



Argenta Bank- en Verzekeringsgroep nv

Activities and Sustainability Report
2018

argenta.be



ARGENTA

Contents

1. Foreword	2
2. Milestones 2018	6
3. Key figures and financial results 2018	12
3.1 Financial results	14
3.2 Non-financial results	19
4. Argenta group structure and activities overview	24
4.1 Shareholders Investar and Argen-Co	26
4.2 Argenta Bank- en Verzekeringsgroep	27
4.3 Argenta Spaarbank	27
4.4 Argenta Assuranties	29
5. Customer experience central	30
5.1 Argenta as a financial partner of families and individuals	32
5.2 Argenta's product offering	33
5.3 Branch network	41
5.4 IT foundations for further digital acceleration	43
5.5 Other initiatives for improving the customer experience	45
6. Argenta and Sustainability	46
6.1 Sustainable development objectives	50
6.2 Material topics and stakeholder consultation	52
6.3 Sustainability Action Plan 2016-2020	54
6.4 Investment policy for own portfolios and investment funds	59
6.5 Sustainable HR approach	67
6.6 Sustainable supplier policy	78
6.7 Climate	9
6.8 Endorsed principles on sustainability	81
6.9 Risk management	82
6.10 Ethics and integrity	84
6.11 Taxes and contributions to the government, regulators and professional associations	

6.12	Partnerships for sustainability	88
6.13	Representation of interests in professional organizations	89
6.14	Reporting basis	89
6.15	Auditor verification of the content of the GRI indicators	92
7.	Corporate governance	94
7.1	Operation and composition of the Boards of Directors	96
7.2	Advisory bodies of the Boards of Directors	98
7.3	Executive committees and effective management of Argenta	99
7.4	Suitability and assessment	100
7.5	External appointments and personal interests of the directors	101
7.6	Remuneration of executive management	101
7.7	Diversity in the Boards of Directors and Executive Committees	103
8.	Contact information	104
8.1	Information	106
8.2	Complaint management	106
8.3	Overview of Argenta companies	107
9.	GRI Index of Contents	108

This combined activities and sustainability report covers Argenta Bank- en Verzekeringsgroep nv and its subsidiaries Argenta Spaarbank nv, Argenta Assuranties nv, Argenta Asset Management nv and Arvestar Asset Management nv, also the Argenta Branches of Argenta Spaarbank and Argenta Assuranties in the Netherlands. Together they form the *Argenta Groep of Argenta*.



The sustainability report is integrated into the activities and sustainability report. Sustainability-related content is shown marked in green.

Further information about the statutory annual reports of the Argenta companies is available on www.argenta.be.





01

Foreword



ARGENTA



1. Argenta continues to build its sustainable, customer-focused future

GRI 102-14

During the past year, Argenta was faced with the challenge of initiating a comprehensive transformation process, and catching-up with the leaders digitisation, and linked to this rethinking its service model.

Important steps were taken to this end in 2018. A new IT platform became operational, permitting the faster and better development of digital services. The launch of this new platform did not go totally smoothly and further efforts will follow in the coming years. Nonetheless, a number of important innovations have been introduced via this new platform.

Commercially, Argenta remains a quality label with an impressive brand reputation, customer satisfaction and Net Promoter Score.

The results for 2018 were more than satisfactory. Argenta's net profit (IFRS) fell from EUR 193.4 million to EUR 174.5 million. Revenues increased steadily despite the continued low interest rate environment, while the ongoing investments in digitization

and in professionalising of our advisory services continued to weigh on costs. Despite this, the cost/income ratio remained under control at 63.7 %. Excluding the bank levy, the cost-income ratio was 51.8 %.

Regulatory core equity grew by 3 % in 2018 from EUR 2,026 million to EUR 2,082 million. The Common Equity Tier 1 ratio (CRR scope) decreased from 25.2 % to 23.0 % (Basel III - Basel I floor is no longer reported from December 2018).

Argenta's equity position is the result of a sustained self-financing policy and forms the basis for its strong credit rating and its status as one of the safest banks under the supervision of the European Central Bank (ECB). Argenta maintains its A rating with a positive outlook from the rating agency Standard & Poor's.

Argenta's founder, Karel Van Rompuy, had one single goal in mind throughout his life: "surviving in independence." This was our founder's ultimate goal, his dot on the horizon, his Omega point. From its inception, Argenta was thus sustainable in the most literal sense of the word 'for a long time'.

Karel had a great admiration for survivors. He also felt that companies only became worth discussing once they reached the age of 100. Before that, they were beginners or start-ups in today's jargon.

Apple, Google or Amazon he would certainly have found to be interesting phenomena, but by no means companies that had already earned their place in history. That we would only know after 80 or 90 years.

His firm ambition for Argenta was to reach 100 years. Such a time horizon is remarkable in the current era where five years ago is prehistory, and five years ahead the world will have changed beyond recognition.

To reach that age, Argenta will, like a marathon runner, have to be careful with its reserves. It will have to prune its ambitions. Not in the level of his ambitions, but in the number of them. It will have to prune its plans, its projects and its programmes and focus on the essence of his mission, its basic philosophy and its core values: close-to-the-customer, entrepreneurial, pragmatic and simple.

But Argenta is also sustainable in a less literal and socially more common use of the term: conservation, protection, focused on responsible use with a view to reusability and future-proofing. There are more companies that claim today that sustainability is in their DNA. Few can do it the same way Argenta can, for more than 60 years now.

There is no doubt that the societal focus on sustainability has also created a 'sustainability industry and consultancy' with indexes, indicators and measuring instruments that are very similar to financial ratings. Critical questions are justified. Bert Scholtens, professor of Sustainable Banking in Groningen, is quoted as saying that 'there are at least fifty shades of green in investor country'. He points out the danger of 'everyone collecting their own data and pouring an expertise source that is supposed to make a difference'. The financial crisis has taught us precisely that these ratings do not make people using their own judgment superfluous.

Argenta has been integrating GRI reporting (Global Reporting Initiative) into its annual report since 2012. It realizes sustainable objectives based on a sustainability action plan determined in collaboration with its stakeholders: that is

directors, employees, but also customers and branch managers. The achievements with respect to the various sustainable action points are monitored year after year and audited externally.

Argenta takes inspiration from the guidelines of the Taskforce on Climate-related Financial Disclosures (TCFD). This has ensured that we have already screened the investment portfolio for CO₂ intensive industries and that the CO₂ impact of the underlying companies has been inventoried for Argenta's proprietary investment products. This will serve as the basis for defining a further policy for 2019 - 2023. Argenta wants to play its bit in the transition to a low-carbon economy.

At the general meeting of 26 April 2019 the second signatory of this letter will resign as chairman of the board.

For him it was an extraordinary honour in 2008 to be invited to succeed Karel Van Rompuy as chairman of Argenta. It was also a particularly tough challenge. The past decade has been very successful, commercially and financially, for Argenta, with a 50 % increase in total assets and a tripling of its equity.

But it was also a period of increasing complexity in both the banking and insurance business, in particular as a result of an unbridled expansion of the regulatory framework. Governance and supervision came onto senior management's desks in an unheard shape and size.

It was, ultimately, a period of major strategic questioning due to technological developments and disruption of the traditional banking and insurance model.

Argenta is not the Gallic village that wants to keep the Roman Empire (with its fintech, cloud, ecosystems, chatbots and robo-advice) out with a wooden palisade. But Argenta continues to claim a place of its own and recognizable in that Empire, based on its own culture and corporate values and with a clear view of what really matters to the customer."

The challenge will be no less hard for his successor. But with the strongest senior management team ever, Argenta is in good hands and Marc van Heel can take over the chairman's hammer with enthusiasm for another successful decade.

Marc Lauwers
CEO

Jan Cerfontaine
Chairman





02

Milestones 2018



ARGENTA

2. Milestones 2018

GRI 102-10



26 March 2018 Move to Papyrus site



273 employees move into the new "Papyrus" site, a former paper mill on Lamorinièrestraat.

3 May 2018 Argenta, a partner of Straatvinken

Straatvinken is a citizen knowledge project that stems from the commitments of the Flemish government, the city of Antwerp and citizen movements to improve mobility and quality of life in the Antwerp region. As a major Antwerp employer, Argenta is actively committed to seeing fewer cars on Antwerp's streets by 2030 in favour of sustainable mobility. Argenta's employees almost achieve the Straatvinken goal already, with just under 50 % of all trips made sustainably.

10 January 2018 Bankshopper award



The Argenta savings and current accounts are voted best by Bankshopper readers. Argenta comes in third place in the "Bank of the Year" poll.

The headquarters building on the Belgiëlei is being totally converted and expanded into new, sustainable buildings. Pending delivery in mid-2020, 684 employees are working temporarily in rented offices on the Veldekens in Berchem.

5 March 2018 start of digi.wave



Argenta launches digi.wave, a new way of collaborating on digital customer experience between the IT, commercial and customer support departments. This yields attractive results in 2018, like the new Argenta website, with the incorporation of the following options in the app: top-up for pension savings, using the app to consult documents such as due-date reports, payment and tax certificates, viewing securities accounts, managing standing orders, determining the geographical scope of debit and credit cards, and paying bills by photographing them.

1 April 2018 launch of the Metro banking platform



At the beginning of April 2018, Argenta starts using the new "Metro" banking platform. This platform makes it possible to improve automated services and to quickly introduce new banking products and services, such as flash payments.

Availability of the digital and mobile channel was impacted for a few days. The branches and the contact centre replied to customer questions and made sure that urgent transactions were processed in time.

20 July 2018
Baudouin Thomas joins the Board of Directors



Baudouin Thomas is appointed as an independent director of the Boards of Directors of Argenta Spaarbank and Argenta Assuranties, and as a member of the Risk and Audit Committee.

Baudouin Thomas is an internationally recognized authority in the field of IT, digitization and transformation in the financial sector.

31 July 2018
Establishment of Arvestar

Arvestar is a 74.99 % subsidiary of Argenta Asset Management, and a 25.01 % subsidiary of Degroof Petercam Asset Management.

Arvestar is licensed under Belgian law as a management company of collective investment undertakings (UCI) and as a manager of alternative collective investment undertakings (AICB). On 1 November 2018, Arvestar took over the general management of the Argenta Pension Funds (Argenta Savings Fund and Argenta Defensive Pension Savings Fund) from Degroof Petercam Asset Management. The transfer of the UCI funds is planned in the course of 2019.

1 October 2018
Inge Ampe joins the Executive Committee



Inge Ampe takes up the mandate of director and member of the Executive Committees of Argenta Spaarbank and Argenta Assuranties. As Chief Commercial Officer, she is responsible for managing the commercial departments.

Inge Ampe has built up an impressive career in the banking sector, with experience in both Belgium and the Netherlands, at the crossroads of physical and digital services.

23 July 2018
Argenta launches the "Mijn Gedacht" (My Thoughts) customer panel



Through an online platform, Argenta regularly surveys a customer panel on services, digital developments, products, expectations for the future, etc. This gives an up-to-date picture of what Argenta customers expect and consider important, allowing Argenta to better tailor its services and products accordingly.

15 September to 15 October 2018
X-game



Employees in the "Customer Service" operating units take part in the X-game. This is an online interactive game around "headquarters excellence", linked to Strategy 2020 and the Argenta values "Close at hand", "Entrepreneurial", "Pragmatic" and "Simple". Also named 'DOPE'. This game encouraged the employees involved to think about the services to the customer. This led to concrete improvement ideas, a number of which are currently being rolled out.



30 October 2018
Phasing out investments in CO₂ intensive companies by end 2020

Argenta has screened its own investment portfolio, and is committed to phasing out CO₂ intensive sectors such as oil and coal from its investment portfolio by 2020.

2 November 2018
ECB stress-test results

Together with European's largest banking institutions, Argenta has calculated the impact of the ECB stress tests. These stress tests are intended to assess the strength of the European banking landscape and the individual banks in the event of negative market developments. The results of the stress test confirm the strong solvency of Argenta - one of Europe's frontrunners - both before and after the stress-test calculations.

The stress test results convincingly underline the quality of the loan portfolios, the sustainability of the business model and the robustness of the financial position.

15 November 2018
Announcement of change of Chairman in 2019



Jan Cerfontaine announces his decision to resign at the General Meeting of 26 April 2019 after a successful period of more than 10 years as Chairman of the Argenta Boards of Directors. Marc van Heel is proposed as successor to Jan Cerfontaine.



2 November 2018
Ronald Touwslager becomes CEO of the Dutch branches



Argenta appoints Ronald Touwslager as Chief Executive Officer of the branches of Argenta Spaarbank and Argenta Assuranties in the Netherlands.

With more than twenty years of experience in the financial sector, Ronald Touwslager is seeking to further expand Argenta in the Netherlands.

25 October 2018
Argenta becomes a partner of Sign for my future

As a 'Sign for my future' partner, Argenta wants to strengthen its long-term commitment to a liveable world. This fits in perfectly with Argenta's ambition to limit its own footprint. Argenta's CO₂ emissions were mapped in 2018. This measurement will be the basis for determining concrete ambitions for the coming years.



**19 November 2018
SDG Pioneer**

Argenta receives an official UNITAR certificate as 'SDG Pioneer' from Cifal Flanders for its commitment to the 17 sustainable development goals of the United Nations.

**1 December 2018
Spaargids Bank Award**

Argenta wins the highly prestigious Bank Award and can call itself the best bank in Belgium in 2018. Argenta has the highest customer satisfaction with a score of 8.55 out of 10.



**17 December 2018
Fixing the methodology for calculating the CO₂ footprint of funds**

Argenta defines the methodology for calculating the CO₂ footprint of its own funds, inspired by the guidelines of the Taskforce on Climate-Related Financial Disclosures (TCFD).

**26 November 2018
New commission system agreed**

After thorough consultation with the representatives of the Argenta branch network in the Joint Consultative Body (POO), Argenta reaches an agreement with branch managers to collectively adjust the current system of branch managers' commissions from 1 January 2019. In concrete terms, Argenta wants more than ever to focus on providing optimum and sustainable services. In the future, it will offer its customers even more solutions to help them at all important moments in their lives.

**12 December 2018
NBB insurance stress test**

Argenta Assuranties voluntarily participated in the NBB insurance stress test with respect to the down scenario of the yield curve. The stress test shows that Argenta Assuranties is able to withstand a prolonged period of extremely low interest rates. The Solvency II ratio remains at a high level, even after stress. Due to the positive results, approval for exemption from the supplementary provisions was obtained from the NBB again this year.



**19 December 2018
Argenta on the Warmest Week**

Thanks to the many campaigns organized in the course of 2018, Argenta and its shareholder Investar can donate EUR 81,697 to five charities chosen by Argenta employees themselves: MS-Liga Flanders, Make-A-Wish Belgium, Stop Darmkanker (Stop Colon Cancer), Clinicoders - Coderdojo Belgium, and Unified Sailing Belgium.





03

Key figures and financial results 2018



ARGENTA

3. Key figures and financial results 2018

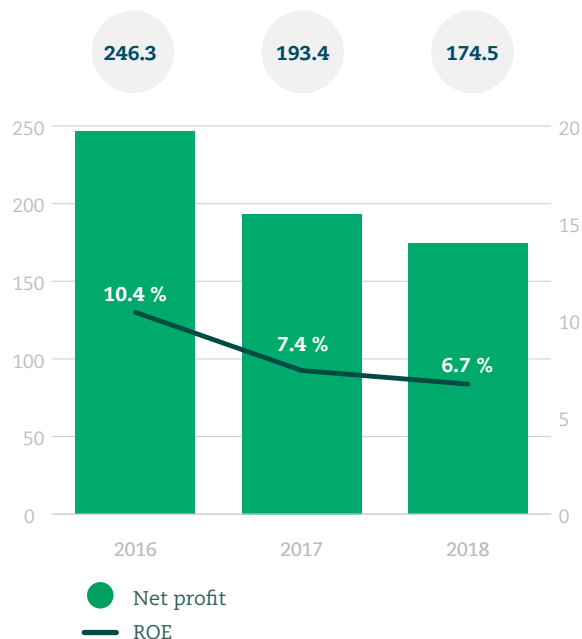
GRI 102-7, 103-2, 103-3, 201-1, FS 6



3.1 Financial results

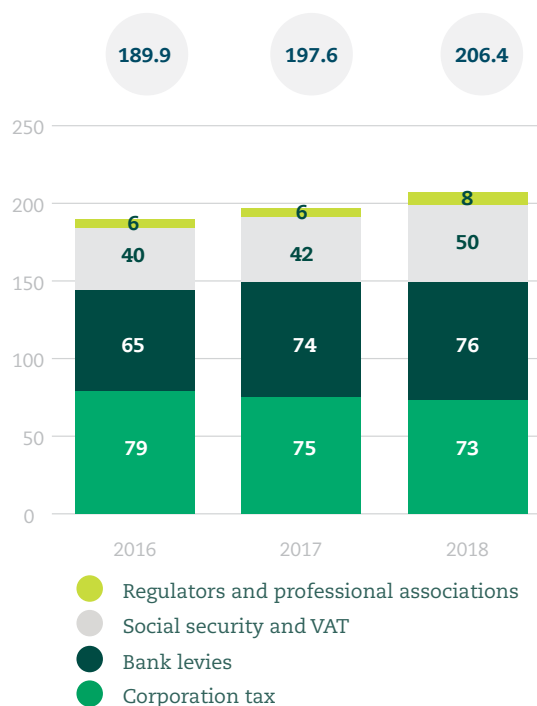
NET PROFIT AND ROE

(EUR in millions and %)



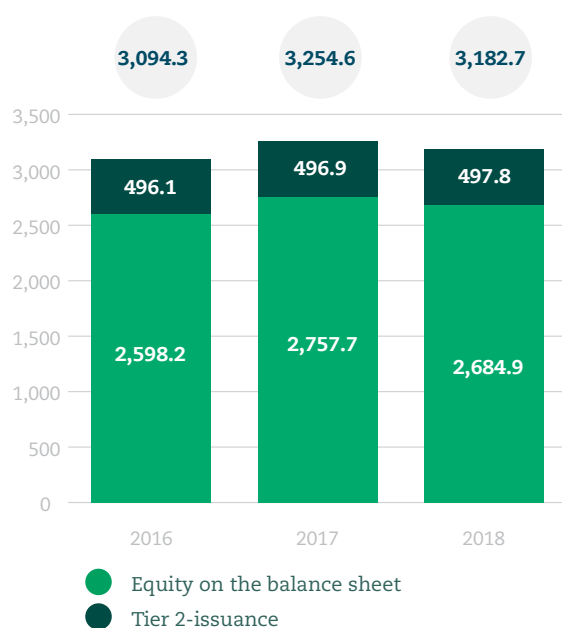
TAXES AND CONTRIBUTIONS TO GOVERNMENT, REGULATORS AND PROFESSIONAL ASSOCIATIONS

(EUR in millions)



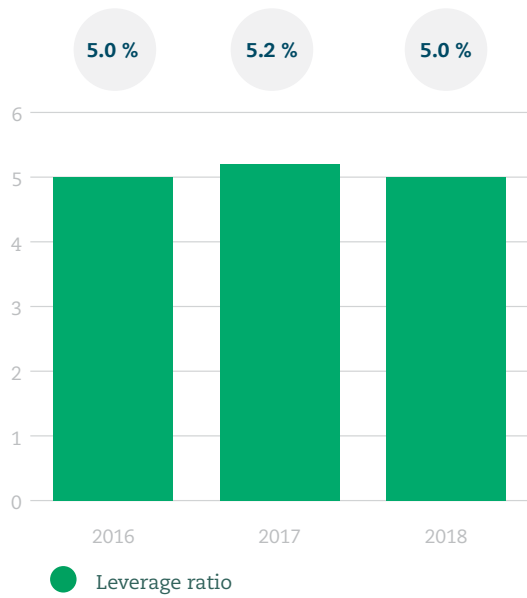
EQUITY

(EUR in millions)



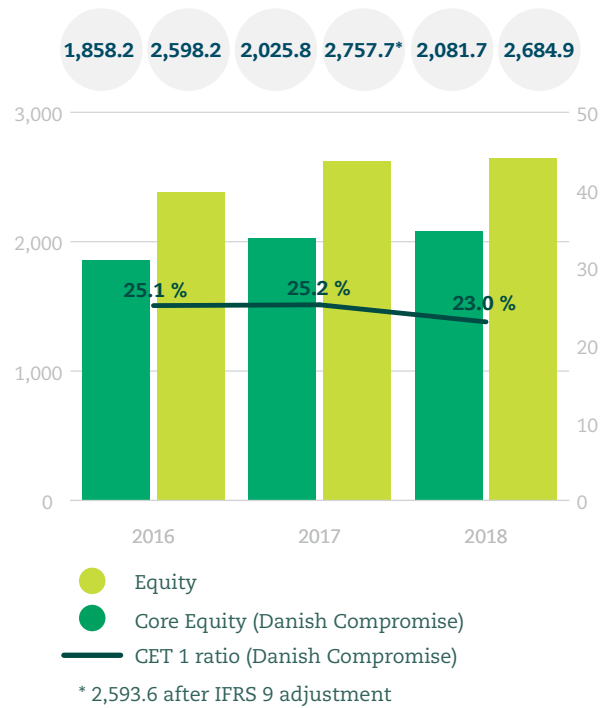
LEVERAGE RATIO

(in %)



