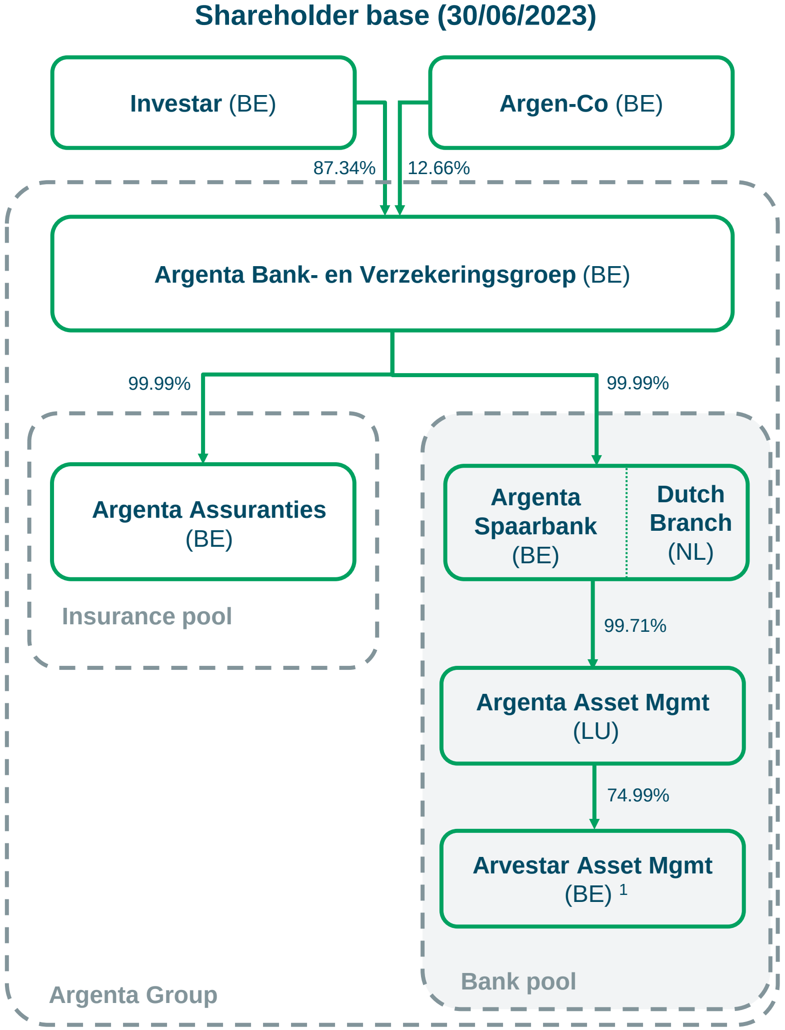
Glossary

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



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

7. Appendix 2

Argenta Spaarbank conso balance sheet – Assets

(in m EUR)	H1 2022	FY 2022	H1 2023	▲H1-FY
Cash and cash equivalents	**3.670**	**3.231**	**2.934**	**-296**
Loans and advances	**38.310**	**39.519**	**40.367**	**849**
o.w. to credit institutions	38	58	64	6
o.w. to customers	38.272	39.461	40.303	843
Debt securities and equity instruments	**9.203**	**10.015**	**9.489**	**-526**
o.w. at fair value through P&L	37	33	33	0
o.w. at fair value through OCI	3.721	3.467	3.131	-336
o.w. at amortized cost	5.445	6.515	6.326	-190
Derivatives incl. hedge adjustment	**136**	**171**	**146**	**-25**
Other assets	**572**	**455**	**572**	**116**
Total assets	**51.890**	**53.391**	**53.509**	**118**

7. Appendix 3

Argenta Spaarbank conso balance sheet – Liabilities

(in m EUR)	H1 2022	FY 2022	H1 2023	▲H1-FY
Financial liabilities at amortised cost	**49.100**	**50.472**	**50.493**	**21**
o.w. deposits from central banks	257	0	0	0
o.w. deposits from credit institutions	1.321	1.786	1.650	-137
o.w. deposits from other than central banks and credit institutions	41.760	42.184	41.944	-240
o.w. senior debt securities issued - saving certificates	0	0	0	0
o.w. senior debt securities issued - other	5.661	6.405	6.806	401
o.w. subordinated debt securities issued	0	0	0	0
o.w. other financial liabilities	100	97	93	-4
Derivatives	**147**	**220**	**227**	**7**
Other liabilities	**278**	**230**	**219**	**-11**
Total liabilities	**49.524**	**50.922**	**50.938**	**16**

