

Aegon Bank N.V. Conditional Pass-Through Covered Bond Programme

Investor presentation

March 2017

Helping people achieve a lifetime of financial security



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A photograph of a modern office interior with large windows overlooking a city skyline at sunset. The scene is filled with silhouettes of business professionals. On the left, a man in a blue shirt talks on a mobile phone while holding a document. In the center, a woman in a dark suit works on a laptop. To her right, a man and a woman in business attire are engaged in a discussion, with the woman pointing towards something off-camera. On the far right, two men in suits are looking at a laptop together. The floor is highly reflective, mirroring the figures and the warm, golden light from the windows. The overall atmosphere is professional and collaborative.

Introduction

Executive Summary

Aegon Bank N.V.'s profile

- Aegon Bank N.V. is strategically important to Aegon N.V.
- The activities of Aegon Bank N.V. show sound financials and the operations are strongly tied into Aegon Group
- Aegon NL is one of the top 5 lenders in the Dutch residential mortgage market and has demonstrated the flexibility to adjust to changing market conditions
 - Higher sales volumes in a decreasing mortgage market
 - Decreased risk profile of the loan portfolio
- Covered Bonds enable Aegon N.V. and Aegon Bank N.V. to diversify funding sources next to the RMBS – Saecure programme
- Aegon Bank launched a successful inaugural Cover Bond in Q4 2015 followed by a second issuance in Q2 2016
- Aegon Bank N.V. is expected to be a committed issuer
- Aegon Bank N.V. is key in the strategy of Aegon N.V. to enable customers to take responsibility for their financial future by offering:
 - insight and oversight to the customer
 - low cost transparent products for individual wealth accumulation
- Substantial investments have been made to set up Knab

Aegon Bank N.V. Capital Management Medium Term Targets*

	Medium term targets	H1 2016
• Common Equity Tier 1 ratio ¹ (%)	>15	17.6

Mortgage portfolio

- Aegon NL has a high quality and low risk mortgage lending business
 - Predominantly NHG guaranteed mortgage loans
 - Broad distribution channel
 - Conservative underwriting criteria linked to robust application process
 - Reliable servicing
- The historical performance of Aegon NL's residential mortgage loan portfolio has been stable over the last ten years
- Successful arrears management and recovery procedures resulted in minimal default and loss rates
- Aegon NL's portfolio of prime residential mortgage loans amounted to EUR 34.2 billion (including fee business) at H1 2016
- Through H1 2016 Aegon Bank N.V. increased its mortgage portfolio from EUR 6.0 billion to EUR 7.1 billion

Aegon Bank N.V. - Solid performance on all key financials*

	H1 2016	2015	2014
• Common Equity Tier 1 ratio ¹ (%)	17.6	16.3	13.6
• Leverage ratio (fully loaded) (%)	3.8	3.9	4.6
• Total assets (EUR bn)	11.6	10.4	9.0

¹Phased in Common Equity Tier 1 ratio

* Unaudited figures.

Aegon at a glance



Focus

Life insurance, pensions & asset management for **30 million customers**



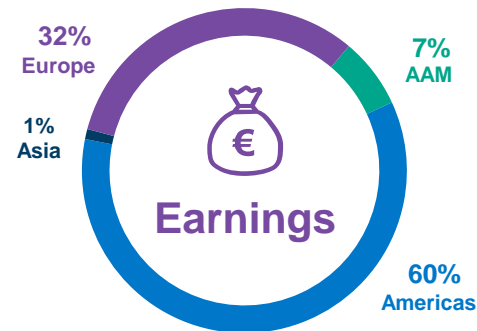
History

Our roots date back to the first half of the **19th century**



Employees

Over 29,000 employees
(December 31, 2016)



Earnings

Underlying earnings before tax of **EUR 1.9 billion**
(December 31, 2016)



Investments

Revenue-generating investments are **EUR 743 billion**
(December 31, 2016)