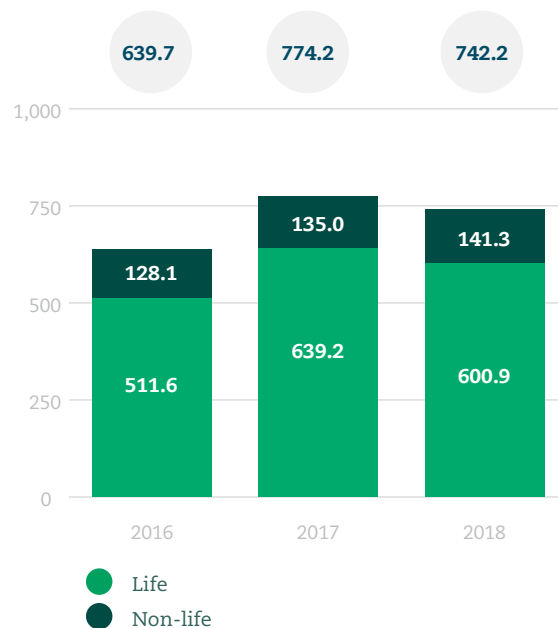
EQUITY, CORE EQUITY AND COMMON EQUITY TIER 1-RATIO

(EUR in millions and %)



INSURANCE PREMIUM INCOME

(EUR in millions)



3.1.1 Consolidated balance sheet statement (in EUR)

Assets	IAS 39 31.12.2017	IFRS 9 proforma 01.01.2018	IFRS 9 31.12.2018
Cash, cash balances at central banks and other demand deposits	1,082,339,452	1,082,339,452	1,155,122,720
Financial assets held for trading	11,472,666	11,472,666	10,028,698
Financial assets related to unit-link insurance contracts (branch 23)	2,157,057,436	2,157,057,436	2,026,395,538
Available-for-sale financial assets	10,818,154,521	—	—
Loans and receivables	28,704,074,945	—	—
Loans and receivables from credit institutions	25,166,000	—	—
Loans and receivables from other customers	28,678,908,945	—	—
Held-to-maturity financial assets	651,172,929	—	—
Non-trading financial assets mandatorily at fair value through profit or loss	—	162,226,366	112,398,366
Financial assets at fair value through other comprehensive income	—	5,207,217,270	5,293,082,549
Financial assets at amortized cost	—	34,584,616,738	36,565,696,280
Derivatives used for hedge accounting	102,427,643	102,427,643	73,711,127
Fair value changes of the hedged items in a portfolio hedge of interest rate risk	122,822,732	122,822,732	193,568,240
Investments in subsidiaries, joint ventures and associates	0	0	2,494,000
Tangible assets	14,272,763	14,272,763	15,548,636
Property, plant and equipment	12,721,727	12,721,727	14,454,426
Investment property	1,551,036	1,551,036	1,094,210
Goodwill and other intangible assets	163,925,015	163,925,015	164,125,809
Goodwill	98,150,460	98,150,460	98,150,460
Other intangible assets	65,774,555	65,774,555	65,975,349
Tax assets	8,166,268	8,166,268	20,805,597
Current tax assets	8,111,725	8,111,725	2,392,118
Deferred tax assets	54,543	54,543	18,413,479
Assets from insurance and reinsurance contracts	16,001,856	16,001,856	25,289,448
Other assets	216,379,445	216,379,445	198,945,967
Non-current assets classified as held for sale	0	0	0
Total assets	44,068,267,670	43,848,925,650	45,857,212,974

Liabilities and equity	IAS 39 31.12,2017	IFRS 9 proforma 01.01,2018	IFRS 9 31.12,2018
Deposits from central banks	0	0	0
Financial liabilities held for trading	3,408,123	3,408,123	4,073,472
Financial liabilities related to unit-linked insurance contracts (branch 23)	2,157,057,436	2,157,057,436	2,026,322,984
Financial liabilities at amortised cost	35,743,060,891	35,743,060,891	37,660,873,657
Deposits from credit institutions	246,406,219	246,406,219	159,930,533
Deposits from other than credit institutions	32,348,444,684	32,348,444,684	33,847,070,799
Debt securities issued, including retail saving certificates	1,911,606,586	1,911,606,586	2,463,167,692
Subordinated liabilities	596,596,220	596,596,220	575,394,236
Other financial liabilities	640,007,181	640,007,181	615,310,397
Derivatives used for hedge accounting	384,310,450	384,310,450	350,669,050
Fair value changes of the hedged items in a portfolio hedge of interest rate risk	0	0	0
Provisions	4,817,537	5,316,552	6,067,641
Tax liabilities	88,943,036	33,180,229	20,482,256
Current tax liabilities	1,376,128	1,376,128	4,500,408
Deferred tax liabilities	87,566,909	31,804,101	15,981,848
Liabilities from insurance and reinsurance contracts	2,699,732,551	2,699,732,551	2,884,242,338
Other liabilities	229,252,193	229,252,193	219,535,766
Total liabilities	41,310,582,218	41,255,318,425	43,172,267,165
Equity attributable to owners of the parent	2,757,673,371	2,593,595,488	2,684,890,103
Equity attributable to minority interest	12,082	11,736	55,705
Total equity	2,757,685,453	2,593,607,224	2,684,945,808
Total liabilities and equity	44,068,267,670	43,848,925,650	45,857,212,974

IFRS 9 'Financial Instruments' replaces IAS 39 and imposes new obligations for (a) the classification and measurement of financial instruments and (b) risk estimation and the creation of impairments and (c) adjustments in hedge accounting. The IFRS standard applies from 1 January 2018 and the adjustments were incorporated into the opening balance sheet and equity on 1 January 2018. Because a different classification of the financial instruments was also implemented, a column "IFRS 9 proforma 01.01.2018" was provided to permit better comparison between the figures from 01.01.2018 (31.12.2017 figures, but restated according to the new standard) and the 31.12.2018 figures.

3.1.2 Consolidated statement of profit or loss (in EUR)

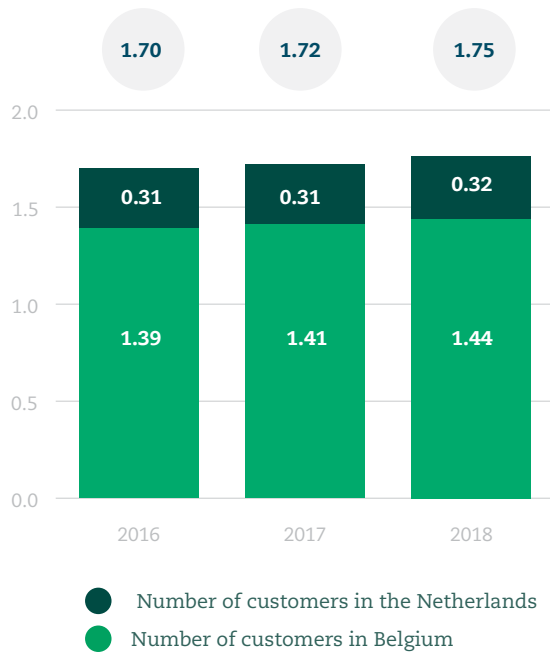
	IAS39 31.12.2017	IFRS 9 31.12.2018
Total operating income	627,470,356	641,252,193
Net interest income	575,021,489	623,099,111
Interest income	953,654,296	925,351,846
Interest expenses	-378,632,807	-302,252,734
Dividend income	3,404,169	4,128,753
Net fee and commission income	-44,833,631	-12,066,541
Fee and commission income	116,803,309	146,055,557
Fee and commission expenses	-161,636,940	-158,122,098
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss	30,142,016	7,777,901
Deferred tax liabilities		4,772,238
Financial assets at amortised cost		3,005,663
Gains or losses on financial assets and liabilities held for trading	-1,253,896	-1,977,633
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss	0	-6,953,379
Gains or losses from hedge accounting	2,873,055	1,190,649
Gains and losses on derecognition of non-financial assets	43,023	189,783
Net income from insurance contracts	12,012,919	-470,118
Income from insurance contracts	385,139,989	456,162,949
Expenses from insurance contracts	-373,127,069	-456,633,067
Net other operating income	50,061,211	26,333,667
Other operating income	52,060,430	31,085,583
Other operating expenses	-1,999,219	-4,751,916
Administrative expenses	-348,988,064	-383-931,570
Staff expenses	-75,352,357	-82,658,157
Other administrative expenses	-273,635,706	-301,273,413
Depreciation	-24,902,106	-24,478,009
Property, plant and equipment	-5,299,355	-4,416,799
Investment properties	-35,783	-19,031
Other intangible assets	-19,566,968	-20,042,180
Provisions or reversal of provisions	9,337,951	-2,800,470
Impairments or reversal of impairments	6,121,295	2,973,504
Available-for-sale financial assets	-222,504	-
Financial assets at amortised cost	-	3,032,613
Loans and receivables	6,343,799	-
Financial assets at fair value through other comprehensive income	-	-59,109
Goodwill	0	0
Profit or loss from non-current assets classified as held for sale	565,005	0
Profit or loss before tax	269,604,438	233,015,648
Tax expense	-76,158,278	-58,589,579
Profit or loss after tax	193,446,160	174,426,070
Profit or loss attributable to owners of the parent	193,445,301	174,419,943
Profit or loss attributable to minority interests	858	6,127

3.2 Non-financial results

Customers

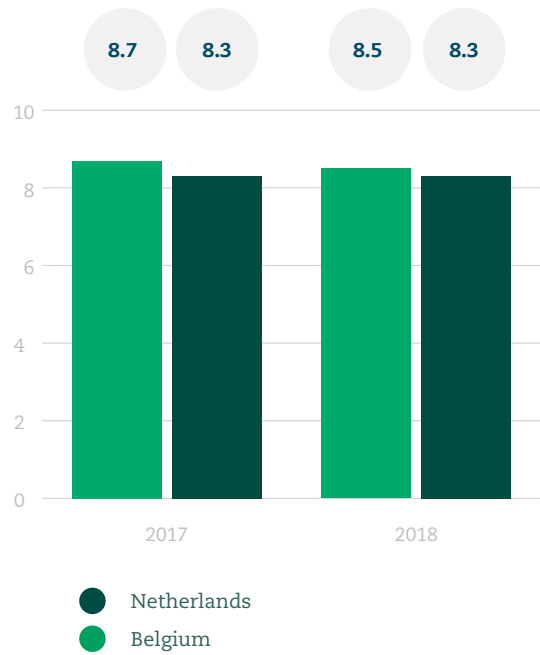
NUMBER OF CUSTOMERS

(In millions)

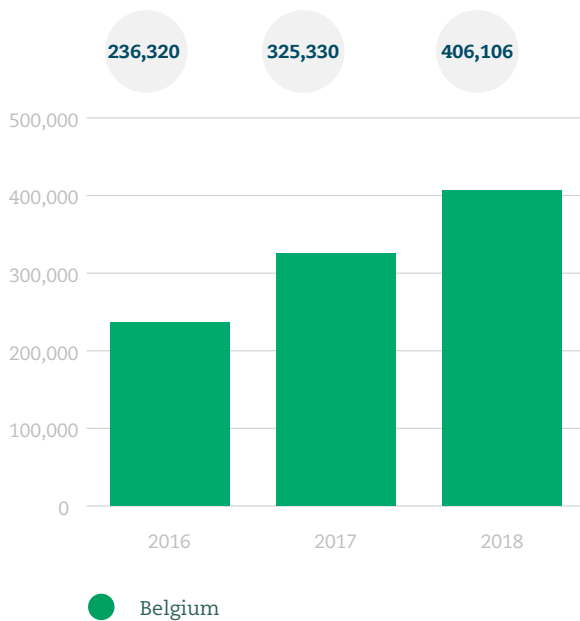


CUSTOMER SATISFACTION

(on 10)



NUMBER OF MOBILE APP USERS

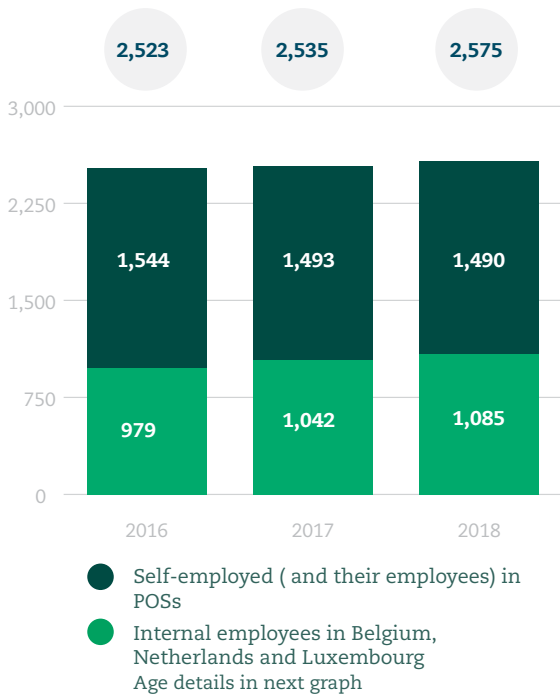


NUMBER OF INTERNET BANKING USERS

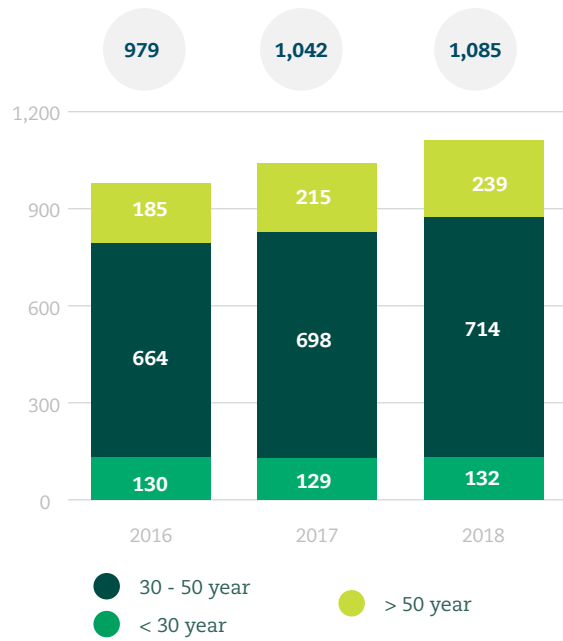


Employees

NUMBER OF EMPLOYEES



AGE OF INTERNAL EMPLOYEES IN BELGIUM, THE NETHERLANDS AND LUXEMBOURG

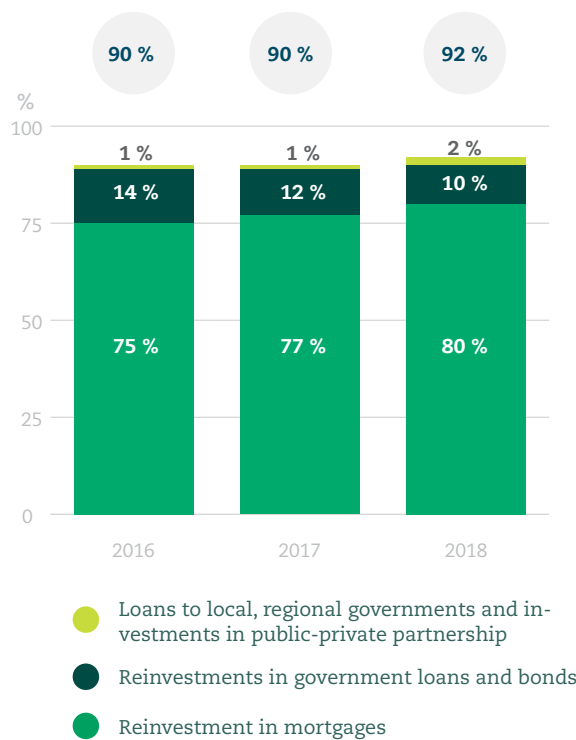


AVERAGE TRAINING HOURS PER EMPLOYEE





Impact on the economy through reinvestment of funds raised from customers



Climate

Monitoring CO₂ emissions - investment funds

All 22 funds score, in terms of CO₂ emissions, below the sector average, with 19 of them even below half the sector average (see further 6.4.2).

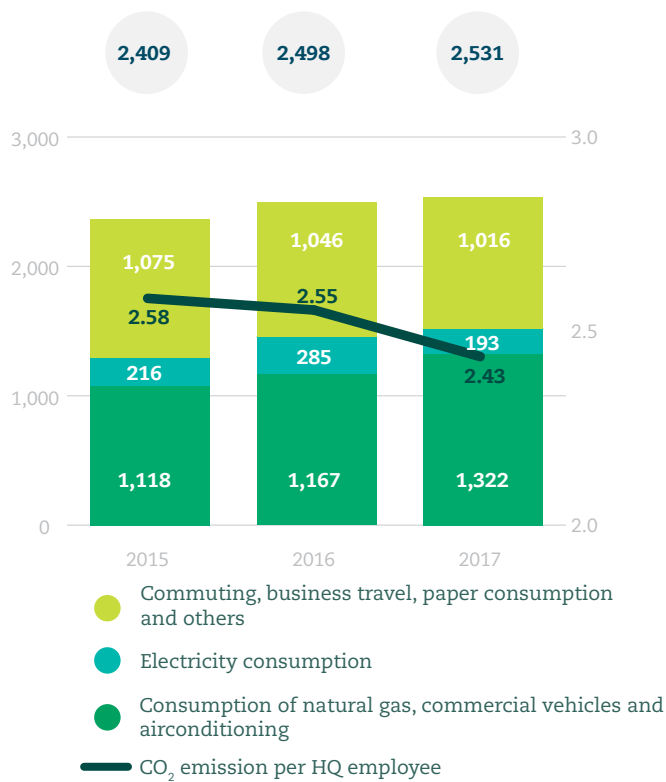
Argenta's CO₂ emissions: In 2018, Argenta mapped its CO₂ emissions for its 3 headquarter buildings in Antwerp, Breda and Luxembourg.

Global emissions decreased in terms of electricity consumption, commuting and paper consumption, but increased for the consumption of natural gas and fuel for commercial vehicles.

There is a double explanation for this:

- Due to the current renovation of the headquarters on the Belgiëlei in Antwerp, Argenta is temporarily renting properties on the Veldekens in Berchem with high energy consumption. With the relocation to a completely renewed and climate-friendly headquarters in 2020, these emissions will fall significantly.
- The number of company cars increased between 2015 and 2017. This reflects, among other things, the increase in the number of employees and the introduction of a cafeteria plan in which employees can opt for company cars.

CO₂ emission in ton



CO₂ emissions per head office employee are gradually decreasing due to various actions (see chapter 6) to limit the footprint. Argenta is looking to further reduce this figure in the coming years (see 6.7).

Evolution in number of HQ employees (2015-2017)
+11.4 %

Evolution CO₂ emission per HQ employee (2015-2017)
-5.8 %





04

**Argenta group
structure
and overview
of activities**

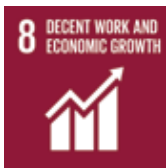


ARGENTA



4. Argenta group structure and overview of activities

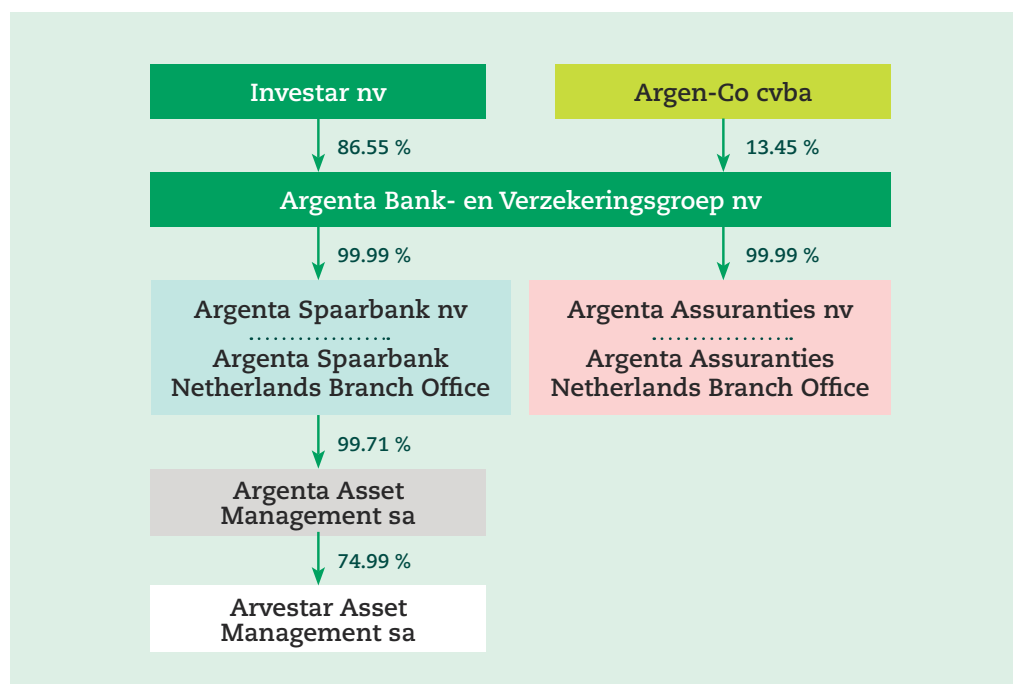
GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-9, 102-10, 102-45, FS14



4.1 Shareholders Investar and Argen-Co

The Argenta Bank- en Verzekeringsgroep's shares are held 86.55 % by Investeringsmaatschappij Argenta nv (hereinafter Investar), a mixed

financial holding company, and 13.45 % by Argenta Coöperatieve cvba (hereinafter Argen-Co).