7. Appendix 4

Argenta Spaarbank conso balance sheet – Equity

(in m EUR)	H1 2022	FY 2022	H1 2023	▲H1-FY
Core equity	**2.397**	**2.539**	**2.633**	**95**
Paid-in share capital	888	934	934	0
Retained earnings	1.472	1.409	1.605	196
Profit of current period	37	196	95	-101
Gains and losses not recognised in the income statement	**-31**	**-70**	**-59**	**11**
Reserve at fair-value-through-OCI	-31	-68	-58	11
Reserve cash flow hedge	0	0	0	0
Revaluation pension plan	0	-2	-2	0
Minority interests	**0**	**0**	**0**	**0**
Total equity	**2.366**	**2.469**	**2.574**	**105**

7. Appendix 5

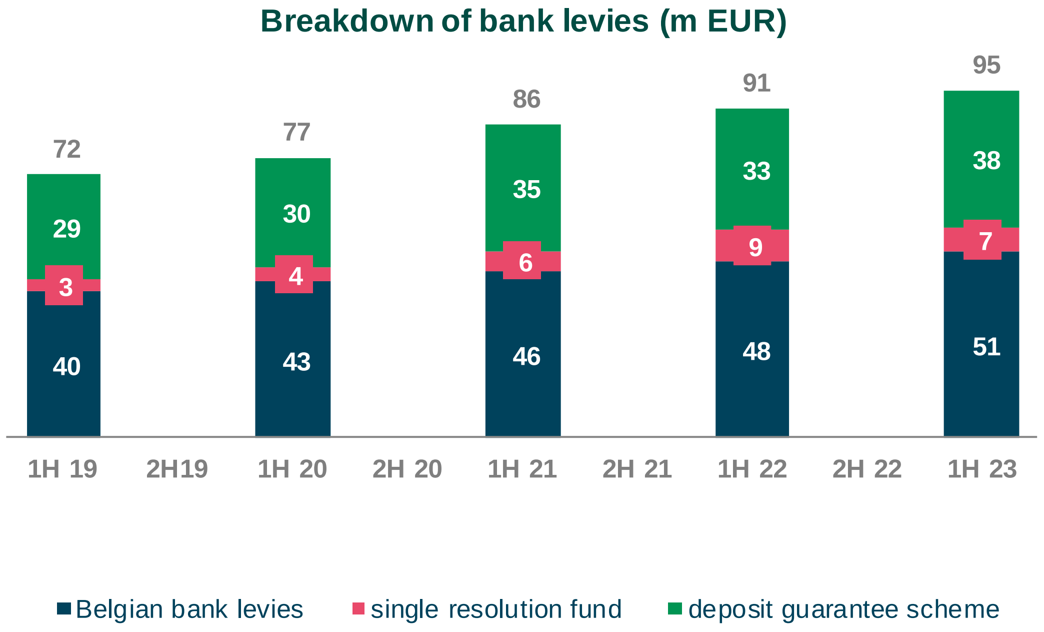
Argenta Spaarbank conso income statement

(in m EUR)	1H 2022	2H 2022	1H 2023	▲H1-H1
Net interest income	**253**	**575**	**387**	**134**
Net commissions and fees	**26**	**56**	**29**	**3**
Net gains and losses	**28**	**30**	**-9**	**-37**
o.w. at fair value through OCI	0	0	0	0
o.w. at amortized cost	0	0	-1	-1
o.w. at fair value through P&L	28	29	-8	-36
o.w. other	0	0	0	0
Dividend income	**0**	**0**	**0**	**0**
Other net operating income	**7**	**13**	**8**	**1**
Total income	**314**	**674**	**414**	**100**
Operating expenses	**-244**	**-407**	**-269**	**-25**
o.w. payroll expenses	-45	-91	-52	-7
o.w. operating expenses	-109	-226	-122	-13
o.w. bank levies	-91	-91	-95	-5
Operating profit	**70**	**267**	**145**	**75**
Impairments	**-8**	**-20**	**-9**	**-1**
o.w. at fair value through OCI	-1	-1	1	2
o.w. at amortized cost	-7	-19	-10	-3
o.w. other	0	0	0	0
Modification loss	**0**	**0**	**0**	**0**
Share in result from assiociates / subsidiaries (equity method)	**0**	**0**	**0**	**0**
Non-current assets held for sale	**0**	**0**	**0**	**0**
Profit before tax	**62**	**246**	**136**	**74**
Income tax expense	**-25**	**-50**	**-45**	**-21**
Net profit	**37**	**196**	**91**	**54**

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 fully recognised in the beginning of the year.
- Advanced recognition adversely impacts the result for a partial year. For this reason, Argenta Spaarbank (also) published an adjusted net result figure, which spreads the levies evenly throughout the financial year.