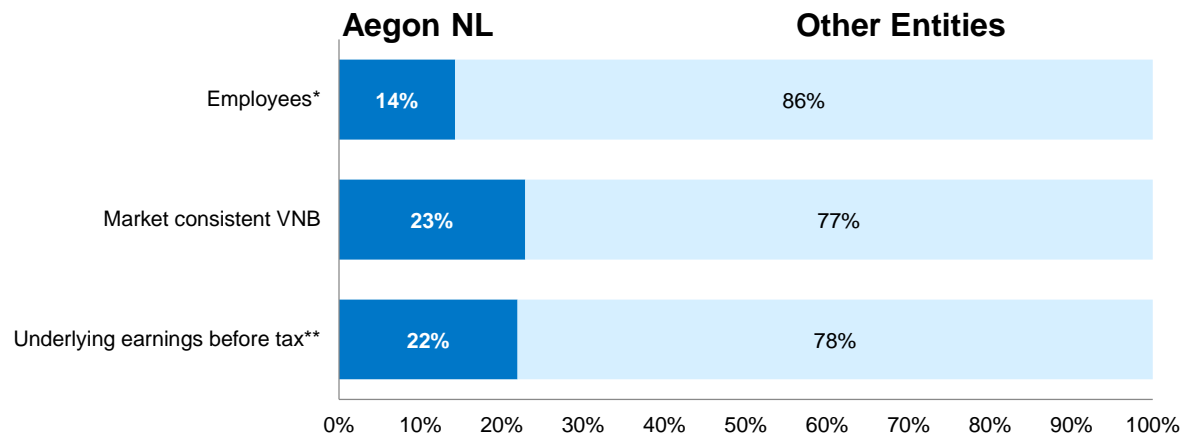
Aegon Netherlands N.V. (“Aegon NL”)

Underlying earnings before tax

EUR millions	2016 Q4
Life and Savings	71
Pensions	48
Non-life	12
Distribution & associates	3
Underlying earnings before tax	134

- Aegon NL is wholly owned by Aegon N.V. and a core member of the Aegon group
- Aegon NL offers a wide range of financial products and services to its clients, including pensions, insurance (life and non-life), mortgage loans, savings and investment products
- Beginning April 1, 2011 all newly originated mortgage loans are underwritten by Aegon Hypotheken B.V., a 100% subsidiary of Aegon Netherlands N.V.; mortgage loan servicing continues to be performed by Aegon Leven
- Through Q4 2016, Aegon NL represented 22% of Aegon’s total underlying earnings before tax. Aegon Hypotheken & Aegon Bank account for EUR 32 million underlying earnings
- Aegon Leven and Aegon Schade have a AA- (Negative) Insurer Financial Strength Rating from Standard & Poor’s

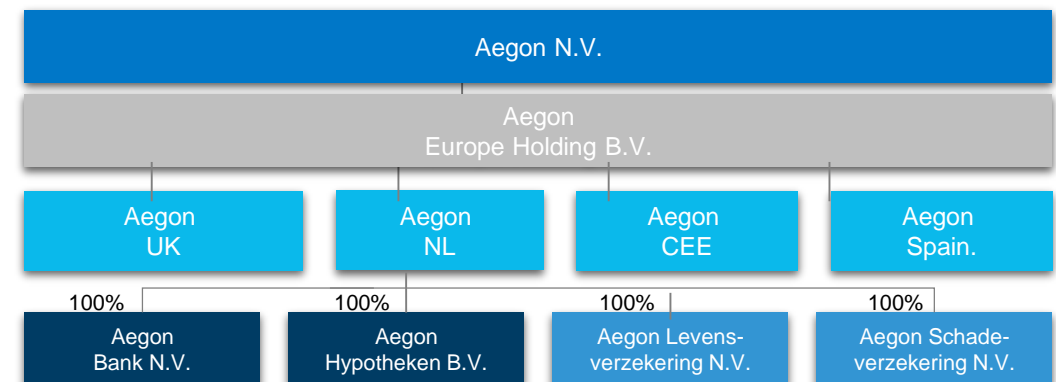
Aegon NL 2016 Q4 results as a % of total