4.2 Argenta Bank- en Verzekeringsgroep

Argenta Bank- en Verzekeringsgroep is the management holding company of the Argenta Group. Its operations consist of Internal Audit, Legal Affairs, Organisation & Talent, Compliance, Risk & Validation, Non-financial Risk Management & Supervisory Office, and Procurement & Facilities. These activities are organized centrally for all Argenta companies.

The four independent control functions Internal Audit, Compliance, Risk Management and Actuarial (externally outsourced) are managed by the Argenta Bank- en Verzekeringsgroep.

Argenta Bank- en Verzekeringsgroep consolidates and is responsible for the joint management of its subsidiaries Argenta Spaarbank and Argenta Assuranties.

All shareholdings in Argenta are (quasi) 100 % shareholdings, so that no (other than purely formal) minority interests are reported. The only exception to this is the management company 'Arvestar', established in 2018, in which Argenta Asset Management holds a majority stake of 74.99 %.

4.3 Argenta Spaarbank

Argenta Spaarbank is a Belgian credit institution. Together with its branch office in the Netherlands and its management companies Argenta Asset Management and Arvestar Asset Management, it forms the Argenta Group's 'Bank Pool'. Argenta Spaarbank offers banking products tailored to individuals and families.

Activities in Belgium

The key activities are as follows:

1. **Daily banking:** the provision of means of payment: current accounts, payment cards, credit cards and securities accounts;



Argenta offers the following basic services free of charge: payment services (current and savings accounts, bank cards and standard credit cards) and securities custody.



80 % of the funds raised from private individuals raised savings and banking are reinvested with private individuals and families in the form of home loans.

2. **Lending:** the provision of home loans and instalment loans;



Customers are paying more and more attention to sustainability, also when choosing their investments. This fits in seamlessly with the Argenta strategy and culture. It goes without saying that Argenta pays a lot of attention to the sustainability criteria used when selecting the funds in its range and when building its own Argenta funds.

3. **Investing:** offering investment funds managed by Argenta Asset Management, Arvestar Asset management or by external fund managers;

which Degroof Petercam Asset Management has been entrusted since 1999. Given these fund's great success, both commercially and in terms of return, the establishment of the joint venture is a logical next strategic step for three reasons:

- (1) the considerable capital of these funds,
- (2) their connection with Argenta through their name and distribution and
- (3) the contribution of Degroof Petercam Asset Management to the management. Degroof Petercam Asset Management will continue to provide the daily financial management of these funds.

Activities in Luxembourg

Argenta Asset Management is a Luxembourg company responsible for the management and central administration of Argenta-Fund Sicav and Argenta Portfolio Sicav, Argenta's variable-capital Undertakings for Collective Investment in Transferable Securities (UCITS) under Luxembourg law.

Argenta Portfolio is a fund of funds (also known as an umbrella fund). This means that assets of various sub-funds are invested in other mutual funds which vary according to risk area and investment horizon.

The objective is to provide investors with attractive returns by investing in a selection of securities matching the customer's personal risk profile.

Founding of Arvestar Asset Management ("Arvestar")

On 31 July 2018, Argenta Asset Management and Degroof Petercam Asset Management established the joint venture Arvestar with its registered office in Brussels. The two companies hold 74.99 % and 25.01 % of the shares respectively.

Arvestar is responsible for managing the Argenta pension savings funds and the mirror funds based on them. At 31 December 2018, 187,391 Argenta customers were building up their supplementary pensions through these pension savings funds, the management of



Activities in the Netherlands

Argenta Spaarbank has had a branch in Breda since 2003. Its task is to provide housing loans and attract savings in the Dutch market.

The Netherlands is for Argenta a second home market and an important growth area.

In 2018 the branch again significantly upgraded its products and further digitised its processes to increase customer satisfaction.

In this way the branch office continues to play a significant role in the Dutch market. Since the third quarter of 2018, Argenta Netherlands has been listed among the country's top ten mortgage lenders.

4.4 Argenta Assuranties

Activities in Belgium

Argenta Assuranties is a Belgian insurance company that seeks to protect individuals and families against incidents through fire insurance, car insurance, legal assistance insurance, family insurance, and

hospitalization insurance. It also provides life insurance in the form of Branch 21 savings products and debt balance insurance. In addition, Argenta Assuranties also offers investment insurance in the form of Branch 23 products.



In addition to its insurance activity, Argenta Assuranties also contributes to stimulating the real economy by investing the received insurance premiums in mortgages, liquid securities and shares selected on the basis of sustainability criteria.

Activities in the Netherlands

The Dutch insurance activities are managed by Argenta Assuranties Netherlands branch (Bijkantoor Nederland). The product range, consisting of a life insurance policy and a savings-linked mortgage insurance policy,

extends the mortgage products offered by the Netherlands branch of Argenta Spaarbank.

After a critical review, it was decided at the end of 2018 to stop selling new life insurance policies and mortgage insurance policies. This does not affect existing customers, or the sale of new home loans.





05

**Customer
experience
the central
focus**

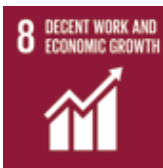


ARGENTA



5. Customer experience the central focus

GRI 102-2, 103-2, 103-3, FS 6, FS 7, FS 14



5.1 Argenta as a financial partner of families and individuals

Since its foundation in 1956, Argenta has always put the customer first. Every year Argenta offers new products and existing products are upgraded to meet its customers' expectations even better. In 2018 this was no different. Particular attention was paid to the digital channels, though the branch network remains an important point of contact with the customer. Further work was also done on the contact centre to arrive at an optimum service.

That Argenta customers appreciate this is visible every year from the metrics of the Net Promoter Score (NPS) and the customer satisfaction survey.

- For the NPS measurement, Argenta customers are asked whether they would

recommend Argenta to friends, family or colleagues. In Belgium the score is no less than + 39, which is a very high score in the Belgian banking sector. The Netherlands also scores strongly with + 15.

- For customer satisfaction, Argenta scores 8.3/10 in the Netherlands and 8.5/10 in Belgium.

These scores motivate Argenta to raise the bar ever higher and to serve its customers even better through the branches, the digital channels and the head office. Whichever communication or transaction channel the customer chooses: simplicity, transparency, correct pricing and expert services with a smile remain Argenta's most important assets.

5.2 Argenta's product offering



Argenta offers an attractive range of payment and savings services, with a high degree of self-service: mobile and internet banking, current and savings accounts, bank card, standard credit card and securities custody are free of charge.

5.2.1 Banking & Savings

Product offering

Belgium

In addition, various fraudulent websites and transactions were blocked to prevent customer damage as much as possible. Finally, customers are provided with as much information as possible about phishing.

Evolution of portfolio

Belgium

- Deposits on current accounts increased from EUR 4.0 billion at end 2017 to EUR 4.5 billion at end 2018. In Belgium, more than ever, individuals and families see the current account as a safe (waiting) place pending interesting longer-term investment opportunities.
- The total amount on regulated and unregulated savings accounts grew from EUR 23.2 billion in 2017 to EUR 24.3 billion in 2018. E-Spaar remains the most popular with EUR 14.0 billion at 31 December 2018.

Netherlands

Argenta Netherlands is a digital bank. Customers can open their savings accounts online and manage and withdraw their savings online in the secure banking environment. They can also make general changes themselves, such as changing a contra account or address, via the secure banking environment.

Improving the customer experience

Belgium

- In April 2018, Argenta launched its new 'Metro' banking platform. This platform makes it possible to improve automated services and to quickly introduce new banking products and services digitally, so that the customer is better served.
- To cope with the wave of phishing attempts, Argenta has implemented a new fraud-monitoring tool that detects and blocks potentially risky transactions. Funds are released only after the necessary verifications. In

The balance on the savings accounts at Argenta Belgium is at a historical high despite the low interest rate of 0.11 %. In addition, there is a lot of money in the current accounts due to the small interest rate difference between current and savings accounts. The savings account remains the symbol of the relationship of trust between customer and bank. Furthermore, the savings account remains popular due to its traditional advantages: immediate availability, security and tax exemption up to a legally determined ceiling (compared to 30 % withholding tax on income from other transferable investment products).

In 2018, the popularity of investment funds and insurance funds rose, while that of term accounts, retail savings certificates and bonds fell (the last two are no longer offered by Argenta in 2018, given the current interest rate environment).

Netherlands

At the end of 2018, the total savings portfolio for Argenta Netherlands stood at

EUR 2.3 billion. The deposit portfolio shrank by EUR 187.9 million in 187.9, while savings accounts increased slightly, giving an overall drop in the savings portfolio of EUR 129.8 million. Owing to the very low savings interest rate, many Dutch customers use their savings for consumption or for repaying loans, but many customers are unwilling to block their savings at the current low savings interest rate.

(Numbers in thousands)							
Pillar	Free Banking Infrastructure	Belgium 2016	Belgium 2017	Belgium 2018	Netherlands 2016	Netherlands 2017	Netherlands 2018
Daily banking							
	Number of current accounts	1,119	1,158	1,204	Not offered	Not offered	Not offered
	Number of savings and term accounts	1,271	1,274	1,264	149	149	139
	Number of debit and credit cards	1,539	1,591	1,617	Not offered	Not offered	Not offered
Investing							
	Number of securities	150	156	137	Not offered	Not offered	Not offered
				2016	2017	2018	
Household savings and insurance contracts (*)							
in EUR millions				36,162	36,506	37,840	
as % of total equity				85 %	83 %	83 %	
Loans to customers, mainly families							
in EUR millions				27,132	28,140	30,139	
as % of savings from families				75 %	77 %	80 %	
as % of total Argenta assets				64 %	64 %	66 %	
Loans to local and regional authorities and investments in public-private partnerships							
in EUR millions				359	539	766	
as % of savings from families				1 %	1 %	2 %	
as % of total Argenta assets				1 %	1 %	2 %	
Reinvestment in government bonds:							
in EUR millions				5,115	4,541	3,817	
as % of savings from families				14 %	12 %	10 %	
as % of total Argenta assets				12 %	10 %	8 %	

(*) This amount is the collected funds excluding banking fee products and branch 23 products. These monies are invested not by Argenta but by the fund.

5.2.2 Investing

Belgium

- Thanks to the increasing confidence of Argenta customers and despite a challenging stock market climate, the Argenta in-house funds rose above the EUR 3 billion mark in 2018. In addition, the portfolio of the Argenta Pension Savings Funds and the mirror funds based on them (see 4.3. Arvestar) totals more than EUR 2.9 billion. In less than two years, the investment volume in Argenta in-house funds has doubled. In this low interest rate environment, Argenta customers want to retain their purchasing power and are increasingly diversifying their assets with investment funds.



Customers are increasingly opting for sustainable investments. These policy choices, which are focused on sustainability and the long term, fit seamlessly with Argenta's own strategy and culture.

- Thanks to the roll-out of the investment proposal in 2018, Argenta has a clear vision and strategy in investing in accordance with the Argenta values. The focus of "investing with Argenta" is primarily on a simple but complete offering whereby the customer invests in one of the four core funds that fits his profile and needs. These core funds translate the clear long-term vision of Argenta Asset Management and focus on long-term themes within a sustainable framework. In addition to numerous

underlying optimisations, costs have fallen significantly and the core funds have been renamed to 'Argenta Portfolio'. In addition, customers can add accents according to their preferences within different themes, sectors, regions or asset classes. They can also opt for a 100 % sustainable accent fund, certified or labelled by Ethibel as an independent specialized party. All these accent funds are continuously monitored by experts from four high-quality managers: Argenta Asset Management, Degroof Petercam, Carmignac and Robeco.

- Arvestar Asset Management was established on 31 January (see 4.3). In addition, on 20 November 20, 2018, Argenta initiated a partnership with a new partner, Robeco Asset Management to guarantee a further high-quality expansion of the range with great attention paid to sustainability.

Expansion of the product range

Research shows that many Belgians find investing complicated and risky and believe that a lot of capital is needed. In fact there is a customized product for everyone. In 2018, Argenta focused strongly on this with its 'Investing for Everyone' campaign. Customers can receive free professional investment advice at the Argenta branch offices, making investing even more accessible for everyone.

In addition, savings accounts are currently accumulating funds released from term accounts and from maturing retail savings certificates and bonds. Some savers are waiting for an interest rate rise to reinvest these products.



Beleggen. Voor iedereen.

Ook voor wie graag op veilig speelt.

Ontdek waarom beleggen ook iets voor jou is op argenta.be



(1) Argenta Life Chinese Equities, (2) Argenta Life Asia Pacific, (3) Argenta Life Real Estate Europe, (4) Argenta Life Finance Dynamic and (5) Argenta Life Short Term.

Finally, the funds of Argenta's partners Edmond de Rothschild Asset Management (EDRAM) and GS&P Asset Management were withdrawn from the range.

Improving the customer experience

Within Investing, much attention is being paid to the European MiFID II regulations that have been in force since 3 January 2018. These stricter regulations offer the customer more protection and insight, especially in the area of risks and costs. Additional information about the investment services offered and detailed overviews of the associated costs, mean that greater transparency is offered to customers and a better assessment can be made as to whether an investment product is appropriate for them. This has also led to the introduction of a new advisory tool, Compass.

This tool, which is being systematically rolled out to the branch network, supports the branch staff in giving appropriate and suitable advice. However, customers can also choose to invest themselves via the online platform.

The investment proposal served to optimise the global investment offering in combination with clear fiscal simplicity. For example, only investment funds with a SICAV structure are now offered, with Argenta also aiming at optimal tax effectiveness in line with the customer's personal wishes and needs.

Alongside Compass, Argenta launched its Metro banking platform. Thanks to this new

For these funds too, there are sufficient alternatives to achieve a return higher than 0.11 %.

A rebranding was carried out for some of these alternatives in March 2018. The Argenta funds 'Argenta Fund Lifestyle Dynamic' and 'Argenta Fund Finance Dynamic' were renamed to align the names with the corresponding investment policies.

In addition, three new partner funds were added to the banking range on 20 November 2018: (1) Robeco Chinese Equities, (2) Robeco Asia-Pacific and (3) DPAM Invest Real Estate Europe.

For Life Insurance, five new branch 23 funds were added within the Argenta Life Plan in agreement with the banking section:

platform a cash position is linked to every trading account.

In the Argenta Life Plan, the process of switching was automated. In this way back-office employees can spend even more time on ensuring a better customer experience.

In 2018, Argenta introduced the following investor options in the app: pension savings top-up, consulting documents such as due date messages and payment and tax certificates, and viewing the securities account.

Evolution of the portfolio

The total portfolio of investment products fell from EUR 8.7 billion to EUR 8.3 billion in 2018. This decrease reflects limited net production and the strong negative impact of stock market prices.

The investment funds remain an important alternative to savings accounts. There is a slight increase, but the amounts invested are lower than the amounts in savings and current accounts. Argenta's numerous investments and efforts in the area of investing are considerably increasing the confidence of our customers. This is also reflected in the purchases made by our customers, with a significant increase in the share of Argenta funds in customer portfolios. In 2018, we saw a shift from the partner funds towards the Argenta Portfolio funds.

The portfolio of life insurance policies grew by 3.93 % thanks to a 5.11 % increase in single-head debt balance insurance policies and a clear 35.54 % increase in two-head policies,

combined further with a number of no-longer marketed products reaching their expiry dates.

5.2.3 Lending

Expansion of the product range

Belgium

Lending remains the core of the Argenta offering. In 2019, Argenta provided housing loans to 14,880 families.



In 2018, the emphasis within consumer credit was on lending for sustainable purposes: mainly sustainable means of transport, such as electric bicycles, ecological vehicles, etc., but also ecological renovations with a view to making homes more sustainable. With this, Argenta wants to meet the increasing need of customers to invest for sustainable purposes.

Netherlands

In 2018, Argenta Netherlands focused mainly on mortgage loans. Various improvements were made to product and acceptance characteristics.

These improvements have enabled Argenta Netherlands to end 2018 with good results despite strong competition in the market.



More than 10,000 families were helped with the purchase of their dream home or with the refinancing of their existing mortgage.

Finally, following the development in 2017 of two additional channels for taking out a mortgage, the focus in 2018 was on increasing the number of advisers in the Netherlands through whom customers can take out Argenta mortgages. The counter now stands at 2,150 advisers.

Improving the customer experience

Belgium

In 2018, Argenta worked hard to further reduce the average processing time for a credit application. This was achieved both by further optimising the credit application form, and by introducing a "Fast Lane Decision process". This latter process accelerates the processing of credit applications that meet certain characteristics.

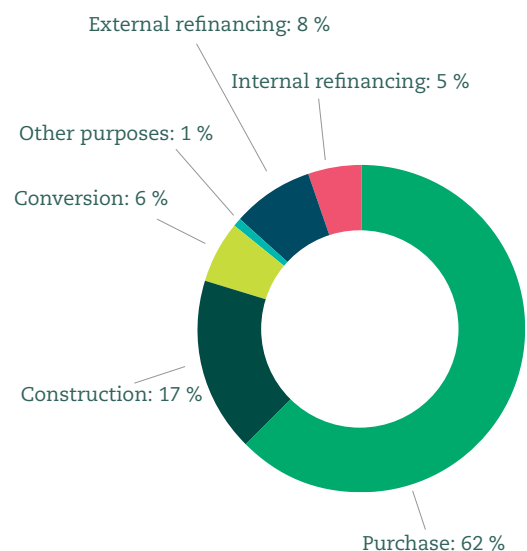
In addition, the employees of the Acceptance and Management departments received further training to jump in cross-departmentally wherever the need is greatest at peak inflow times.

Evolution of the portfolio

Belgium

In 2018, Argenta produced EUR 2.53 billion of mortgages, including EUR 128 million of internal refinancing. This figure is up 7 % on 2017.

CREDIT PURPOSES



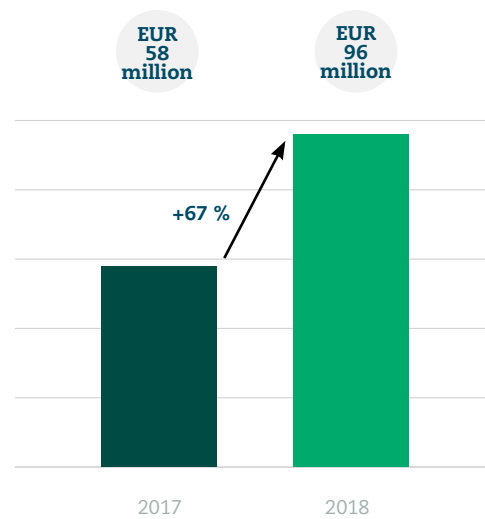
Purposes of mortgage loans in Belgium

Once again this year the 'home loans' portfolio also grew faster than the market. The growth at Argenta is 8.7 % compared to 6.0 % for the market as a whole. In absolute figures, the portfolio grew by EUR 976 million, to reach EUR 12.2 billion at 31 December 2018.

Argenta's market share of mortgage production in Belgium was 6.53 %.

Consumer loans amounted to approximately EUR 96 million, up 67 % compared with 2017. In this way the Argenta portfolio increased by 41 % to EUR 160 million.

CONSUMER CREDIT PRODUCTION



Growth in consumer credit in 2018, compared to 2017.

Approximately EUR 21 million (or 22 % of the total volume of consumer credit) went to sustainable investments such as (electric) bicycles, ecological renovations and ecological vehicles.

Netherlands

In the Netherlands, Argenta granted a total of EUR 2.5 billion of new mortgage loans, 46 % more than in 2017.

This reflects the improvements and extensions mentioned earlier in this section, and brings the portfolio to EUR 17.6 billion. With a total mortgage production in the Netherlands of EUR 106 billion, Argenta had in 2018 a market share of 2.4 %.

5.2.4 Insurance

Expansion of the product range

Belgium

In 2018 the offering was simplified, both for car and fire insurance.

Customers now choose the module that best suits them from the range. Moreover, customers who opt for the most comprehensive protection of their car or home get even better conditions.

Free cover in the event of death during the application period for a debt balance insurance policy was introduced.

In this way customers are covered in the event of death as a result of the accident from the time of signing the proposal to the effective entry date of the debt balance insurance.

Improving the customer experience

Belgium

In addition to flawless claims settlement in 2018, insurance also focused on prevention measures. For example, in 2018 all our fire experts took to the road to install smoke alarms at the homes of Argenta customers who were visited by an expert in 2018. In this way, Argenta helps turn a cosy home into a safer home. This and similar initiatives are being continued in 2019.

In addition, the network of authorized car damage repairers was rationalised in 2018, with a view to faster, higher-quality and more customer-oriented services. For example, from May 2018, customers can not only enjoy



shorter lead times, but they can also have their car picked up for free and after repair (and cleaning) delivered back to a location of their choice.

Finally, in 2018 it was decided to place the hospitalization insurance with an external party, Vanbreda Risk & Benefits. On 1 January 2019, the Argenta Hospitalization Insurance team transferred to Vanbreda Risk & Benefits, allowing the knowledge of both parties to be optimally combined. This will contribute to even better management of the portfolio.

Evolution of the portfolio

Belgium

The non-life and health insurance portfolio grew steadily in 2018 to a collection income of EUR 141 million, consisting of family, fire, car and hospitalization insurance.

The fire and family policies continue to grow. This growth mainly reflects the strong growth of the 'Insured Dwelling +' combination policy, a trend that was already visible in 2017. This

policy combines the 'Family Protection' policy with the 'Insured Dwelling' fire insurance.