7. Appendix 7

Net Interest Income - composition

In millions of EUR [1]	H1 2021	H1 2022	H1 2023
Interest income *(excl. hedging)*	**400**	**390**	**502**
Loans	**369**	**357**	**385**
Mortgages	359	346	364
Belgium	*126*	*130*	*155*
of which prepayment penalties	4	2	1
Netherlands	*233*	*215*	*209*
of which prepayment penalties	17	14	0
Consumer credit & other overdrafts	4	4	6
Non-retail loans	7	7	15
Debt securities	**30**	**31**	**86**
Other	**0**	**2**	**31**
of which interbank deposits	0	0	31
Interest expenses *(excl. hedging)*	**-46**	**-42**	**-173**
Deposits	**-30**	**-27**	**-86**
Saving accounts	-14	-15	-72
Belgium	*-14*	*-15*	*-62*
Netherlands	*0*	*0*	*-10*
Term savings	-8	-5	-7
Belgium	*-7*	*-5*	*-6*
Netherlands	*-1*	*0*	*-1*
Deposits related to mortgages	-8	-7	-7
Debt certificates	**-13**	**-11**	**-63**
Retail saving certificates	0	0	0
Wholesale debt	-13	-11	-63
Covered Bond	*0*	*-3*	*-12*
GA notes	*2*	*3*	*-25*
EMTN	*-8*	*-12*	*-26*
TLTRO	*1*	*1*	*0*
Tier II	*-8*	*0*	*0*
Other interest expenses	**-4**	**-5**	**-24**
Hedging result	**-70**	**-94**	**58**
Swaps	**-71**	**-70**	**59**
Carry cost	-71	-70	59
Swaptions	**1**	**-24**	**-1**
Premium	-5	-7	-6
Mark-to-market	6	-17	5
Net interest result	**284**	**253**	**387**

(1) Wholesale NII grouped under interest expenses, therefore total interest expense (and income) diverges from legal reporting. TLTRO yield income is reported under interest income in legal schemes

7. Appendix 8

Regulatory Capital

(in m EUR)	Fully loaded 31.12.2022	Fully loaded 30.06.2023
Total equity	**2.469**	**2.570**
Part of interim or year-end profit not eligible	**-40**	**-11**
Prudential filters	**-27**	**-30**
Reserve cash flow hedge	0	0
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	-23	-27
Value adjustments due to the requirements for prudent valuation	-4	-3
Items to deduct	**-33**	**-25**
Other intangible assets	-15	-15
Deferred tax assets	4	4
DTs that rely on future profitability	-22	-14
IRB shortfall of credit risk adjustments to expected losses	**0**	**0**
Other	**-6**	**-7**
Common equity tier 1 (IRB)	**2.363**	**2.496**
Tier 2 instruments	**2**	**6**
Tier 2 (BIII eligible)	0	0
IRB Excess of provisions over expepected loss eligible	2	6
Total regulatory capital (IRB)	**2.366**	**2.502**

7. Appendix 9

Regulatory Risk Exposures

In millions of EUR	31.12.2022	30.06.2023
Central and regional governments	98	105
Public sector	25	31
Institutions and covered bonds	718	716
Corporates	2.317	2.231
Securitisations	91	81
Retail	297	328
Covered by mortgage	5.806	5.912
Operational risk	1.227	1.227
Other	438	427
Risk weighted assets (IRB)	**11.017**	**11.057**

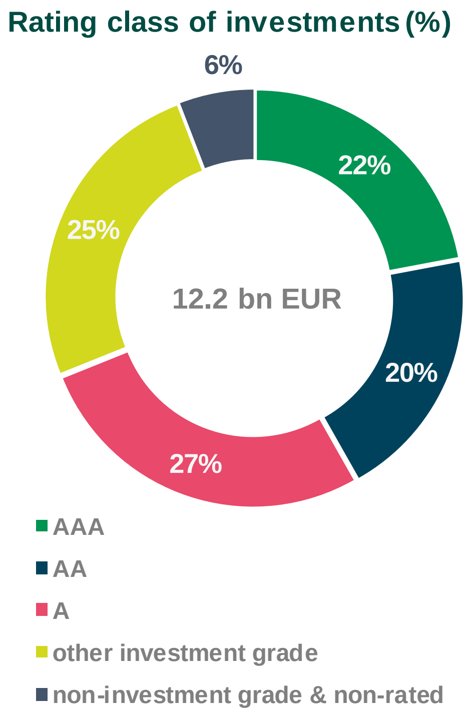
7. Appendix 10

Solvency ratios

In millions of EUR and %	31.12.2022	30.06.2023
Regulatory capital	2.363	2.496
Tier 2 capital	0	6
Risk-Weighted assets	11.017	11.057
CET 1	**21,5%**	**22,6%**
TCR	**21,5%**	**22,6%**

7. Appendix 11

Investment Portfolio excluding cash (30.06.2022)



Investments per country	%
Belgium	26,7%
Netherlands	16,9%
France	14,7%
Germany	6,7%
Spain	5,6%
Luxembourg	4,1%
Sweden	3,4%
Austria	3,2%
Finland	2,9%
Ireland	2,6%
Iceland	1,3%
Slovenia	1,3%
Canada	1,2%
Denmark	1,1%
Poland	1,1%
Other	6,9%

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
Operating Expenses	Expenses excluding payroll, bank levies and commissions paid to independent branch agents
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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