*Year-end 2015 numbers

**Excludes negative contribution from Holdings

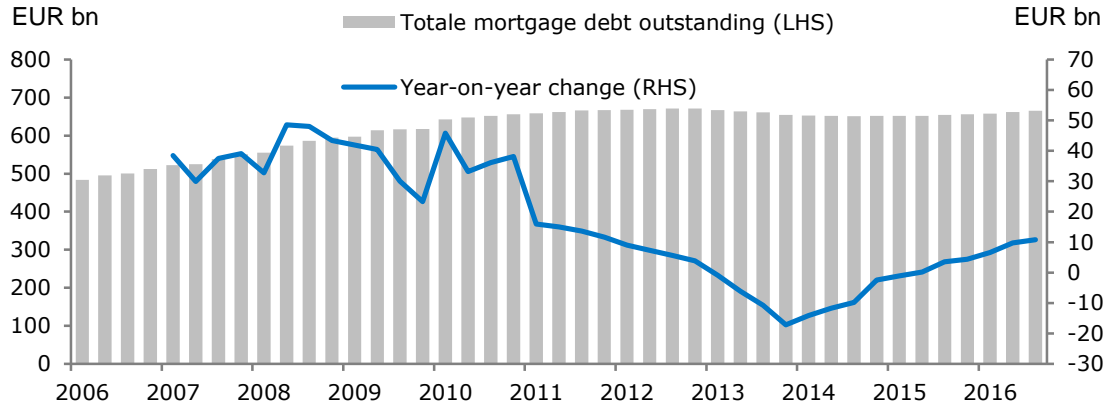
Simplified Aegon NL Structure



Successful Dutch mortgage loan operation

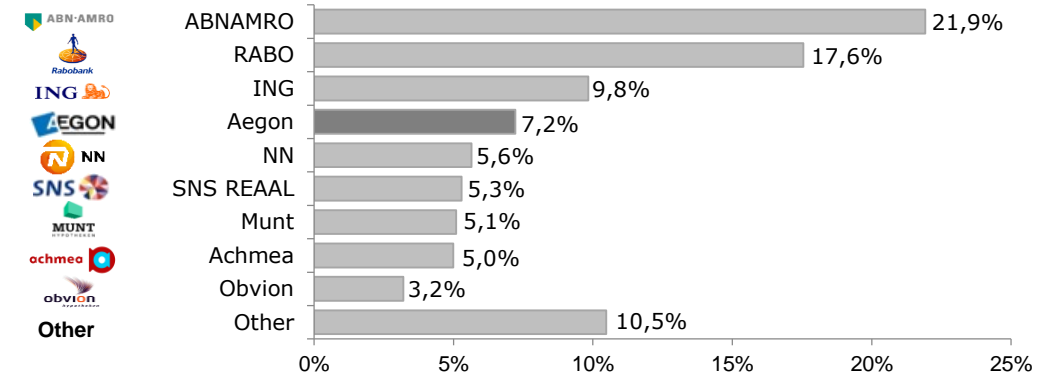
Mortgage debt outstanding

Source: Dutch Central Bank



Mortgage lending market share in the Netherlands

(FY 2016); Source: Land Registry (Kadaster)



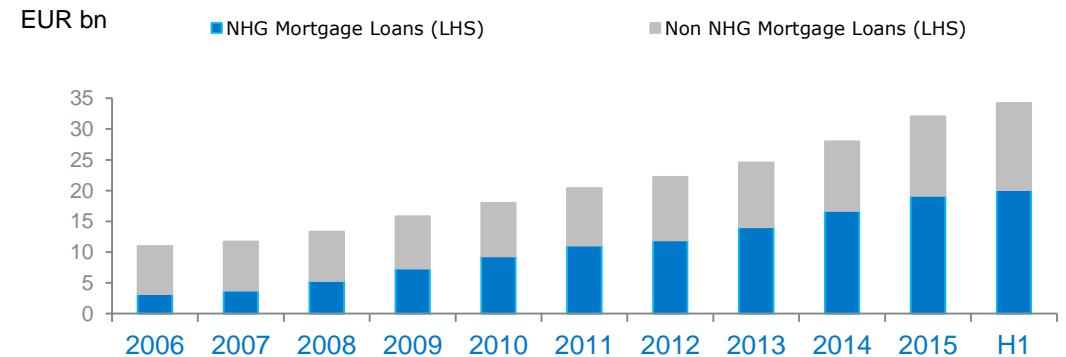
Overview of the Dutch mortgage market

Source: DNB, Land Registry (Kadaster)

- Per Q3 2016 the total outstanding residential mortgage debt in the Netherlands was EUR 665 billion
- New mortgage lending through 2016 was EUR 81 billion
- Mortgage originators in the Netherlands include banks, insurance companies and specialized mortgage originators
- The mortgage loan portfolio of Aegon NL grew significantly over the last years. Aegon views mortgage loans as an attractive asset class for its balance sheet, which offer a good risk and return profile

Mortgage loan portfolio Aegon NL

Source: Aegon (2006 – H1 2016)



Diversified funding supports strong mortgage origination capabilities

Competitive advantages



- Strong position with Independent Financial Advisors
- Straight through processing
- Leading mid-office capabilities
- Active in all maturities
- One IT platform

Origination vehicle
Aegon Hypotheken^{**}

Mortgage allocation

- Vertical slice allocation

Nominal mortgage amounts per June 2016 (in EUR bn)

		Comments
~7* ≈	 knab	<ul style="list-style-type: none"> • Mostly short interest rate reset periods • Offering products to clients on both sides of the balance sheet
~4 ≈	RMBS – Saecure programme	<ul style="list-style-type: none"> • Funding diversification • Low spreads
~8 ▲	 Fee business	<ul style="list-style-type: none"> • Full risk transfer • Attractive fee business
~15 ≈	Life & Pension	<ul style="list-style-type: none"> • Long-dated assets • Good match against liabilities
<1 ▼	Non-life	<ul style="list-style-type: none"> • Mostly variable rate mortgages • Supports investment income

* Bank with RMBS (Saecure 13 NHG) and Covered Bonds

** Mortgage origination vehicle since 2011. Prior to this Aegon Levensverzekering (Aegon Life) was the origination vehicle.