In 2018, 25,396 new fire insurance contracts were concluded, bringing the Argenta to 182,465 policies (+5.51 %). For family insurance, an even higher growth of 6.3 % was recorded in 2018.

In addition, the gross car portfolio grew by 3.59 %, or 17,223 contracts.

Netherlands

In the Netherlands, at the end of 2018 it was decided for strategic reasons to stop selling new life insurance policies and mortgage savings insurance policies. The sales stop does not affect the existing portfolio.

5.3 Branch network

Belgium

At the end of 2018, Argenta's branch network consisted of 467 outlets. This is a slight decrease compared to previous years due to

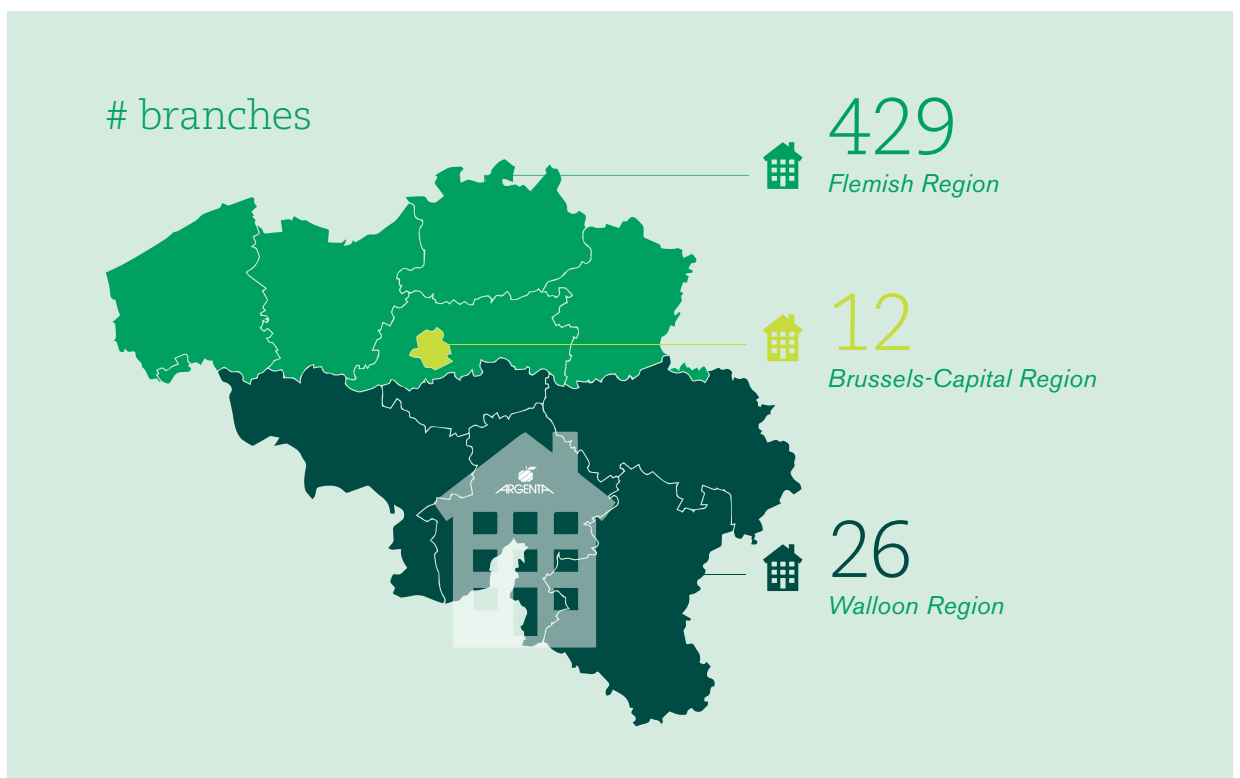
the merger of a few relatively small branches into larger branches in the same region. Argenta also expects a similar evolution in the coming years.



Argenta continues to place great store by proximity and human contact. In addition to the digital channel, the branch network remains crucial, in particular for providing personal advice to customers.

There are 429 branches in Flanders, 26 in Wallonia and 12 in the Brussels-Capital Region. 442 branches are managed by 404 branch managers and their 1,086 staff members.

In addition, Argenta manages directly 25 branches with 93 employees.



The Argenta branch managers and their employees work exclusively for Argenta. This means they offer only products from Argenta and those of Argenta-selected partners.

Netherlands

In the Netherlands, Argenta does not have its own branch network. Customers can obtain Argenta mortgages and insurance from more than 2,150 independent consultants and via Argenta's own digital channels. Savings products are available online only.



New Argenta branch managers are recruited with great care and attention. Candidates are carefully assessed on their personal characteristics, skills, proven knowledge and experience, also as to whether they endorse Argenta's culture, values and standards.

Argenta provides a training programme, tailored to each individual branch manager, with attention to personal, technical and job-specific development. 24 branch managers started in 2018. All branch managers that started have successfully completed a training course and will receive the same additional training as other branch managers after their appointment.

In addition, a wide range of professional training courses is provided for branch employees. In this way Argenta ensures its customers receive professional guidance on the range of banking and insurance products, with advice tailored to their profiles and needs.

Branch excellence: professionalisation of the branch network

The customer experience initially starts with the branch network. That is why "branch excellence" was created, with the aim of serving customers even better and more efficiently.

The first step is to pro-actively follow up customers, for example anticipating important key moments in the customer's life cycle.

To achieve this, it is crucial that Argenta knows its customers well and that Argenta employees have the appropriate knowledge.

The 'office excellence' project is running according to schedule, with 55 % of the offices already joining this project in 2018.

Ultimately, this project will result in a proactive, structured commercial approach by branch managers.



New commission model

In 2018, Argenta held intensive discussions about a new commission system with representatives of the Argenta branch network in the Joint Consultative Body. An agreement was reached with the branch managers at the end of November. The new system takes effect on 1 January 2019.

In concrete terms, Argenta wants more than ever to focus on optimum and sustainable customer services. In the future it will offer its customers even more solutions that help them at all important moments in their lives.

5.4 IT foundations for further digital acceleration

Belgium

Argenta's '2020' strategy is a multi-channel strategy that focuses on the customer experience, with the customer selecting his channel – the Argenta branch network, the digital or the mobile channel – in every interaction with Argenta: These three channels form an integrated whole with a consistent customer experience across the channels.

IT determines its strategy in line with the Argenta strategy. IT supports both the branches and the digital and mobile channels in their sales and services efforts. IT applies a "mobile first" strategy here: banking, insurance, lending and investing must be available through any channel that the customer chooses, but new features are first rolled out on the mobile channel.



The IT strategy is translated into important projects across the entire IT business organization. Here too, the "customer-centric" principle applies: projects with a significant impact on customer experience are given priority (in addition to legally required implementations).



For the IT organization, 2018 was a year of mobile and digital acceleration:

- With digi.wave, introduced in the beginning of 2018, IT, together with the commercial and back-office management, actively seeks to respond to the needs of the customer and strives for a better customer experience through 'agile' collaboration. Digi.wave focuses on, among other things, the development

of the Argenta App. This has already produced good results, such as the new Argenta website, with the customer able to communicate with the contact centre via the app and to pay bills via a photo of the transfer form.

- IT was also responsible for the launch of the new 'Metro' banking platform, which permits the improvement of automated services and the rapid introduction of new digital banking products and services.
- In addition, IT automated a number of existing processes to achieve a true zero-touch (i.e. zero back office intervention) operation.
- On moving to the 'Papyrus' site, 'Skype for business' was introduced: all meeting rooms have 'smart' interactive screens, referred to as 'Surface Hubs', which bring employees together across the different Argenta sites and facilitate home working.
- Working with suppliers, the stability of the service is being optimized, for example through the commissioning of a new test environment.

IT will further facilitate the omni-channel strategy in 2019 via mobile and digital acceleration in a way that is safe and reliable for the customer.

5.5 Other initiatives for improving the customer experience

In addition to improvements in the product range, company-wide improvements were made with a view to a better customer experience. For example, on calling the contact centre, customers expect an immediate and clear answer, without being transferred or put on hold. To make this possible, Argenta focuses on the solution capacity of its contact centre employees. This means these employees being able to answer questions without assistance from the back offices.

In 2018, the contact centre staff were trained in particular to be able to respond directly to queries on accounts, cards, etc. In 2019 this will be extended to other domains. If a question arrives in the evening or on a Saturday that the contact centre cannot answer without referring to the back office, customers can specify a preferred time for Argenta to call them back.

In addition, the Argenta app made a catch-up movement in 2018 to better respond to customer needs. Important functions have been added to the app, such as the possibility of scanning transfer forms, and consulting the securities portfolio and documents (including tax certificates)

In addition, insurance processes were analysed from the customer perspective in 2018 and improved where necessary. This approach will also be applied to other processes in 2019.

The administrative tasks in the branches and their impact on customer experience were also mapped. Based on this, a list of initiatives has been drawn up with a view to reducing administrative burdens and increasing efficiency, with primary attention to the customer experience.

In addition to the specific product and process initiatives, an optimal customer experience is also a fundamental element of the Argenta culture. In 2018, the focus was therefore on raising awareness among employees to place the customer at the centre of all activities. One tool in achieving this is the cross-departmental X-game. Based on examples, ideas and interdisciplinary discussions, customer-oriented improvement initiatives are formulated to also improve the employee experience. Customers feel that at Argenta people work with a smile on their lips.





06

Sustainable Argenta



ARGENTA



6. Argenta and sustainability

GRI 102-7, 102-8, 102-09, 102-11, 102-12, 102-13, 102-14, 102-15 102-16, 102-17, 102-21, 102-22, 102-40, 102-41, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-54, 102-56, 103-1, 103-2, 202-1, 203-1, 205-1, 305-1, 305-2, 305-3, 305-4, 305-5, 401-1, 402-1, 404-1, 404-3, 405-1, 406-1, 418-1, FS 10, FS 11



For more than 60 years, Argenta has been a healthy bank-insurer for individuals and families, with a strong sense of responsibility for its customers, employees and society. Argenta pursues a policy that contributes in the long term to a financially healthy life for its customers.

It is also keen to contribute to a sustainable and low-carbon world for generations to come. The need to focus on sustainability and to take accelerated climate action is clear. Crucial here is a long-term vision for initiating investments towards a low-carbon and climate-proof economy.

Argenta also wants to contribute as an organization by, among other things, limiting its own footprint as much as possible, through

an active programme in the context of well-being at work, by promoting sustainable mobility and by imposing sustainability standards on suppliers.

This policy is bearing fruit, because from research by Randstad¹, in which 16 banks were examined, it appears that Argenta is primarily perceived as a sustainable bank. In this survey, Argenta achieved the second highest score in terms of 'financially sound' and was the fourth in line for 'giving back to society/the environment'.

Argenta has thought long and hard on various levels on the theme of 'Sustainability'. This shows that sustainability is a matter of course at Argenta and woven into the Argenta DNA across its various departments. Argenta's external communication on its sustainability

¹ Employer Brand Research 2018 for Argenta. Research conducted by Randstad.

ambitions has so far been rather modest, though GRI reporting and the Sustainable Development Goals reporting have been used for several years to provide transparency on its non-financial reporting.

The financial sector and Argenta need better data from companies and governments about the financial impact of climate change on their business operations. This is necessary to better align Argenta's own investments in companies and Argenta's product range to climate risks.

Argenta closely follows the trends in reporting on climate-related financial risks as indicated by the Task Force on Climate-related Financial Disclosures (TCFD). In addition, Argenta monitors the work of the European Commission on recommendations for mobilising the financial system to support sustainable investments issued by the High-Level Expert Group on Sustainable Finance (HLEF).

Argenta wants to evolve from an unconsciously to a consciously sustainable strategy. In 2019 it will be developing the necessary structures to focus even more actively on sustainability. The first foundations were laid in 2018 for this:

- Argenta has screened its own investment portfolio for CO₂ intensive sectors such as oil and coal. Its position in these sectors will be reduced by 2020.
- Argenta has defined the methodology for calculating the CO₂ footprint of its own funds, inspired by the guidelines of the Taskforce on Climate-Related Financial Disclosures (TCFD). The results of the calculations are explained further.



Argenta's ambition is to:

- Continue to make its own investment portfolios more sustainable and to reduce its positions in CO₂ intensive sectors, in particular oil and coal, by 2020 (see 6.4).
- Expand its range of sustainability-oriented products by the end of 2023, both in terms of Lending (to private individuals, families and public institutions) and Investing.
- Integrate carbon footprint information in the management of the investment funds of Argenta Asset Management.
- Consciously integrate sustainability into the 2020-2023 strategy. Processes and products are being simplified and digitized, making the service easier and more transparent for the customer. Thanks to new technological developments, Argenta is able to innovate in an agile and focused way, with smart solutions that adequately meet the needs of its customers.
- Reduce its own ecological footprint by half by 2023 through, among other things, focusing on sustainable mobility and energy, and by imposing sustainability standards on its suppliers.



6.1 Sustainable development objectives

Argenta links its sustainability action plan with the 17 Sustainable Development Goals of the United Nations (SDGs) (Sustainable

Development Goals or SDGs), which offer a universal framework for reporting on sustainability.

SUSTAINABLE DEVELOPMENT GOALS



The focus on the five SDGs set out below is clearly expressed in Argenta's sustainability action plan, which is discussed in 6.3 and in the GRI index (chapter 9).

Which SDG? What did Argenta do in 2018?



On 20 March 2018 the Board of Directors approved the Diversity Charter.

- Argenta applies an equal pay policy for men and women.
- Women are given equal opportunities, also for managerial positions.
- There is active monitoring and reporting on the representation of women in the policy bodies and other parts of Argenta.



- Argenta actively focuses on technological innovation, see 5.4 above.

- Argenta strives for a healthy balance between work and private life, by allowing employees to, among other things, opt for home working, the possibility of taking extra days off, etc.
- Argenta has actively contributed to supporting the real economy through the reinvestment of savings, see 5.2.
- In 2018, Argenta entered into a new collective labour agreement. This includes an income guarantee for its employees in the event of illness, accident outside of work or pregnancy.
- Argenta created 43 additional jobs in 2018.
- Argenta pays taxes and contributions to the government, regulators and professional associations, see 6.11.



- In 2018, Argenta mapped its own CO₂ emissions, to serve as a basis for formulating concrete initiatives. One of these initiatives is to introduce oil and coal-free investment portfolios by 2020.

- Argenta promoted sustainable commuting and gave its employees a discount when choosing sustainable means of transport via the cafeteria plan (bicycles, ecological cars) (see 6.5.1). The car list itself has also been revised to offer more sustainable solutions to our employees. For example, only ecological company cars are offered and diesel cars have been removed from the range.
- Argenta provides commuter bicycles for journeys between sites.
- In 2018, Argenta installed 'Surface Hubs' – 'smart' interactive screens, which bring employees together across the various Argenta sites and thus limit the number of journeys.



- Argenta excludes, both from its own investments and in the framework of the investment funds, companies operating in the tobacco industry, the nuclear sector, the gambling industry, the arms industry, producers of dangerous chemicals, the adult entertainment industry and companies which commit animal abuse.

- Argenta combats phishing and has invested in a fraud tool for screening for fraudulent transactions.
- Argenta fostered good employer-employee dialogue in the Works Council and in the Committee for Safety and Prevention at Work.
- Argenta handles all customer complaints and aims for the shortest possible turnaround time, see 6.10.



- Argenta has been a partner since 2014 and is represented on the board of directors of CIFAL Flanders, a training centre affiliated to UNITAR (United Nations Institute for Training and Research). In 2018 Argenta received an official UNITAR certificate as a 'SDG Pioneer' from Cifal Flanders for its commitment to the 17 sustainable development goals of the United Nations.

- Argenta is a partner in the 'Smartly to Antwerp' network that is working on mobility in and around Antwerp (see 6.12).
- As a bank-insurer, Argenta is also an active member of Febelfin, Assuralia and the ESBG (see 6.13).
- Argenta signed the Family-Friendly Entrepreneurship Charter of the Gezinsbond (Flemish family association) in 2018 (see 6.12).
- Argenta is a partner in "Sign for my Future" (see 6.12).

6.2 Material topics and stakeholder consultation

GRI 102-40, 102-42, 102-43, 102-44, 102-46, 102-47, 102-48

Argenta takes its stakeholders' expectations with regard to sustainability seriously and organizes a stakeholder survey about sustainability every two years.

The 2017 survey was sent out to 931 customers, 156 Argen-Co cooperative members, 220 branch managers and their employees, 435 head office employees, 3 interest groups and 5 directors.

The questions centred around 5 major themes:

Ethics and integrity

- 1) Fair sales methods, honest advertising, product transparency
- 2) Corporate governance
- 3) Correct and transparent wage policy, no bonus culture
- 4) Combating corruption, fraud and money laundering
- 5) Ethical conduct by Argenta employees

Economic responsibility

- 6) Financial stability
- 7) Quality of service and transparency in all areas
- 8) Long-term strategy
- 9) Access to financial services for everyone
- 10) Investing savings sustainably in the real and local economy
- 11) Correct payment of taxes and bank levies
- 12) Sustainable purchasing with supplier screening
- 13) Offering microcredit

Customer care

- 14) Product offering
- 15) Offering of sustainable investments
- 16) Argenta's closeness to customers
- 17) Innovation
- 18) Basic banking services offered free of charge
- 19) Each customer treated with respect
- 20) Protection of personal data
- 21) Encouraging financial literacy

Social responsibility

- 22) Combating poverty
- 23) Support for sports events
- 24) Support for social initiatives
- 25) Attention to climate and environment
- 26) Sustainable investment policy
- 27) Encouraging financial literacy
- 28) Mapping the impact of investments and financing

Responsibility for our employees

- 29) Diversity and equal opportunity
- 30) Training opportunities and talent development
- 31) Well-being at work
- 32) Consultation, participation and employee dialogue
- 33) People-friendly entrepreneurship
- 34) Opportunity of social involvement
- 35) Attention to work-life balance

The items at the bottom left of the graph are those that Argenta stakeholders regard as less relevant in the context of sustainability. The

items at the top right are considered to be very relevant and it is these that Argenta sees as its main focus.



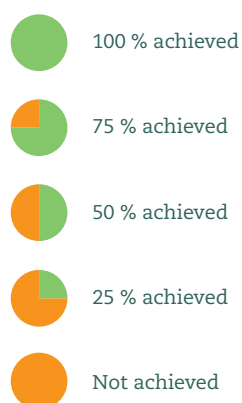
6.3 Sustainability Action Plan 2016-2020

Based on the results of the 2015 stakeholder survey, Argenta drew up its 2016-2020 sustainability action plan. All Argenta departments together are now realizing this ambitious sustainability action plan step by step.

With no significant shifts emerging during the 2017 sustainability survey, the current sustainability action plan remains unchanged.

The following action points were handled in the course of 2018 and further developed in the context of the implementation of the action plan:

Caption:











Ethics and integrity

Action	Target date	Status at end 2018	Explanation	SDG
Extending automatic monitoring in the field of preventing money laundering and terrorist financing	31.12.2017		In 2018, Argenta invested heavily in combating financial crime through the implementation of a new fraud tool. The methods and techniques used in committing financial fraud are constantly evolving. Argenta continues to follow this closely. In July 2018, Argenta developed an action plan based on the European anti-money laundering directive	
Reworking the Ethics Charter 31.12.2018 and creating awareness about ethics and integrity Working towards an overarching integrity policy and transition from a compliance to an integrity culture	31.12.2018		The Board of Directors approved a new Integrity Charter in 2018. This charter integrates and replaces the Ethics Charter and the integrity policy. It covers the entire area of Argenta policy on ethics and integrity and also includes the policy line on conflicts of interest and the whistle-blower policy.	









Customer

Action	Target date	Status at end 2018	Explanation	SDG
Evaluating and implementing measures on personal data protection (General Data Protection Regulation – GDPR)	25.05.2018		Argenta updated its policy on the use of personal data. Based on this update, all Argenta's activities were evaluated and adjusted where necessary. In 2018, the Board of Directors approved the personal data protection policy. A specific web page and a separate privacy statement have been worked out to explain to customers what GDPR is, how Argenta processes their data and what rights they have.	
Developing of a full digital product range in combination with personal service in the branches	31.12.2018		<p>At the beginning of April 2018, Argenta brought into use its new banking platform 'Metro', which permits the improvement of automated services and the rapid introduction of new digital banking products and services.</p> <p>The Argenta app evolved with customer needs in 2018. Functions added include consulting the securities portfolio, consulting documents (including tax certificates) and the option to scan transfer forms.</p> <p>In 2018, 24 new branch managers started in the branch network to serve our customers even better.</p>	
Improving financial and digital literacy	30.06.2019		<p>In order to increase financial literacy among students, Argenta supports schools and universities by providing training, and making internships available.</p> <p>In 2018, the innovative actuarial research on claims reserves techniques continued in collaboration with the KU Leuven.</p> <p>In addition, in 2018, Argenta organized eighteen information evenings for its customers on healthy investing, inheritance law and fire insurance.</p>	
Optimizing accessibility of branches for disabled people	31.12.2019		In 2018, accessibility for less-mobile persons was taken into account at all establishments and renovations.	







Role in the economy

Action	Target date	Status at end 2018	Explanation	SDG
Asset allocation that seeks to reinvest incoming funds in the local economy	annually		<p>In 2018, Argenta again used its customers' savings to reinvest in the real-impact lending. See 5.2.</p> <p>The financial policies mention the testing of investments against the Argenta sustainability framework.</p>	
Offering of products to older customers with a view to care and ageing	31.12.2017		<p>Despite extensive preparation in 2017, it was decided in 2018 not to proceed further with the 'Langer Thuis Wonen' (living longer at home) project due to the limited impact compared to the heavy implementation burden at the branches.</p> <p>Through the real estate portfolio, Argenta invested EUR 140 million (direct loans) in residential care centres and student accommodation.</p>	
All suppliers endorsing the sustainability charter	31.12.2018		<p>The sustainability charter that was added to all standard contracts in 2015 is signed by every new supplier.</p> <p>In 2018, sustainability was included in every 2018 request for suppliers (RFP).</p> <p>For every supplier selection in 2018, sustainability was one of the selection criteria. This criterion can even be decisive, such as when selecting the furniture supplier for furnishing one of the headquarters buildings.</p>	
Expanding the service model with a digital channel	30.03.2019		<p>With digi.wave, introduced in the beginning of 2018, IT, together with the commercial operational departments, actively seeks to respond to the needs of the customer and strives for a better customer experience through 'agile' collaboration. This yielded attractive results in 2018, like the new Argenta website, and the addition of the following opportunities to the app: pension savings top-ups, consult documents such as due date reports and payment and tax certificates, viewing securities accounts, managing standing orders, determining the geographical scope of debit and credit cards, and paying bills by photographing them.</p>	

Society

Action	Target date	Status at end 2018	Explanation	SDG
Developing a social vision for supporting projects with a social contribution	31.12.2018		Argenta supports social projects as an extension of its mission as a bank-insurer: social housing, ecological lending at favourable rates, ... See 6.4.1.	
Structuring environmental activities: paper use, renovation of the head office using energy-efficient technologies	31.12.2019		<p>Argenta is environmentally pro-active. Waste is separated, plastic water drums with plastic beakers replaced by drinking water taps and glasses. Paper consumption is limited: the purchase of paper has been reduced from 2,400 boxes to 1,563 boxes in 2 years.</p> <p>Argenta is consciously choosing environmentally friendly options for renovating the head office.</p> <p>To limit CO₂ emissions, a network of pipes is being installed to a depth of 150 metres below the building. This will turn the soil under the building into a huge energy buffer. In the winter this buffer will serve as a heat source, in the summer as a source of cooling.</p> <p>In 2018, Argenta mapped its CO₂ emissions from its own operations, on the basis of which concrete actions are now being worked out to further reduce them.</p>	
Promoting and supporting sustainable mobility	31.12.2019		<p>Argenta encourages sustainable mobility among its employees and visitors by proposing sustainable alternatives: public transport, bicycles, ecological cars, etc.</p> <p>For Argenta customers there is a very competitive range of ecological car and bicycle loans.</p> <p>In the "Smart to Antwerp" network, in which the CEO participates, experiences and best practices are exchanged with other companies.</p>	
Growing sustainable funds from niche to core products	31.12.2020		<p>The growth of the sustainable funds in 2018 was in line with the total growth.</p> <p>A start was made on the preparation of two new sustainable funds, which will be launched in 2019, with a focus on renewable energy and renewable materials.</p>	

Employees ♀♂

Action	Target date	Status at end 2018	Explanation	SDG
<p>Development of sustainability actions in consultation with all employees</p> <p>Mapping and encouraging social commitment by employees</p>	<p>Annually</p> <p>31.12.2019</p>		<p>In 2018, all Argenta employees were actively involved to Studio Brussels' 'Warmest Week' throughout the year. In this way, Argenta was able to donate a total of EUR 81,697 to five charities chosen by Argenta employees themselves:</p> <p>MS League Flanders, Make-A-Wish Belgium, Stop Darmkanker (Stop Colon Cancer), Clinicoders - Coderdojo Belgium, and Unified Sailing Belgium.</p>	
A concern for employee well-being	31.12.2018		Organization & Talent worked out various training and awareness programmes around the three pillars of nutrition and exercise, motivation & work organisation, balance & resilience (see 6.5).	
Development of a framework to facilitate regular home working	31.12.2018		The homework policy enshrined in a collective agreement with employers representatives, was fully implemented in 2018. Many Argenta employees make regular use of this policy.	



6.4 Investment policy for own portfolios and the investment funds

For Argenta Spaarbank's and Argenta Assuranties' own investment portfolios, local anchoring and sustainability are key factors, alongside a cautious general approach, when making investment decisions. With its investment strategy, Argenta is keen to have a significant positive impact on the real economy, both in Belgium and in the Netherlands.

This includes facilitating the transition to a low-carbon economy, with a constant concern for a sustainable future for following generations.

The Argenta investment funds also opt for a sustainable policy.

With the financial sector viewed as a driver for achieving the transition to a low-carbon economy, investment decisions need to be supported by additional data, with the CO₂ footprint of investee companies mapped based on the guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD). This makes it possible to define a long-term vision that takes into account the impact on climate change. This mapping is seen by Argenta as the first step for further policy formulation in 2019.

Expanding the sustainable product range

After being reformed into a sustainable fund in 2017, the Argenta-Fund Responsible Utilities recorded 4 % growth in 2018.

Argenta subjects its own investment funds and its entire investment offering to sustainability screening. Argenta has both its own investment funds under its own management and partnerships with external fund managers. These external partners (Carmignac Gestion, Degroof Petercam, Robeco) have all subscribed to the United Nations Principles for Responsible Investment (UN PRI) (see 6.8). Argenta has also checked which minimum criteria they apply when putting together and monitoring their funds.

In this way, companies that do not meet the sustainability criteria are excluded from Argenta's investment offering.

Exclusion criteria

Wanting to pursue a consistent sustainability policy, Argenta has, since 2018, applied the same exclusion list for its own investment portfolios as it has for the Argenta investment funds.



The "Argenta exclusion list" is prepared on the basis of two exclusion lists. These are:

- the generally recognized exclusion list of the Norwegian State Fund; and
- an exclusion list specifically prepared for the Argenta funds under own management in collaboration with Vigeo Eiris

The Norwegian State Fund list excludes companies on the basis of product or behaviour-related criteria. Product-related exclusions include companies involved in the production of energy from coal, tobacco, weapons, the use of which violates humanitarian principles, cluster weapons or military material destined for certain countries. Behaviour-related exclusions involve companies that act in ethically unacceptable ways that result in human rights violations, serious environmental damage, severe corruption, serious violations of individual rights in war or conflict situations or other serious violations of fundamental ethical standards.

The exclusion criteria in the list drawn up in collaboration with Vigeo Eiris, which specialises in ESG (Environmental, Social, Governance) research, were applied for the first time to Argenta's own investment portfolios in 2018.

The criterion for exclusions from Vigeo Eiris is absolute. This means that as soon as a criterion is violated, the company comes onto the exclusion list. In the second half of 2018, 198 companies were excluded in this way from the full list of 4,280 companies, translating into eight divestments totalling EUR 47 million at Argenta.

**UCITS
General
Sustainability
Principles**

**Blacklist UN
GlobalCompact
principles**

**Level 1
Blacklist
Vigeo Eiris/
Norwegian
state fund**

**Level 2
Maximum
impact
Strategies**

**Level 3
Best-in-class
approach**



In addition, Vigeo Eiris also monitors business behaviour. Companies that are discredited for serious breaches of ethical standards are not eligible for further investment. Vigeo Eiris screens companies based on:

- their impact on the (living) environment;
- their social involvement;
- their general corporate behaviour;
- respect of human rights;
- their organizational structure;
- their personnel policy.

Twice a year the Vigeo Eiris list is updated by examining case by case how bad the controversy is, how the company involved reacts to this and how often this controversy has already occurred.

Argenta also integrated the legal framework for Undertakings for Collective Investment in Transferable Securities (UCITS) and the United Nations Global Compact (UNGC) principles with its own additional criteria.

The Argenta exclusion list excludes investments in controversial activities, such as revenues from coal, tobacco, nuclear energy, gambling, adult entertainment, weapons, pesticides and products involving animal abuse during production, and controversies.

Controversies relate to serious shortcomings in terms of the environment, personnel policy, human rights, social involvement, company codes of conduct, and corporate governance.

6.4.1 Management of own investment portfolios

In 2018, the focus was primarily on reducing the ecological footprint of the investment portfolios. Argenta worked on phasing out of past investments in oil and coal, to achieve oil and coal-free portfolios by 2020.



Argenta Spaarbank invests 12 % of the funds of private individuals raised through savings and banking in government debt. This involves, among other things, financing local projects through direct investments in cities and municipalities, government companies and infrastructure (through public-private partnerships).

In addition, there was an extra focus in the selection of investments on companies with pronounced sustainability profiles with strong local anchoring and healthy value creation. In this way, Argenta actively invested in 2018 in:

- Igean: inter-municipal body owned by 30 municipalities in the Antwerp area that takes care of everything relating to the environment, waste processing and work safety
- Gasometer: a brownfield project in Sint-Truiden where an old gas site was converted into a large school and welfare campus
- Leiedal: is committed to dynamic and sustainable regional development in South-West Flanders
- Rivierenland rescue zone: local cooperation of 19 fire departments of Berlaar, Boom, Bornem, etc.
- Sportoase swimming pool in Roeselare
- Aquafin: is responsible for water treatment in Flanders
- Participation in EPICO, an infrastructure

fund that invests in local Public-Private Partnerships (PPP) and renewable energy with a focus on the Benelux.

In previous years, Argenta also invested in social housing, care for the elderly, student housing, provision for people with disabilities, an inter-municipal company that produces 100 % green energy, etc. This brought the total for investments in the local economy to EUR 766 million. There also seem to be sufficient potential investments in school building and sustainable mobility in the coming years.



Argenta Spaarbank invests EUR 140 million in healthcare-related real estate

6.4.2 Sustainable thrust in Argenta's investment offering

Thematic sustainable investment

Argenta is keen, via its sustainable investment funds, to support companies that contribute to the liveability of the planet and, for example, focus on a drastic reduction of CO₂ emissions.

The investments in this category focus on utility companies in the broad sense of the term and on enabling technologies that contribute directly or indirectly to a decrease in CO₂ emissions.

Whether or not to invest in a company depends on the substantive screening of its business activity, a further tightening of the general exclusion list and minimum quotas for the top companies.

The 'Argenta-Fund Responsible Utilities' sub-fund invests according to precisely defined criteria. The investment criteria are available on request from Argenta.

On the basis of semi-annual audits, Forum ETHIBEL vzw ensures that the portfolio meets the defined ethical criteria.



In this way, at the end of 2018, 1,658 of the 4,280 companies in the investment universe were excluded from this fund. Argenta-Fund Responsible Utilities grew by 4 % in 2018.

Best-in-class methodology

Argenta is keen to support companies whose services and products within their sector are created in the most sustainable way. In this way Argenta wants to encourage companies to make step-by-step improvements in the field of sustainability.

This is done through a combination of the exclusion list with a best-in-class methodology. The Forum Ethibel Investment Register forms the basis for the selection of companies and countries in the sub-funds carrying an Ethibel label.

This index is compiled by Forum Ethibel, which applies its own criteria to the research data provided by VigeoEiris. These criteria are taken over by Argenta.

Summary	All Argenta investment funds	Sustainable theme funds	Best in Class sustainable funds
Integration of ESG factors	Y	Y	Y
Argenta exclusion list	Y	Y	Y
Sustainable theme funds	/	Y	/
Best in class	/	Yes. Best 75 %	Yes. Best 50 %



Healthy Investment

Assets under management, EUR in millions	2016	2017	2018
Argenta Spaarbank - Investment funds			
'Exclusion criteria' for companies before including them in proprietary funds	856.7	1,202.9	1,471.8
External fund managers screened for applying a sustainable policy	3,016.9	3,616.3	3,522.4
Best-in-class approach - Companies meet sustainability criteria	139.3	192.8	200.3
'Thematic approach' companies around a specific sustainability theme	34	72.3	33.2
Argenta Assuranties - Investment Insurance			
'Exclusion criteria' for companies before including them in proprietary funds	463.7	608.2	784.8
External fund managers screened for applying a sustainable policy	1,137.5	1,239.5	1,022.9
Best-in-class approach - Companies meet sustainability criteria	69.9	92.6	91.7
'Thematic approach' companies around a defined sustainability theme	15.1	31.8	12.5

New partnerships

In 2018 Argenta entered into a new partnership with Robeco. The fact that Robeco has been focusing on sustainable investing across the company for many years played an important role in this choice. In 2018, Argenta terminated its partnerships with two external fund managers, EDRAM and GS&P.

The cooperation with Degroof Petercam Asset Management (DPAM) was continued in 2018 through the establishment of the management company 'Arvestar Asset Management', as a joint venture of Argenta and DPAM. Arvestar will in future be responsible for managing the Argenta pension savings funds. Arvestar applies the same sustainability policy to these funds as the funds under its own management.

Carbon footprint measuring

Inspired by the guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD) and the role of the financial sector in the transition to a low-carbon economy, Argenta has identified the CO₂ emissions of the investment funds managed by Argenta Asset Management.

The data for this measurement were obtained for the direct business investments from the Vigeo Eiris research agency, with the respective

managers providing information on the underlying fund investments. This exercise measures the direct CO₂ emissions (scope 1 & 2) of each company weighted in relation to the amount invested. Emissions related to government bonds were not taken into account.

CO₂ emissions were calculated for 79 % of the investments. Argenta wants to increase this coverage ratio in the future. These results indicate relatively low carbon footprints for these funds compared to composite sector averages based on 4,280 companies of which Vigeo Eiris has gathered the carbon footprints. All funds were below these sector averages, with 19 of the 22 funds even below half the sector average.

These results must be handled with care, as there is still no consensus on what should be included in the calculation and reporting.

The European Commission will create a framework in 2019 that will make benchmarking easier. Emissions are very sector-sensitive and region-specific. On average, European companies emit less CO₂ than global companies. The current predominance of European assets within Argenta's investment offering therefore led to relatively low carbon footprints for these funds.

	Carbon Footprint	
	# tons CO ₂ per EUR in millions invested	Coverage
Core funds		
Argenta Portfolio Very Defensive	93	60 %
Argenta Portfolio Defensive	71	68 %
Argenta Portfolio Neutral	96	75 %
Argenta Portfolio Dynamic	133	81 %
Accent Funds		
AF Finance Dynamic	54	65 %
AF Basic Industry - Equities	704	80 %
AF Belgian Equities	351	64 %
AF Lifestyle Dynamic	76	79 %
AF Responsible Utilities	737	85 %
AF European Equities	160	83 %
AF European Equities High Value	335	77 %
AF Pharma-Chemistry Equities	154	83 %
AF Government Bonds	0	100 %
AF Responsible Growth Fund Defensive	88	100 %
AF Responsible Growth Fund	137	100 %
AF Technology Equities	49	70 %
AF Flanders Equities	211	78 %
AF World Equities	121	71 %
AF Longer Life	42	91 %
AF Longer Life Dynamic	66	86 %
AF Global Thematic Defensive	81	79 %
AF Global Thematic	163	65 %

The information from this measurement is especially important as a baseline measurement and as a basis for making investment decisions with a view to reducing the total CO₂ emissions of the investments.

Argenta will also aim for a higher coverage of this information in 2019.

6.5 Sustainable HR approach

6.5.1 Healthy Growth

'Healthy Growth' is the name of the HR programme that Argenta has been implementing since 2015. Behind the name lies a longer term ambition.

'Our ambition is to be able to grow together. Both the organization and our talents.'

In this ambition, Argenta and its employees are inter-dependent. Argenta can only grow by letting its people - its talents - grow.

And talents can grow only if the organization grows.

To grow employees' talents, major efforts are made to keep knowledge and expertise up-to-date, to develop strong skills in a sustainable manner and to integrate learning as an attitude in the day-to-day job. Meaningful, challenging jobs in which employees can give their best and be permanently learning, can come into being and continue only if Argenta is growing as a whole.

This linkage between organization and talent we describe with the term 'commitment'. And commitment is, by definition, mutual. Commitment supports, strengthens, engages and inspires people, and makes Argenta able to achieve results and added value for customers, branch managers and partners. Commitment also expresses itself in

ambassadorship: actively promoting Argenta and being proud of what is being achieved for customers.

Argenta's 'Healthy Growth' programme provides vital support for realizing the group's strategic objectives. Argenta focuses on the sustainable development of four core competencies: (1) customer focus, (2) result orientation, (3) collaboration and (4) development, based on our focus values: close-by, entrepreneurial, pragmatic and simple. Every employee knows that these are the same for all colleagues, and each manager coaches the talents in his team towards continuous improvement here.

Various Healthy Growth initiatives were also taken in 2018 and others continued:

- The contemporary Argenta interpretation of the new way of working was rolled out for all employees from April onwards. Flexibility and teleworking, an adapted working environment with space for both interaction and concentrated work, focus on effective collaboration, performance and well-being form the basis of the concept. In this way, a working environment is created in which working (together) is enjoyable and where, depending on their priorities for the day, employees can select the most suitable workplace for working effectively. The result is that people are able to perform



better individually and better as a team, with due attention to ergonomics and the well-being of everyone.

- In 2017, Argenta thoroughly revised its pay policy for all employees with annual benchmarks, a new system of wage increases, an updated function house (classification) and a uniform feedback and valuation cycle. Since 2018, employees in non-supporting positions can opt to step out of the time registration system (so-called opting out). An analysis was also carried out in 2018 on a possible harmonization of employee statuses. Different joint committees (308, 306, 200) covered different parts of Argenta. Inside the Argenta Group. The transition of savings banks to the joint committee for banks (310) entailed the need to align working conditions for the future with those of the now extended joint banks and savings banks committee. Senior management

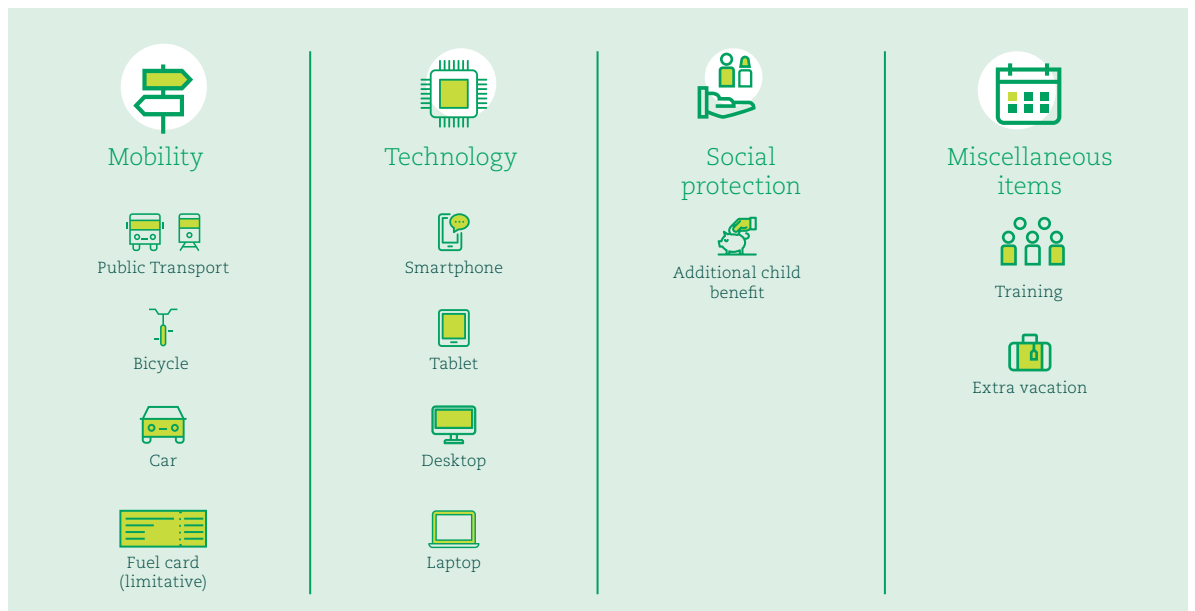
concluded a collective labour agreement with the trade unions, under the terms of which the latter joint committee will play the anchor role for all employees of the companies in Belgium. With this new collective labour agreement, every Argenta employee has the same terms and conditions of employment, even if he/she works for a different legal entity. In addition, Argenta is reinforcing its policy to offer its employees fair, competitive employment conditions, now based on the conditions of the banking sector (PC310).

- The flexibility that is built into the updated pay policy for employees at Argenta takes the shape of the cafeteria plan. The cafeteria plan responds to a current trend whereby employees can put together a part of their salary packages themselves. Individual needs and wishes are central here. In 2018 the second edition went live.

Employees can convert (part of) their thirteenth month – in a tax-friendly manner – into benefits of their choice and in this way adjust their remuneration package flexibly to their individual preferences. Employees who (based on their job level) are entitled to a flat-rate lease budget (for a car) can also bring this budget into the cafeteria plan. In this way,

all employees who qualify for this application receive a budget with which specific benefit options can be chosen that suit their own personal situation. The options are structured around four basic pillars: mobility, technology, social protection and variables.

CAFETERIA PLAN OPTION:



No less than 62 % of employees now participate in the cafeteria plan. The cafeteria plan benefits supporting sustainable mobility, are subsidized. As a result, more than 90 employees have already opted for a bicycle. And employees who opt for a car usually opt for a less polluting car with limited CO₂ emissions. Extra vacation is the most popular benefit that is subscribed to, and was selected by nearly 300 employees in 2018. But the 'technology' benefit has also been increasingly taken up: 16 % of employees have now

subscribed to this, the smartphone being its most popular expression.

- **Sustainable mobility** is important to Argenta. Via the cafeteria plan, sustainable transport options are promoted with an additional subsidy: (electric) bicycles, less polluting cars and public transport season tickets. At the end of 2018, Argenta removed diesel cars from the range. Argenta offers ample bicycle parking capacity, and this year again



offered a healthy breakfast with free bicycle inspection/repair for employees who travel to work sustainably. Argenta also avoids a significant number of (peak hour) trips per day by facilitating telework.

- **Vitality and well-being** are important themes for Healthy Growth. Since 2017, Argenta has offered a short training course (1.5 days) on active stress management and an intensive training course on vitality (4 x half a day, spread over 3 months) for employees and executives. In addition, teams can register for a workshop and then support each other themselves with ideas and activities that increase vitality in their own teams. In a fun way, based on employees' own input, they agree to exercise more, to eat more healthily. At the start of 2019, a permanent 'Healthy habits@Argenta' offer is starting, in which employees practice together onsite, but in their own time, during the midday break: Yoga, mindfulness meditation, walking,

healthy food and ergonomics are on the programme.

Netherlands

The High Performance Organization entered a new phase in 2018, with the development of the new strategic course for the future. Employees, but also customers and cooperation partners, are given the space to join in the thinking process.

In line with group policy, a new working conditions policy was implemented, with a clear focus on sustainability, market conformity, purchasing power and transparency. This was reflected in an updated function house, a proprietary wage house, an improved pension and insurance offering and a system for awarding individual, performance-based pay increases. Argenta Netherlands conducted transparent communication on this salary policy for all employees.

6.5.2 Argenta employees

Total workforce by type of work, employment contract and country:

	2016	2017	2018
Total employees by region			
Belgium	928	983	1,014
Netherlands	42	51	62
Luxembourg	9	8	9

	2016		2017		2018	
Distribution full-time/part-time by region						
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Belgium	745	183	752	231	765	249
Netherlands	37	5	46	5	54	8
Luxembourg	4	5	3	5	4	5
Distribution by contract type						
Permanent	963		1,029		1,062	
Temporary	16		13		23	

Argenta's workforce (Belgium, the Netherlands and Luxembourg) increased to 1,085, a net increase of 4.1 %.

Beyond its salaried employees Argenta also has an extensive network of 1,490 self-employed tied agents (generally referred to as 'branch managers') with their own employees. In 2018, Argenta welcomed 189 new employees. A significant proportion of

these (14.8 %) are aged above 50. Argenta consciously recruits in all age groups.

The 30 to 50 group is by far the largest age group in the age pyramid at Argenta. The average age for the three regions together is 41 years. In the Netherlands the population is slightly younger (average 38), in Luxembourg slightly older (average 44).

	2016	2017	2018
Departures by region			
Belgium	126	104	137
Netherlands	6	5	8
Luxembourg	9	1	0
Departures by gender			
Male	71	49	73
Female	70	61	72
Departures by age			
<30	26	20	28
30 - 50	92	71	91
> 50	23	19	26

The total outflow shows an upward trend compared to 2017. This table contains all employees who left the Group's employment, including retirement, end of temporary contract, termination by the employer, etc. A significant portion of employees leaving in Belgium moved to positions in the independent branch network. No fewer than 44 employees switched from the head office to the branch network, compared to 31 in 2017.

From 1 January 2019, 8 employees have been employed at Vanbreda Risk & Benefits nv in the context of the outsourcing of hospitalization insurance. With the reorganization of the Mailroom department, 13 employees will leave in three waves, the last of which ends on 31/12/2019. The voluntary departure rate in 2018 was 7.5 %.

6.5.3 Pay policy

The Argenta Board of Directors, advised by the Remuneration Committee, establishes

the general principles of the remuneration policy for employees and monitors its implementation ('Pay Policy'). The Pay Policy determines which reference salaries apply to which functions, taking into account the degree of difficulty, responsibility, level of competence, experience and necessary specialization of a particular function. The Argenta Group strives to remunerate its employees in line with market conditions. The salaries of Argenta employees, whether administrative staff, management or senior executives, consist solely of a fixed amount. There is no variable remuneration at Argenta.

For all functions within the Argenta working companies, the Organisation and Talent department proposes a draft pay policy, which can include changes based on internal and external conditions.

For Identified Staff (employees whose professional activities mean that they could materially influence the risk profile of an

institution) the remuneration principles are the same as for other functions at Argenta. In this way, no material conflicts of interest can arise for employees in controlling positions, and consequently no major risks are incurred (see also 7.2).

In addition to their monthly salary, all Argenta staff members in Belgium receive single and double holiday pay, 13th month, hospitalisation insurance (extendable to the entire family), group insurance, meal vouchers, a cafeteria plan and a guaranteed income. For certain functions, company cars and fixed expense allowances are granted.

In addition, since 1 October 2018, Argenta has also been granting employee conditions to headquarters and branch network staff. These take the form of attractive special conditions on Argenta's own banking and insurance products for head office and branch employees.

6.5.4 EOS

Since 2015, Argenta has organized an annual online Employee Opinion Survey (EOS).

The survey probes four key elements: commitment, employee net promotion score (ambassadorship), motivational climate and well-being. Since the first measurement, company-wide priorities have been set and systematic action has been taken.

6.5.4.1 Commitment and ambassadorship

Both commitment (degree of commitment to the company) and ambassadorship (degree

of active promotion) levels are increasing. Commitment in particular scores high.

6.5.4.2 Motivational climate

Employees continue to appreciate very highly the working conditions and good relations between colleagues at Argenta. The role of the staff member's immediate superior is generally appreciated. The new wage policy and improved working conditions ('the new way of working') have also pushed the scores up in this area. Clear communication for all employees about important management decisions and about the strategy is also highly appreciated.

Employees feel appreciated and valued to a high degree at Argenta: their opinions and ideas are taken into account and communication between colleagues functions smoothly. They are given a lot of freedom to organize their own work. Degree of autonomy scored highly: the ability to take responsibility is an important motivator. Many employees also experience their work as meaningful and challenging. The investments in training and development for every employee, with coaching and support, are also appreciated. On this last item there is still room for improvement.

6.5.4.3 Well-being

Against the background of legislation on psychosocial well-being, Argenta has taken care to ensure that the EOS also provides input on issues that impact well-being. These are work organization, work content, working conditions, working environment and working relationships. These figures have also been increasing over the last 4 years.

As with previous surveys, the Executive Committee has used the EOS conclusions

to determine which items for improvement Argenta will prioritise for the company as a whole. In addition, all managements and management teams are asked to draw up their own action plans to anchor their strengths and to address areas for improvement.

6.5.5 Learning and development

To help build Argenta's long-term growth, employees are encouraged to develop their skills and talents.

Available to them for this are training courses, e-learning, coaching, exchanges of knowledge and experience between colleagues, and interactions with senior managers. The training courses divide into two broad categories: (1) Technical knowledge and skills, for which every employee can register in consultation with his supervisor. (2) Employees can also be invited to take part in external conferences, training sessions and seminars.

The training offer was thoroughly updated in 2018. As a function of Argenta's strategic priorities, a whole series of new programmes were devised, tested and implemented in cooperation with selected external partners. This offer is approached from four perspectives: (1) professional development, (2) team development, (3) personal growth and (4) professional training courses.

Since 2016, the average number of training hours per employee has risen from 39 hours to 42 hours.



	2016	2017	2018
Male employees			
Total training hours	20,095	23,625	23,297
Total number	449	493	521
Total average training hours	45	48	45
Female employees			
Total training hours	18,444	18,632	21,961
Total number	530	549	564
Total average training hours	35	34	39
Male and female employees			
Total training hours	38,539	42,257	45,258
Total employees BE, NL, LUX	979	1,042	1,085
Total average training hours	39	41	42



Argenta connects sustainable initiatives with 'learning and development'. For example, for every Insights profile created (that provides insight into a person's 's personal preferences) a new tree is planted through the "Reforest" organisation. Some teams choose to organize team-building sessions with Streetwize. Part of the proceeds are used for "Mobile School", an organization that is committed to the education of street children worldwide.

6.5.6 Leadership journeys

All executives at Argenta, from members of the executive committee and directors down to managers and team leaders, took part in the leadership journey in 2018. The

emphasis in this journey is on learning and deepening the basic leadership skills that are crucial for Argenta. For the group to realize its vision, strategy and focus values, effective leadership is crucial. 135 managers went through the different modules of the journey. The kickoff was followed by a multi-day

residential session in a small group. In this session, both the leadership of each individual participant and leadership points that need to be developed collectively as a group in Argenta were discussed interactively under the guidance of BeCoach. The Impeccable Leadership model (Frits Wilmsen) formed the foundation. After the away session, participants remained in that group for six months to zoom in on specific questions or skills through guided peer review. Every executive also drew up a personal leadership plan. Each training group also defined a common leadership-related theme on which it wanted to work as a group in the coming period to strengthen the organization. Each group was allocated a sponsor from the executive committee.

6.5.7 Employer Branding campaign

Under the motto '101 reasons to work for Argenta', Argenta launched a successful Employer Branding campaign in the autumn, both online and in the traditional media. Employees actively contributed to this campaign: many volunteers defined their own reasons for working for Argenta or became the faces of this campaign. Argenta continues to focus on its presence in colleges and universities, at job days and events to attract new talent.

Er zijn **101 redenen**
om voor Argenta te werken.

Ontdek **jouw reden**



#3 Je collega's zijn fantastisch.



#8 Elk overleg is uniek.

Iedereen doet hier gewoon. **#9**



6.5.8 Equal Opportunities and Diversity

Argenta operates an equal opportunities policy in the recruitment and promotion of its employees. The primary concern is to attract the right people, and to put them in the right place. Argenta is also convinced of the importance of diversity.

For this reason Argenta makes no distinction in its recruitment on the basis of age, religion or belief, marital status, gender, financial status, political or trade union affiliation, language, health status, sexual orientation, social, cultural or ethnic origin or any disabilities.

Candidates are assessed on skills, talents, knowledge and experience.

With a view to organizational continuity, Argenta places great importance on all its managers being able to handle diversity among their employees.

Argenta's workforce therefore consists of a healthy mix of male and female workers of different ages, ethnicities and beliefs.

In 2018, the Argenta workforce was 52 % female and 48 % male.

Distribution by gender	2016		2017		2018	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Male	430	19	456	36	480	41
Female	356	174	345	205	343	221

The number of persons in senior executive functions (executive committee members and directors) at the end of 2018 was 35. The composition (male/female and per age) changed slightly.

Number of persons in senior executive positions in the Argenta Group	2016	2017	2018
	Number of men	19	22
Age 30-50	11	12	12
> 50	8	10	12
Number of women	13	13	11
Age 30-50	8	7	6
> 50	5	6	5

In addition, Argenta had 123 senior managers, 73 of whom were men and 50 were women at the end of 2018.



6.5.9 Networks

Argenta attaches great importance to cooperation. Relationships and contact moments change with the company's continuous growth. The way we work together reflects this situation. Argenta believes strongly here in networks in order to give a clear place for the power of initiatives and ideas that are spread across all departments and levels.

Three networks are active at Argenta:

Argenta Innovative Network

With the Argenta Innovative Network (AIN), Argenta is building a knowledge and ambassador network with staff from both headquarters and branch offices. The aim of this network is for staff to review together everything happening at Argenta, from an

innovative perspective and with a healthy critical attitude. With the support of the AIN core team, a number of initiatives have been developed and organized from within the network itself.

Nexus

Nexus is a platform that offers the Executive Committee and the directors the opportunity to discuss matters such as strategy, results, key objectives, leadership and 'Healthy Growth'. They do this at a monthly half-day meeting.

Lexus

In 2018 a new network was created at Argenta, focused specifically on leadership. All Argenta executives are part of it and meet three to four times a year to brainstorm on strategic themes and promote entrepreneurship for the benefit of our customers and employees.

6.6 Sustainable supplier policy

Argenta insists that suppliers place a high priority on 'sustainable entrepreneurship' and also take part in this story as partners. The suppliers are therefore asked by Argenta to endorse a sustainability charter on good governance, social engagement, open communication, human-friendly

entrepreneurship, risk management, sustainable investment, sustainable purchasing and sustainable product and service development, supply chain management, climate change, sustainable logistics and mobility, and combating corruption.

For every supplier selection in 2018, sustainability was one of the selection criteria. Both the carpet supplier and the furniture supplier are Cradle to Cradle certified.

Companies working according to the Cradle to Cradle principles are consciously striving for a constant cycle of raw materials from the start of the production process. Following this philosophy, every material must be reused in another product after the life of the product in which it is used, or else be returned to nature.

Cradle to Cradle is not just the same as reuse or recycling. At Cradle to Cradle there is ideally no loss of raw materials or quality. Some examples:

1. In selecting the furniture supplier for furnishing one of the headquarters buildings, a collaboration with Ahrend was chosen. This furniture supplier is NEN 26000 certified and undertakes various initiatives to bring sustainable products to the market. This includes the use of

recycled materials, non-toxic powder lacquer, sustainable materials and wood, and reuse of furniture produced by itself.

2. A new cleaning contract was awarded in the course of 2018. The cleaning company has various initiatives to clean in a sustainable way and has signed Argenta's sustainability charter. It uses EU eco-labelled cleaning products from Ecover, which places a strong emphasis on sustainability.
3. The window washers use osmosis water. Osmosis water is a green alternative, where the water is 100 % pure and contains no chemicals or detergents.

Paper consumption has fallen further, which has also reduced paper collection by half. For 2018, 80.3 % of paper ordered was 'green' paper, both for the head office and for the branch network.

6.7 Climate

On 12 December 2015, 195 countries in Paris signed an ambitious but binding global climate agreement. The objective is, among other things, to reduce greenhouse gas emissions, such as CO₂, and to limit global warming to a maximum of 2 degrees Celsius, with a target of 1.5 degrees.

Results

The greenhouse gas inventory has been prepared according to the requirements of the GHG Protocol. Its coverage has been aligned with that of Argenta's financial reporting and includes 3 scopes:

- **Scope 1** emissions include emissions from heating (direct emissions), commuter traffic by cars from Argenta's company fleet and cooling gases;
- **Scope 2** emissions include emissions from purchased electricity;
- **Scope 3** emissions include emissions from commuting (excluding our company cars



Argenta wants to do its share for the environment and has mapped its CO₂ emissions in 2018. The ambition is to reduce Argenta's ecological footprint in half by 2023 and to be CO₂ neutral by 2030.

included in scope 1 emissions), heating (indirect emissions), paper consumption, waste production and business trips.

The greenhouse gases included in our calculation are CO₂, CH₄, N₂O and cooling gases.

Calculation basis

The data and information for the CO₂ calculation are based on the 2017 activities

and include both the activities in Belgium and those in the Netherlands and Luxembourg. The calculation for 2018 is in preparation and will be published in the course of the year. For a very limited number of components of the CO₂ calculation, complete data was missing. For these an extrapolation was done with data from 2016.

The emission factors used are based on DEFRA 2017.

CO₂ emissions, headquarters, in tonnes

		Unit	2015	2016	2017
Direct					
Scope 1	Natural gas	CO ₂ Teq	551	473	513
	Vehicles	CO ₂ Teq	544	643	756
	Air conditioning	CO ₂ Teq	23	51	53
Scope 2	Electricity	CO ₂ Teq	206	285	193
	Heating	CO ₂ Teq	10	0	0
Indirect					
Scope 3	Commuting	CO ₂ Teq	697	668	653
	Business travel	CO ₂ Teq	not available	not available	7
	Other	CO ₂ Teq	378	378	356
Total CO ₂ emissions head office			2,409	2,498	2,531
Number of employees			935	979	1,042
CO ₂ footprint per employee			2.58	2.55	2.43

6.8 Endorsed principles on sustainability

In 2017 Argenta signed the **Belgian SDG Charter for International Development**.

This charter outlines the commitment of the Belgian private sector, civil society and the public sector based on the five Ps of the SDGs: People, Planet, Profit, Peace and Partnership. Argenta takes the relevant themes into account in the implementation of its strategy.

Argenta has opted for the **United Nations Global Compact Principles** as a guideline because these principles are supported worldwide and are based on international treaties and conventions. The United Nations Global Compact binds companies to ten principles in the field of human rights, working conditions, the environment and anti-corruption. The principles are derived from the Universal Declaration of Human Rights, and from internationally recognized declarations, such as those of the International Labour Organization, and conventions of the United Nations.

Argenta respects the **Equator Principles**. These principles provide an important means of measurement in the financial sector for defining, assessing and managing environmental and social risks in large industrial and infrastructure projects. The Equator Principles are based on the clearly defined policies and guidelines of the IFC (International Finance Corporation, the private sector department of the World Bank group) and the World Bank.

IFC Environmental, Health and Safety Guidelines are sector-specific guidelines that can be used to assess projects in these sectors

on their environmental, health and safety aspects. Argenta takes these guidelines into account in its sustainability policy.

The **IFC Performance Standards** are used by the International Finance Corporation in financing decisions. These endorse the four fundamental **ILO Principles** and rights at work:

- freedom of association and recognition of the right to collective bargaining;
- the ban on all forms of forced labour;
- the ban on child labour;
- the prohibition of discrimination (based on ethnicity, gender or social origin) with regard to the provision of work or specific functions.

The **OECD Guidelines for Multinational Enterprises** are recommendations by governments to multinational companies. They contain voluntary guidelines and standards for responsible business conduct in compliance with relevant legislation. These guidelines require companies to respect the human rights of those who are affected by their activities.

The **UN Principles for Responsible Investments (UN PRI)** offer a guideline for (institutional) investors in the field of socially responsible investing.

6.9 Risk management



Professional risk management with an eye for all possible risks is an essential condition for achieving sustainable, profitable growth. The Argenta Group recognises this and considers risk management as one of its core activities.

The risk management framework is constantly updated and adjusted based on the basis of new regulations, daily experiences and changes in Argenta's activities, including changes resulting from sustainable choices made by Argenta (and which always tie in with Argenta's activities as a bank-insurer). Demonstrating that adequate risk management procedures are in place is a key condition for gaining and retaining the trust of all stakeholders: customers, investors, branch managers, supervisory authorities and rating agencies, as well as directors, management and employees.

The dynamics of the financial world require a permanent, proactive development of the risk management process. Risk management consists of managing risks, comprising the cycle of identifying, evaluating, managing and monitoring risks to which Argenta or one of the Argenta entities can be exposed. This risk management is based on:

- a clearly described management strategy that is consistent with the overall corporate strategy of the Company. Argenta's overall business strategy.

The objectives and principles of this strategy, the approved risk tolerance limits and the distribution of responsibilities between all Argenta activities are written out in charters and related documents;

- a well-defined procedure for the decision-making process, including a hierarchy of limits and an escalation framework;
- written policies that effectively describe and classify by category the material risks to which Argenta is exposed, and which specify the approved risk tolerance limits for each risk category. These policies implement Argenta's risk strategy, provide for control mechanisms and take into account the nature, scope and timing of the business activities, as well as the associated risks;
- reporting procedures and processes that ensure that the information on the material risks to which Argenta is exposed and the effectiveness of the risk management system are actively monitored and analysed, and that appropriate changes are made to the system if necessary. This also includes processes (e.g. Risk Appetite Framework - reporting and specific dashboards) for establishing any deterioration of the financial and non-financial risk conditions and for informing the relevant stakeholders, including the regulator, immediately when such a deterioration occurs;



- high performance calculation tools that permit accurate calculation and evaluation of the impact of company-wide scenarios on Argenta's business and capital planning as a bank-insurer;
- coordination ("Combined Assurance") between the independent control functions Compliance, Risk Management, Actuarial function and Internal Audit, which are centrally organized at the Argenta Bank- en Verzekeringsgroep level or managed at that level.

A detailed description of Argenta's risk management can be found in the IFRS annual report on the Argenta website.

Integration of climate risks

The climate risks were mapped in the past year, included in the risk cartography and will be integrated and monitored in the future as part of the non-financial risks.

Specifically, climate-related risks are taken into account in the investment portfolio and in the products offered to Argenta's customers. In the first instance this has led to a reduction in investments in oil and CO₂ intensive companies. In addition, the CO₂ impact of funds has been monitored since the end of 2018.

With regard to physical risks, this mainly affects the homes that serve as guarantees for mortgage loans and that are located in regions exposed to extreme climatic events. These homes are insured against such risks. Argenta reinsures - with a certain excess for its own account - against catastrophe risks that can occur once every 200 years.

6.10 Ethics and integrity

Having good corporate governance framework significantly strengthens the commitment and dedication of all Argenta employees. For this reason, in addition to the strategic objectives, the Board of Directors also determines the Argenta values and the internal codes of conduct or formal rules, which determine how the company acts in a spirit of integrity and involvement with all of Argenta's stakeholders. These values and codes of conduct are communicated and promoted within Argenta. In 2018 this framework was updated and enshrined in the Integrity Charter. This charter

deals with Argenta's own focus values, but also with ethical standards for ensuring the integrity of the banking and insurance sector.

In addition to value-conscious and deontologically responsible conduct by Argenta, it is also important that employees safeguard their personal integrity. Given their model role, it is essential that management imposes strict rules of conduct on itself and sets a good example ('tone at the top').



There is no bonus culture among Argenta's management and employees. Not awarding variable remuneration is a deliberate governance choice, made to avoid the pursuit of short-term goals to the detriment of Argenta's longer-term objectives. For directors and Identified Staff (employees whose professional activities could materially influence the risk profile of an institution) the remuneration principles are the same as for other functions.



Their remuneration of branch managers, in combination with the product framework, is structured in such a way that it can not lead to taking irresponsible risks for the customer, reputational risk for Argenta or irresponsible sales practices.

Transparency is essential to promote integrity. Argenta therefore has an open organizational culture in which employees feel free and safe to raise practices that violate integrity or to express appreciation of good examples with a compliment. Everyone is expected to give

feedback to others and to be open to receiving it. Moreover, anyone encountering a breach of business ethics is expected to report it, regardless of whether the breach is incurred by the employee himself, a customer, another employee or an external party.

To stimulate the desired behaviour among employees, a 'DOPE' programme was introduced in 2018. The word 'DOPE' comes from the initial letters, in Dutch, of the focus values that all staff members should actively bear in mind in their daily work. These are:

1. **Close-at-hand:** all employees respect each other's opinions, share knowledge and experiences, are honest with

each other and enter into long-term relationships in which there is no room for self-interest. On top of this comes constant attention for the customer, so that there is an excellent service.

2. **Enterprising:** Employees undertake actions themselves to achieve the set goals and when they detect opportunities somewhere, to go for them.
3. **Pragmatic:** Argenta staff members go straight to the target, without detours. A good solution is one that is not unnecessarily difficult.
4. **Simple:** Communication with each other is clear and focused on essentials. Simple solutions should be sought that do not complicate matters unnecessarily.

In addition to the usual checks at the time of recruitment, Argenta permanently verifies its employees' compliance with the internal, legal and regulatory provisions relating to integrity and conduct.

The compliance function plays an important role in the enforcement of the policy set by Argenta. It was decided in 2018 to convert the compliance function, previously a sub-department, into the Compliance department, thereby underlining the continuing importance of integrity and the supervision thereof. The Argenta Group Compliance Officer, who also heads up the Compliance department, has a coordinating and initiating

Focuswaarden

DOPE

Dichtbij

- ✓ **Empathisch**
We staan open voor en begrijpen elkaars mening, ook als die afwijkt van onze eigen ideeën. We delen expertise en informatie open met elkaar en luisteren met aandacht naar elkaar.
- ✓ **Behulpzaam**
We staan steeds klaar om elkaar te helpen en kijken verder dan de grenzen van onze directe verantwoordelijkheid. We blijven alert voor situaties die onze hulp vereisen en wachten de vraag om hulp niet af.
- ✓ **Langtermijnrelaties**
Ook onder elkaar gaan we voor een langtermijnrelatie waar opportunisme geen plaats heeft. Om onze gemeenschappelijke doelen te realiseren ontwikkelen we duurzame, open en transparante relaties.
- ✓ **Integer**
We doen wat we zeggen en zeggen wat we doen. We zijn eerlijk en betrouwbaar, en we hebben respect voor elkaar en voor Argenta.

Ondernemend

- ✓ **Kansen signaleren en onderzoeken**
We staan stil bij en grijpen elke kans om onze producten en dienstverlening te optimaliseren. We maken tijd om kansen te bespreken met elkaar en om de mogelijkheden, pijnpunten en opportuniteiten te onderzoeken.
- ✓ **Verantwoordelijkheid nemen**
We nemen onze verantwoordelijkheid om niet alleen problemen snel en doeltreffend op te lossen, maar ook de door ons vooropgestelde doelen te realiseren.
- ✓ **Doorzetten**
We werken doelgericht en zonder dralen om onze doelen en projecten te realiseren. We ruimen obstakels uit de weg en blijven gaan voor een optimaal resultaat.

Pragmatisch

- ✓ **Van goede wil**
We komen elkaar graag tegemoet en stellen ons inschikkelijk op. We handelen oprecht, en durven reageren en onze mening uitspreken. We respecteren genomen beslissingen en handelen consequent om onze doelen te bereiken.
- ✓ **Zonder omwegen**
We gaan recht op ons doel af en zoeken eenvoudige, haalbare oplossingen zodat we snel vooruit gaan.
- ✓ **Optimaal productief**
We streven naar een optimale verhouding tussen inspanning en resultaat.

Eenvoudig

- ✓ **Klare taal**
We spreken klare taal en passen ons taalgebruik aan. We vermijden vakjargon en noemen de dingen bij naam.
- ✓ **Focus op de essentie**
We leggen de nadruk op de essentie en verliezen ons niet in details die er niet toe doen. Door te focussen op wat belangrijk is gaan we doortastend, efficiënt en gepast te werk.
- ✓ **Zonder franje**
We maken de dingen niet ingewikkeld. We vermijden onnodige poespas en werken doordacht aan eenvoudige oplossingen.



role in the implementation of the integrity policy, reporting on this to the Argenta Bank-en Verzekeringsgroep Executive Committee and Board of Directors.

Argenta has established a policy and procedures for employees to report information and complaints directly or indirectly (via Complaint Management, Compliance, Internal Audit) to senior management outside the normal hierarchical channels.

One single incident was reported in 2018. Whistle-blowers are protected against direct or indirect disciplinary measures or decisions with a similar effect.

Argenta offers its customers the opportunity to report complaints. In 2018 the handling time for complaints was on average 5 working days. The number of complaints has risen 35 % compared to 2017, with an outlier in the second quarter following the launch of the new 'Metro' banking platform (see 2. Milestone).

Anyone not satisfied with the efforts of the Argenta Complaints Management service is free to contact Ombudsfijn (the Banking - Credits - Investments mediation service) or the Insurance Ombudsman. Argenta Spaarbank is a member of Ombudsfijn, Argenta Assuranties of the Insurance Ombudsman system.

	2016	2017	2018
Total complaints received			
Total complaints received	2,946	2,606	3,536
Total number of complaints received regarding privacy violation	6	51	13

6.11 Taxes and contributions to the government, regulators and professional associations

The effective tax rate (IFRS) for Argenta is 25 % excluding bank levies and 58 % including bank levies. Bank levies rose by 3 % compared with 2017.

Argenta insists on paying taxes and other contributions and levies to the government in a correct and timely manner.

Countries		Activities		31.12.2017, in EUR				
		Revenue	Result before taxes	Current taxes	Deferred taxes	Total corporation tax	Subsidies received	Average head-count in FTE
EU Member State		627,470,356	269,604,438	-75,485,818	-672,460	-76,158,278	0	948
Belgium	Banking and insurance	381,760,532	88,520,006	-25,078,464	12,558,970	-12,519,494	0	892
Luxembourg	Other financial services	30,137,719	8,381,474	-2,490,103	0	-2,490,103	0	49
Netherlands	Banking and insurance	215,572,106	172,702,956	-47,917,251	-13,231,430	-61,148,681	0	7
Third country		0	0	0	0	0	0	0
Totaal		627,470,356	269,604,438	-75,485,818	-672,460	-76,158,278	0	948

Countries		Activities		31.12.2018, in EUR				
		Revenue	Result before taxes	Current taxes	Deferred taxes	Total corporation tax	Subsidies received	Average head-count in FTE
EU Member State		628,354,273	233,015,648	-74,410,072	15,820,494	-58,589,579	0	1,004
Belgium	Banking and insurance	343,121,893	20,844,490	-17,365,604	14,326,448	-3,039,156	0	940
Luxembourg	Other financial services	40,415,323	16,755,162	-4,231,533	0	-4,231,533	0	57
Netherlands	Banking and insurance	244,817,058	195,415,997	-52,812,935	1,494,046	-51,318,890	0	7
Third country		0	0	0	0	0	0	0
Totaal		628,354,273	233,015,648	-74,410,072	15,820,494	-58,589,579	0	1,004



6.12 Partnerships for sustainability

- Argenta considers it important to engage in organizations that focus on sustainability and social responsibility. Argenta has since 2014 been a partner of CIFAL Flanders, a training centre affiliated to UNITAR, the United Nations Institute for Training and Research. Argenta is a member of the board of directors. In 2018 Argenta received an official UNITAR certificate as a 'SDG Pioneer' from Cifal Flanders for its commitment to the 17 sustainable development goals of the United Nations.
- In addition, in 2018, Argenta signed the 'family-friendly organization' charter of the Gezinsbond (Belgian Family Association). This charter states that a good personnel policy also pays attention to the combination of work and family. In this way, Argenta employees have the option of part-time work and, telework, with parents of school-going children given priority when allocating vacation times.
- On 25 October 2018, Argenta became a partner of 'Sign for my Future'. This is a politically neutral citizens' initiative, with partners in the media, the business world and civil society, that wants to give Belgian politicians a positive mandate to pursue a bold climate policy. Argenta supports this initiative and opens its media channels to the 'Sign for my Future' campaign to be launched in spring 2019. Argenta recognizes the need to move to a CO₂ neutral Belgium. Efforts as a society will bring about a better world for future generations and a stronger and more sustainable economy.
- The city of Antwerp wants by 2020 half of all journeys in Greater Antwerp to be done by public transport, on foot or by bicycle. Through the partnership concluded with 'Smart to Antwerp' in 2018, Argenta, as a major employer in downtown Antwerp, is making its contribution to this.

6.13 Representation of interests in professional organizations

Argenta is a member of ESBG (European Savings and Retail Banking Group), an organization of European savings and retail banks. Through its ESBG membership, Argenta is also a member of the WSBI (World Savings Bank Institute). WSBI brings together savings and retail banks from 80 countries and in this way represents the interests of approximately 6,000 banks worldwide.

In Belgium and the Netherlands, Argenta defends its positions in Febelfin, the umbrella

federation for the Belgian financial sector, in Assuralia, the overarching organization of the Belgian insurance sector, and in NVB (the Dutch Banking Association). In Febelfin, Argenta is a member of various working groups and committees, including the Savings & Investment Committee, the Sustainable Finance Committee and the Steerco Sustainable Business and Regulatory Environment Committee.

6.14 Reporting Basis

The sustainability reporting is intended for all customers, branch managers, employees, cooperative and family shareholders, institutional investors, regulators, social representatives and others who are interested in the sustainability performance of the Argenta Bank- en Verzekeringsgroep and all underlying companies.

It covers the period from 1 January 2018 to 31 December 2018 and has been drawn up in accordance with the most recent reporting standard of the GRI, being the GRI Standards: Core option.

6.14.1 Data collection and validation

The information was gathered from the following Argenta departments: Marketing, Distribution, Product Management, IT,

Financial Management, Organisation & Talent, Legal, Procurement & Facilities, Compliance and Internal Audit, and Treasury & Investment.

The underlying companies and branches in the Netherlands were also consulted.

We worked mainly with data taken from internal reports. Argenta will take steps to be able to include in future sustainability reports those indicators that have not been available until now.

The information used for reporting on sustainability in this annual report has been monitored by the Secretary-General, reporting directly to the Chief Executive Officer (CEO). The CEO is also the director with designated responsibility for corporate social responsibility and its daily monitoring.

In addition, the board of directors involved in corporate social responsibility and reporting thereon. Each director has proofread the report and given feedback where necessary.

This report was approved by the Board of Directors.

6.14.2 Reporting standards

This sustainability report is based on external standards and guidelines. The auditor has checked that it has been prepared in accordance with GRI guidelines (option 4 - basis (core), including the indicators of the Financial Services Sector Supplement (FSSS)).

In addition, GRI has carried out the materiality audit to check the correct linkage between the GRI table and the annual report.

6.14.3 Scope (GRI 102-45)

Since 2012, Argenta has published every year a sustainability report as part of its full annual report. From 2014 onwards, the sustainability reporting has been woven into the traditional topics of the annual report and is therefore no longer captured in a separate chapter. This form of reporting is in line with the



Argenta philosophy, in which sustainability is viewed as an integral part of the banking and insurance activities.

The scope of the 2018 sustainability report consists of Argenta Bank- en Verzekeringsgroep nv, and the underlying companies (Argenta Spaarbank nv, with its branch office in the Netherlands, Argenta Asset Management sa, and Argenta Assuranties nv, with its branch office in the Netherlands).

The independent branches are not included since they fall under the direct responsibility



of the self-employed branch managers. Argenta nonetheless encourages them to endorse the commitments set out in this report. In this they are also supported by Argenta.

6.14.4 Differences in comparison to 2017 (GRI 102-48, 102-49)

The reporting method for 2018 complies with the GRI Standards. The GRI reference table is consequently structured in accordance with the GRI standards.

In terms of substantive scope and area of application there are no significant differences compared to last year. The recent changes to GRI 303 (water) and GRI 403 (health and safety) are not considered material for the services that Argenta offers.


6.15 Auditor verification of the content of GRI indicators

Argenta Bank- en Verzekeringsgroep NV/SA

Statutory auditor's report on the limited review conducted on selected CSR performance indicators published in the Activities and Sustainability Report of Argenta Bank- en Verzekeringsgroep NV/SA for the year ended 31 December 2018

Statutory auditor's report on the limited review conducted on selected CSR performance indicators published in the Activities and Sustainability Report of Argenta Bank- en Verzekeringsgroep NV/SA for the year ended 31 December 2018

To the board of directors

In our jurisdiction of statutory auditor of the company and pursuant to your instructions we have performed review procedures in order to obtain limited assurance concerning a selection of CSR indicators marked with a symbol  in the GRI reference table ("the CSR Data") published in the Activities and Sustainability Report of Argenta Bank-en Verzekeringsgroep NV/SA for the fiscal year ended at 31 December 2018 ("the Document"). Argenta Bank- en Verzekeringsgroep NV/SA reports according to the guidelines of the "Global Reporting Initiative" (GRI) ("GRI Standards") – option "Core".

The CSR Data are applicable to Argenta Bank- en Verzekeringsgroep NV/SA as well as the underlying entities (Argenta Spaarbank NV/SA and its branch office in The Netherlands, Argenta Asset Management SA, Arvestar Asset Management NV/SA, Argenta Assuranties NV/SA and its branch office in The Netherlands). The independent branches are not incorporated as they are subject to the direct responsibility of the independent branch managers.

The scope of our work is limited to the CSR Data relating to 2018. The statement mentioned below is therefore only applicable on these CSR Data. The other indicators and information included in the Document are not part of this assurance review. Furthermore, we do not provide any assurance concerning the achievability of the in the Document included future-oriented information such as objectives, expectations and ambitions of Argenta Bank- en Verzekeringsgroep NV/SA.

Responsibility of the board of directors

The board of directors of Argenta Bank- en Verzekeringsgroep NV/SA is responsible for the preparation of the Document in accordance with the applicable legal terms. Furthermore, the Board is responsible for the reported efforts and achievements within the domain of sustainability, the preparation of the CSR Data itself as well as applying the GRI Standards.

This responsibility entails the selection and application of appropriate measurement methods used to prepare the CSR Data, the reliability of the underlying information as well as the application of assumptions and reasonable estimations. In addition to this, the responsibility of the board of directors also entails the design, implementation and maintenance of an internal control system and procedures relevant to the preparation of the CSR Data.

Argenta Bank- en Verzekeringsgroep NV/SA

Statutory auditor's report on the limited review conducted on selected CSR performance indicators published in the Activities and Sustainability Report of Argenta Bank- en Verzekeringsgroep NV/SA for the year ended 31 December 2018


Nature and scope of work

Our responsibility is to express an independent conclusion on the CSR Data based on our limited review. Our assurance report has been made in accordance with the terms of our engagement letter.


We conducted our work in accordance with the international standard ISAE (International Standard on Assurance Engagements) 3000 (Revised).

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the CSR Data do not contain material misstatements. These procedures are less profound than the procedures of a reasonable assurance engagement.

The scope of our work included, amongst others the following procedures:

- Obtaining an understanding of the design and the operational structure of the systems and methods used to collect and process the CSR Data, the classification, consolidation and validation of these CSR Data as well as assessing the operational effectiveness of these systems used to determine the CSR Data marked with a symbol  in the GRI reference table as mentioned in the Document;
- Conducting interviews with responsible persons;
- Examining on a sample basis, internal and external sources of information in order to evaluate the reliability of the CSR Data and performing consistency checks on the consolidation of these CSR Data.

Conclusion

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the CSR Data marked with a symbol  in the Document are not in all material aspects prepared according to the GRI Standards.

Zaventem, 5 April 2019

The statutory auditor



Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises CVBA/SCRL
Represented by Dirk Vlamincx

Deloitte.

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises
Coöperatieve vennootschap met beperkte aansprakelijkheid/Société coopérative à responsabilité limitée
Registered Office: Gateway building, Luchthaven Brussel Nationaal 1 J, B-1930 Zaventem
VAT BE 0429.053.863 - RPR Brussel/RPM Bruxelles - IBAN BE 17 2300 0465 6121 - BIC GEBABEBB

Member of Deloitte Touche Tohmatsu Limited





07

Corporate governance

First row, seated (from left to right):

Elke Vanderhaeghe,
Baudouin Thomas,
Inge Ampe,
Cynthia Van Hulle,
Bianca Maenhout.

Second row (from left to right):

Emiel Walkiers,
Jan Cerfontaine,
Marc van Heel,
Bart Van Rompuy,
Marc Lauwers,
Marie Claire Pletinckx,
Ann Brands.

Third row (from left to right):

Carlo Henriksen,
Geert Van Hove.

On the stairs (from left to right):

Gert Wauters,
Raf Vanderstichele,
Geert Ameloot.



ARGENTA

7. Corporate governance

GRI 102-14, 102-18, 102-22, 102-24, 402-1



The composition of the Boards of Directors and the remuneration paid to the directors concerned are given below.

7.1 Operation and composition of the Boards of Directors

The Boards of Directors of Argenta Bank- en Verzekeringsgroep, Argenta Spaarbank and Argenta Assuranties have similar structures. They include in each case:

- the members of the Executive Committee of the company concerned (the executive directors);
- a number of independent directors;
- a number of directors representing the shareholders (together with the independent directors, the non-executive directors).

The Boards of Directors are composed in such a way that none of the three (the directors representing the shareholders, the independent directors, and the directors on the Executive Committee) has a majority. The majorities in the Boards are always formed by non-executive directors.

The number of directors in each Board of Directors should preferably not exceed fifteen.

Members of the Board of Directors must be natural persons.

In principle, directors' mandates are for six years and are renewable. The Board of Directors may permit exceptions to these rules on a case-by-case basis.

Independent directors are appointed with a view to attracting competencies in the Argenta Group's core activities, namely banking and insurance. Independent directors need to demonstrate broad experience in at least one of these core fields on the basis of their former or current activity. They must meet all the requirements stipulated in Article 526ter of the Companies Code.

The governance rules concerning independent directors seek to ensure an appropriate balance in the management of the various companies of the Argenta Group

between the representation of the group's interest and the protection of the interests (of the stakeholders) of the individual Group companies.

The division of tasks between the Boards of Directors and the interaction with the various committees are documented in the Internal Governance Memorandum.

At the end of 2018 the Boards of Directors of Argenta Bank- en Verzekeringsgroep Group (BVg), Argenta Spaarbank (Aspa) and Argenta Assuranties (Aras) were composed as follows:

- Jan Cerfontaine, chairman of the board (BVg, Aspa and Aras), member of the Appointments Committee (BVg) and the Risk Committee (Aspa and Aras)
- Geert Ameloot, executive director and CFO (BVg, Aspa and Aras)
- Inge Ampe, executive director and COO (Aspa and Aras)
- Ann Brands, executive director and COO (Aspa and Aras)
- Carlo Henriksen, non-executive and independent director (BVg and Aspa), chair of the Risk Committee (Aspa), chair of the Appointments Committee (BVg), chair of the Remuneration Committee. (BVg)
- Marc Lauwers, executive director and CEO (BVg, Aspa and Aras)
- Marie Claire Pletinckx, non-executive and

independent director (Aras), chair of the Audit Committee (Aras), chair of the Risk Committee (Aras)

- Baudouin Thomas, non-executive and independent director (Aspa and Aras), member of the Audit Committee (Aspa and Aras), member of the Risk Committee (Aspa and Aras)
- Marc van Heel, non-executive director (BVg, Aspa and Aras), member of the Risk Committee (Aspa and Aras)
- Geert Van Hove, executive director and CIDO (Aspa and Aras)
- Cynthia Van Hulle, non-executive director (BVg, Aspa and Aras)
- Raf Vanderstichele, non-executive and independent director (BVg and Aspa), chair of the Audit Committee (Aspa), member of the Risk Committee (Aspa), member of the Remuneration Committee (BVg).
- Bart Van Rompuy, non-executive director (BVg, Aspa and Aras), member of the Audit Committee (Aspa and Aras), member of the Appointments Committee (BVg)
- Emiel Walkiers, non-executive director (BVg, Aspa and Aras), member of the Remuneration Committee (BVg)
- Gert Wauters, executive director and CRO (BVg, Aspa, Aras)

7.2 Advisory bodies of the Boards of Directors

Audit committees and risk committees

Separate audit and risk committees have been set up within the boards of directors of Argenta Spaarbank and Argenta Assuranties. At Argenta Spaarbank, both committees are chaired by an independent director not belonging to the Board of Directors of Argenta Assuranties. At Argenta Assuranties, both committees are chaired by an independent director not belonging to the Board of Directors of Argenta Spaarbank. The (limited) specific activities of Argenta Bank- en Verzekeringsgroep are overseen by the Audit Committee and the Risk Committee set up within the Board of Directors of Argenta Spaarbank.

The Audit Committee supports the Board of Directors in fulfilling its duty of oversight of the financial reporting process, the internal system, the audit process and the process for monitoring compliance with legislation and regulations.

The Risk Committee assists the Board of Directors in monitoring the implementation of the strategy by the Executive Committee. In accordance with the Governance Memorandum, this includes determining the nature, scope, form and frequency of the information on the risks that the Board of Directors wishes to receive.

The Risk Committee also discusses the advice of the Compliance function regarding remuneration policy.

Remuneration Committee and Appointments Committee

One remuneration committee and one appointment committee are active within Argenta. These are set up within the Board of Directors of Argenta Bank- en Verzekeringsgroep. Based on a waiver granted by the supervisory authority, they operate at group level. No separate appointment committees have been set up within the Boards of Directors of either Argenta Spaarbank or Argenta Assuranties.

The Remuneration Committee advises on the remuneration policy of the members of the Board of Directors, of those employees whose professional activities can have a material impact on Argenta (the "identified staff") and on that of all other employees of the Argenta Group. It monitors the evolution of compensation within the Argenta Group, and ensures that the remuneration policy promotes a solid risk culture and makes general recommendations to the Board of Directors. For this, it also examines annually whether remuneration of the Argenta Group is in line with the remuneration policy.



**First row
(from left to right):
Ann Brands and
Geert Van Hove**
**Second row
(from left to right):
Inge Ampe,
Geert Ameloot,
Marc Lauwers and
Gert Wauters**

The Appointments Committee is tasked with assisting the Boards of Directors of the Argenta Group companies and advising them on assuming their responsibilities and on taking the necessary decisions with regard to the composition, structure and functioning of the Board and of the Executive Committee. For

this the Committee examines the performance of the Boards of Directors and of the Executive Committees of the Argenta Group companies, as well as the performance of the individual members and prepares the succession planning in the two bodies.

7.3 Executive committees and effective management of Argenta

The Executive Committee of Argenta Bank-en Verzekeringsgroep stipulates the limits within which the various group companies can perform their activities and exercise their responsibilities. The Executive Committees of the Argenta Group companies met regularly during the past year, in principle weekly. At these meetings various relevant topics were on the agenda, including the development, approval and regular update of the mission, vision and values as these relate to economic, social and environmental issues.

The Executive Committee consists of the chairman, Marc Lauwers (*CEO - chief executive officer*), Geert Ameloot (*CFO - chief financial officer*), Inge Ampe (*CCO - chief commercial officer*), Ann Brands (*COO - chief operations officer*), Geert Van Hove (*CIDO - chief information & digital officer*) and Gert Wauters (*CRO - chief risk officer*).

Policy decisions related to corporate social responsibility (including economic,

environmental and social impact) are monitored directly by the CEO.

The mission and the composition of the Executive Committees are defined with a view to the maximum operational integration of the individual companies in the interest of the group.

The Dutch branch office (bank and insurance) is headed by Ronald Touwslager (CEO) and Sander Blommaert (CFRO).

The Luxembourg management company (AAM) is headed by Grégory Ferrant (CEO) and Michel Waterplas.

The management company Arvestar Asset Management is headed by Vincent Vanbellingen (CEO) and Rudolf Sneyers (CRO).

On 26 April 2018, Anne Coppens resigned as CCO. She was succeeded as of 1 October 2018 by Inge Ampe.

7.4 Suitability and assessment

The 'Suitability of Key Executives' Charter produced for the Argenta Group, including the foreign subsidiary Argenta Asset Management and the Dutch branch offices, sets out the governance and structured framework that Argenta has put in place to ensure the suitability of its key executives.

'Suitability' means that the person in question has the expertise (fit) and professional integrity (proper), as specified in the NBB Circular of 2 October 2018 on the 'expertise' and 'professional integrity' required of executive committee members, directors, heads of independent control functions and effective senior managers of financial institutions.

'Key executives' refers to directors or statutory auditors, executive committee members, senior managers, and heads of independent

control functions (internal audit, risk management, compliance, and actuarial function), in accordance with the above NBB circular.

In addition to assessing the suitability of individual directors based on the stated eligibility criteria, the Board also periodically evaluates its operation, its performance and the performance of individual directors.

An assessment of the working and effectiveness of the Board of Directors took place at the end of 2018. The results were presented in spring 2019 and the necessary actions taken.

7.5 External appointments and personal interests of the directors

Each director is encouraged to organize his personal and professional activities in such a way as to avoid conflicts of interest with the Argenta Group. The Boards of Directors of the Argenta companies have, in their internal rules of procedure, established policies, including organizational and administrative

arrangements (including keeping information on the application of the same), and procedures for identifying and forestalling conflicts of interest or, where this is not reasonably possible, managing the conflicts of interest without jeopardizing the interests of customers.

7.6 Remuneration of executive management

The remuneration of the executive and non-executive directors of the Argenta Group companies is established by the Boards of Directors following a proposal from the

Remuneration Committee. This proposal is also presented to the general meetings of the respective companies for ratification.



Remuneration of the non-executive directors

The remuneration of the non-executive members of the Board of Directors of the Argenta Group companies consists solely of a fixed remuneration established by the respective general meetings. They do not receive variable remuneration of any kind. This remuneration is the same for all independent directors and directors representing the shareholders.

Non-executive directors receive an additional fee for each meeting attended when participating in special committees set up within the Board of Directors (Audit Committee, Risk Committee, Appointments Committee, Remuneration Committee). This fee is the same for all members of such a committee, but with the chair receiving a higher fee.

The chair of the respective Boards of Directors is a director representing the family shareholder. He receives a fixed remuneration which differs from that of the other non-executive directors. He receives no additional fees per attended meeting. Besides the fixed annual remuneration, the Chairman of the Board also enjoys the benefits of an IPT (Individual Retirement Commitment).

No severance pay exists for non-executive Board members.

Remuneration of executive directors

Executive directors receive a fixed annual remuneration. They do not receive variable remuneration of any kind. In this way their pay does not contain elements that could encourage the pursuit of short-term objectives that are inconsistent with the Argenta Group's long-term objectives.

The remuneration meets the provisions of the CBFA Regulation of 8 February 2011 concerning the remuneration policies of financial institutions, as well as the provisions of the Banking Act. The remuneration is the same for all members of the Executive Committees, with the exception of the Chairman.

In addition to the fixed annual remuneration, executive directors also benefit from three group policies (pension capital, disability and hospitalization insurance).

Severance pay

Executive directors are entitled to a severance payment which, except for withdrawal of the mandate due to serious misconduct, is equal to 18 months' remuneration. The amount of this remuneration is based on the annual gross remuneration, calculated over the 24 months prior to the decision to terminate the contract, or calculated over the entire period of the mandate if less than 24 months. This compensation gradually decreases from the age of 58.



7.7 Diversity in the Boards of Directors and Executive Committees

- 4 out of the 15 directors at Argenta are female (26.7 %). Argenta has targeted having at least 30 % female directors by 2020.
- Of the six members of the Executive Committee, two are female (33.3 %). Argenta maintains its target of having at least 30 % female Executive Committee members.





08

Contact data



ARGENTA



8. Contact data

GRI 102-53

8.1 Information

The annual report of Argenta Bank- en Verzekeringsgroep nv is published in Dutch, French

and English. Questions related to these reports can be directed to secretariaatdc@argenta.be or by telephone to +32 3 285 50 65

8.2 Complaints Management

If you have a complaint or comment concerning the Argenta Group's services, we request that you first get in touch with the branch where you are a customer. Our branch managers are always ready and willing to do all they can to help.

If you are not satisfied with the outcome, you can then contact Argenta Group's Complaint Management service.

Complaints management

Belgiëlei 49-53

B-2018 Antwerp

Tel: +32 3 285 56 45

Fax: +32 3 285 55 28

klachtenbeheer@argenta.be

8.3 Overview of the Argenta companies

MANAGEMENT HOLDING COMPANY

Argenta Bank- en Verzekeringsgroep NV
Belgiëlei 49-53
B-2018 Antwerp
RPR Antwerpen VAT BE
0475.525.276 +32 3 285 51 11
info@argenta.be

CREDIT INSTITUTION

Argenta Spaarbank NV,
Belgiëlei 49-53
B-2018 Antwerp
RPR Antwerpen
VAT BE 0404.453.574
+32 3 285 51 11
info@argenta.be

INSURANCE COMPANY

Argenta Assuranties NV,
Belgiëlei 49-53
B-2018 Antwerp
RPR Antwerpen
VAT BE 0404.456.148
+32 3 285 51 11
info@argenta.be

Netherlands branch office

Stadionstraat 2
NL-4815 NG Breda
Chamber of Commerce: 34193645
VAT number: NL812949717B01
Tel: +31 76 543 30 85
secretariaat.nederland@argenta.nl

Netherlands branch office

Stadionstraat 2
NL-4815 NG Breda
Chamber of Commerce: 68915136
Tel: +31 76 543 30 85
secretariaat.nederland@argenta.nl

MANAGEMENT COMPANY

Argenta Asset Management SARL
27, Boulevard du Prince Henri
L-1724 Luxembourg
R.C. Luxembourg B 35185
Tel +352 22 26 55
info@argenta.lu

MANAGEMENT COMPANY

Arvestar Asset Management SA/NV
Guimardstraat 19
1040 Brussels (Etterbeek)
RPR 0700.529.248
info@arvestar.be





09

GRI

**Content
Index**



ARGENTA



9. GRI Content Index

GRI 102-55

The GRI Materiality Disclosure Service checks whether the General Standard Disclosures have been included in the correct places in both the GRI Context Index and in the final text of this annual report. The GRI Materiality Disclosure Service does not, however, verify the content of these disclosures. All GRI Disclosures and Topic-specific Standards below are the most

recent (2016) version. This Activities and Sustainability Report is based on external standards and guidelines. The auditor assesses that the report has been prepared in accordance with GRI standards ('GRI Standards')- 'Core' option. The indicators of the Financial Sector Supplement (FSSS) have also been included.



Disclosure Number	GRI standard description ENG	Reference 2018 annual	External verification	SDG
100 Universal Standards				
GRI 101 : Foundation 2016				
GRI 102 General				
1. Profile of the organization		Chapter		
102-1	Name of the organization.	4	✓	
102-2	Primary products, activities and services.	4.3 4.4 5.2	✓	

102-3	Country where the headquarters is located.	4	
102-4	Operational structure (overview of countries where the organization operates or that are relevant to sustainability).	4	
102-5	Nature of ownership and legal form.	4	
102-6	Markets (including geographic locations where products and services are offered, A1:E79 and types of customers).	4.3 4.4	
102-7	Scale of the organization (including total number of employees, operations, net sales, total capitalization and quantity of products or services).	3.1 6.5.2	
102-8	Total number of employees: - Number of employees by employment contract (permanent or temporary) and gender. - Number of employees by employment contract (permanent and temporary) and region. - Number of employees by type of work (full-time/half-time) and gender. - Please report whether a substantial part of the work of the organization is performed by people who are not employees. If applicable, the nature and extent of the work done by non-Argenta employees. - Report any significant variations in employment numbers. - Please explain how the data were collected including assumptions.	6.5	
102-9	A description of the supply chain, including the main elements relating to activities of the organization, primary brands, products and services.	4 6.6	
102-10	Significant changes during the reporting period regarding the organization's size, structure, ownership or its value chain. - Changes in the location of, or changes in operations, including openings, closings and expansions. - Changes in the share capital structure and other assets. - Changes in the location of suppliers, the structure of the value chain, or in relationships with suppliers, including selection and termination.	2 4.4	
102-11	Information on the application of the precautionary principle at Argenta.	6.9	
102-12	Externally developed economic, environmental and social charters, principles or other initiatives to which the organization subscribes or which it has endorsed.	6.8	
102-13	An overview of key memberships in associations (such as professional associations) or national/international advocacy organisations.	6.12	

2. Strategy

102-14	Statement by the Chairman of the Board of Directors about the relevance of sustainability to the organization and to its strategy for addressing sustainability.	1 6.9 7.3	
102-15	Description of key impacts, risks and opportunities.	6.9	

3. Ethics and integrity

102-16	Overview of the organization's values, principles, standards and norms of behaviour, such as dress codes and ethical codes.	6.10	✓
102-17	Report internal and external mechanisms for reporting: - Unethical or illegal behaviour (e.g. help lines or advice lines). - Issues that impact organizational integrity (e.g. escalation to line management, whistle-blower mechanisms and hotlines).	6.10	✓

4. Governance

102-18	Report the following information: - Governance structure of the organization, including committees of the highest governance body. - Committees responsible for decision-making on economic, environmental and social issues.	7	
102-21	Process for consultation between stakeholders and the highest governance body on economic, ecological and social issues. If consultation is delegated, describe the feedback process to the highest governance body.	6	✓
102-22	Composition of the highest governance body and its committees: - Executive or non-executive. - Independence. - Duration of mandates. - Other important positions and commitments per person and the nature of these commitments. - Gender. - Membership of under-represented groups in society. - Competences in the field of economic, social and environmental issues. - Stakeholder representation.	6.5.8 7	
102-24	Nomination and selection process for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members (diversity, independence, knowledge and experience relating to economic, environmental and social topics, how stakeholders (including shareholders) are involved.).	7	


5. Stakeholder Engagement

102-40	List of the organization's stakeholder groups.	6.2 (pag 52)	✓
102-41	Percentage of employees covered by collective bargaining agreements.	6.5.3 (pag 72)	
102-42	Basis for identification and selection of stakeholders with whom to engage.	6.2 (pag 52)	✓

102-43	The organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of this engagement was undertaken as part of the preparation of the Sustainability Report.	6.2 (pag 52)	✓
102-44	Key topics and concerns that have come up through stakeholder engagement, and how the organization has responded (including through its reporting). Report the stakeholder groups that raised each of the key topics and concerns.	6.2 (pag 52)	✓

6. Reporting

102-45	List of the entities included in the organization's consolidated financial statements (or equivalent documents) List of the entities that are not included in the sustainability report compared with the entities in the consolidated financial statements (or equivalent).	4 (pag 26) 6.14 (pag 90)	✓
102-46	Process for defining the report content and topic boundaries. Explain how the reporting principles have been implemented.	6.14 (pag 88) 6.2 (pag 52)	✓
102-47	List the material aspects identified in the process of defining report content.	6.2 (pag 52)	✓
102-48	Reformulation of information provided in previous reports, and the reasons.	6.14 (pag 91)	✓
102-49	Significant changes from previous reporting periods in the list of material topics and topic boundaries.	6.14 (pag 91)	✓
102-50	Reporting period.	6.14 (pag 90)	✓
102-51	Date of most recent previous report.	6.14 (pag 90)	✓
102-52	Reporting cycle.	6.14 (pag 89)	✓
102-53	Contact person.	8 (pag 107)	✓
102-54	"This report has been prepared in accordance with the GRI standards: Core Option.	6.14 (pag 90)	✓
102-55	The GRI reference table in which each of the GRI standards is included and an overview of all the disclosures in the report is displayed. For each disclosure, the content index shall include: - The number of the disclosure (for disclosures covered by the GRI standards). - The page number(s) or URL(s) where the information can be found, either within the report or in other published materials. - If applicable, and where permitted, the reason(s) for omission when a required disclosure cannot be made.	9	✓

102-56	<p>A description of the organization's policies and current practices regarding the external validation of the report. Where the report has been validated externally, the following items are included:</p> <ul style="list-style-type: none"> - a reference to the external report, the statements or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; - the relationship between the organization and the assurance provider; - whether and how the highest governance body or senior executives are involved in seeking external assurance for the organization's sustainability report. 	6.14	
--------	--	------	---

200 Economic Indicators

GRI 201 Economic performance indicators

103-1	Explanation fo the material topic and its Boundaries.	6.2
103-2	The management approach and its components.	3
103-3	Evaluation of the management approach.	3
201-1	Direct economic value generated and distributed.	3




GRI 202 Market presence

103-1	Explanation fo the material topic and its Boundaries.	6.2
103-2	The management approach and its components.	5
103-3	Evaluation of the management approach.	5
202-1	Ratio of the entry-level wage with the local minimum wage at significant locations of operation.	6.5



GRI 203 Indirect economic impact

103-1	Explanation fo the material topic and its Boundaries.	6.2	
103-2	The management approach and its components.	3	
103-3	Evaluation of the management approach.	3	
203-1	<ul style="list-style-type: none"> - The extent of the development of significant investments in infrastructure and services. - The current or expected impacts on communities and the local economy including positive and negative impacts where relevant. - Whether these investments and services are commercial, in-kind, or pro bono engagements. 	5.2.1 6.4	



GRI 205 Anti-corruption

103-1	Explanation fo the material topic and its Boundaries.	6.2
103-2	The management approach and its components.	6.10

103-3	Evaluation of the management approach.	6.10	
205-1	Total number and percentage of operations analysed for risks related to corruption.	6.4 6.10	



300 Climate

GRI 305 Emissions

103-1	Explanation fo the material topic and its Boundaries.	6.2	
103-2	The management approach and its components.	6.7	
103-3	Evaluation of the management approach.	6.7	
305-1	Total direct greenhouse gas emissions (scope 1) in tons of CO ₂ , including specifying the base year used for the calculation, origin of the data, GWP ratios used.	6.7	✓
305-2	Total indirect greenhouse gas emissions (scope 2) in tons of CO ₂ , including specifying the base year used for the calculation, origin of the data, GWP ratios used.	6.7	✓
305-3	Other relevant indirect greenhouse gas emissions (scope 3) in tons of CO ₂ , including specifying the base year used for the calculation, origin of the data, GWP ratios used.	6.7	✓
305-4	Intensity of greenhouse gas emissions, including the organization-specific metric (the denominator) chosen to calculate the ratio, the types used to calculate greenhouse gas emissions, namely direct (scope 1), energy indirect (scope 2), and/or other indirect (scope 3), the gases that are included in the calculation.	6.7	✓
305-5	Reduction in greenhouse gas emissions in tons of CO ₂ , including specifying the base year used for the calculation, the scope in which the reductions took place, and methodologies used.	6.7	✓



400 Social performance indicators

GRI 401 Employment

103-1	Explanation fo the material topic and its Boundaries.	6.2	
103-2	The management approach and its components.	6.5	
103-3	Evaluation of the management approach.	6.5	
401-1	Total number and rate of employee turnover by age group, gender and region.	6.5	✓





GRI 402 Labour relations


103-1	Explanation fo the material topic and its Boundaries.	6.2	
103-2	The management approach and its components.	6.5	
103-3	Evaluation of the management approach.	6.5	
402-1	Minimum notice period(s) in respect of operational changes, including whether this is specified in collective agreements.	6.5	




GRI 404 Training and Education

103-1	Explanation fo the material topic and its Boundaries.	6.2		
103-2	The management approach and its components.	6.5		
103-3	Evaluation of the management approach.	6.5		
404-1	Average hours of training per year per employee by employee category and gender.	6.5	✓	
404-3	Percentage of employees receiving regular performance and career development information.	6.5	✓	

GRI 405 Diversity and equal opportunity

103-1	Explanation fo the material topic and its Boundaries.	6.2		
103-2	The management approach and its components.	6.5		
103-3	Evaluation of the management approach.	6.5		
405-1	Composition of governance bodies and breakdown of employees according to gender, age group, minority group membership and other diversity indicators.	6.5	✓	

GRI 406 Non-discrimination

103-1	Explanation fo the material topic and its Boundaries.	6.2		
103-2	The management approach and its components.	6.10		
103-3	Evaluation of the management approach.	6.10		
406-1	Total number of incidents of discrimination and measures taken.	There were no known cases of discrimination in 2018		

GRI 417 Product and service labelling

103-1	Explanation fo the material topic and its Boundaries.	6.5		
103-2	The management approach and its components.	5.2		
103-3	Evaluation of the management approach.	5.2		
417-1	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	The product data sheets of Argenta's banking products are available on the website in Dutch and French.		

GRI 418 Customer data privacy

103-1	Explanation fo the material topic and its Boundaries.	6.2		
103-2	The management approach and its components.	6.10		

103-3	Evaluation of the management approach.	6.10	
-------	--	------	--

418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	6.10	✓
-------	--	------	---



Financial Sector Supplement

GRI 413: Local communities

103-1	Explanation fo the material topic and its Boundaries.	6.2	
-------	---	-----	--

103-2	The management approach and its components.	5.2	
-------	---	-----	--

103-3	Evaluation of the management approach.	5.2	
-------	--	-----	--

FS14	Initiatives to improve access to financial services for socially disadvantaged persons.	5.2	✓
------	---	-----	---

GRI 417: Product and service labelling

103-1	Explanation fo the material topic and its Boundaries.	6.5	
-------	---	-----	--

103-2	The management approach and its components.	5.2	
-------	---	-----	--

103-3	Evaluation of the management approach.	5.2	
-------	--	-----	--

FS6	Percentage van portfolio per businesslijn per regio, grootte en sector.	3 5.3	
-----	---	----------	--



FS7	Monetaire waarde van producten en diensten ontworpen om specifieke sociale voordelen te verkrijgen per businesslijn en per doel.	5.2	
-----	--	-----	--



FS10	Percentage and number of companies in the business portfolio with which the reporting organization has communicated with regard to environmental and social issues.	6.4	
------	---	-----	--



External partners have all subscribed to the United Nations Principles for Responsible Investment (UN PRI).



FS11	Percentage of assets that have undergone positive or negative environmental and social screening.	6.4	
------	---	-----	--





Argenta Bank- en Verzekeringsgroep nv

Belgiëlei 49-53

B-2018 Antwerpen

RPR ANTWERPEN 0475.525.276

Uw appeltje voor de dorst • www.argenta.be