Ratings reflective of strong capitalization and prudent risk management*

Aegon N.V. Issuer Credit ratings

Ratings	Long-term	Short-term
Standard & Poor's	A-, Negative	A-2
Moody's	A3, Negative	P-2
Fitch	A-, Stable	F2

Aegon Insurance Financial Strength ratings

Ratings	Aegon USA	Aegon NL	Aegon UK
Standard & Poor's	AA-, Negative	AA-, Negative	A+, Negative
Moody's	A1, Stable	NR	NR
Fitch	A+, Stable	NR	A+, Stable

Aegon Bank N.V. ratings

Ratings	Long-term	Short-term
Standard & Poor's	A+, Negative	A-1
Fitch	A-, Stable	F2

*Ratings as of March 2nd 2017.

Comparison to other Dutch Covered Bond programmes

Issuer	Van Lanschot	NIBC	Aegon Bank	ABN	ING Bank ⁵	SNS
Size programme	EUR 5bn	EUR 5bn	EUR 5bn	EUR 40bn	EUR 10bn	EUR 15bn
Type programme	Conditional Pass-Through	Conditional Pass-Through	Conditional Pass-Through	Hard bullet/Soft bullet	Soft bullet	Soft bullet
Issuer Rating (S/M/F)	BBB+ / NR / BBB+	BBB- / NR / BBB-	A+ / NR / A-	A / A1 / A+	A / A1 / A+	BBB+ / Baa1 / BBB+
Mortgage lending position ¹	Not in top 9	Not in top 9	Number 4	Number 2	Number 4	Number 8
Pool information						
NHG% ²	0.0%	46.7%	63.5%	0.0%	32.7%	210%
IO% ^{2*}	75.2%	39.7%	30.8%	59.0%	61.1%	70.5%
CLTIMV ²	64.4%	81.0%	78.0%	73.0%	80.6%	77.0% Covered B
Covered Bond maturities	Max. 47-year ³	Max. 47-year ³	Max. 47-year ³	Max. 30-year	Max. 45-year	Max. 40-year
Transfer of assets	Assignment and sale	Assignment and sale	Assignment	Assignment	Assignment	Assignment
Asset Monitor	PwC	PwC	PwC	EY	EY	KPMG
Asset Percentage ²	95.0%	95.0%	93.0%	89.7%	87.6%	75.0%
Documented minimum OC (%) ²	15.0%	15.0%	10.0%	11.5%	14.1%	33.33%
Indexed Valuation ²	90% incr / 100% decr	90% incr / 100% decr	90% incr / 100% decr	85% incr / 100% decr	90% incr / 100% decr	100% incr / 100% decr
Maturity of mortgage loan >30 years allowed	Yes ⁴	No	Yes ⁴	Yes	Yes	Yes
Maximum size of mortgage loan	No	No	No	EUR 1.5m	EUR 1.0m	EUR 1.5m
Minimum IR on mortgage loan	1.5%	3.0%	1.0%	1.5%	N/A	1.5%
Swap active	No (option possible)	No (option possible)	No (option possible)	No (option possible)	Yes	Yes
Rating Agencies	S&P, Fitch	S&P, Fitch	S&P, Fitch	Moody's, Fitch	S&P, Fitch	Moody's, Fitch

¹Source: Dutch Securitisation Association (DSA) 2016 Q4 data; ²Source: Covered Bond Monthly Investor Reports NIBC, Aegon, De Volksbank as of 31 Dec 2016, Van Lanschot, ABN and ING as of 31 Jan 2017; ³Including Extended for Due Payment Date; ⁴Long Term Mortgage Loans may have longer tenors or no maturities; ⁵ING has two Covered Bond programmes outstanding, details shown are for the soft bullet programme. Note: (*) IO refer to Interest only loans as percentage of total pool

Aegon Bank N.V. at a glance



Aegon Bank N.V. and Aegon Nederland

Aegon NL is committed to Aegon Bank

Aegon Bank N.V. is a core asset of Aegon NL:

- ▶ Aegon Bank N.V. is Aegon NL's entity for offering savings and investment products
- ▶ Aegon NL benefits from Aegon Bank N.V.'s large valuable customer base
- ▶ Aegon NL benefits from online traffic generated by Aegon Bank N.V.'s customers
- ▶ Aegon Bank N.V. implements Aegon NL's transition from the Dutch life insurance market to banking products
- ▶ Aegon Bank N.V. is a platform for funding mortgage loans for Aegon NL
- ▶ Aegon NL benefits from the (client) innovations developed and introduced by Knab



Joint approach for building customer relationships, retaining customers and for the intermediary strategy



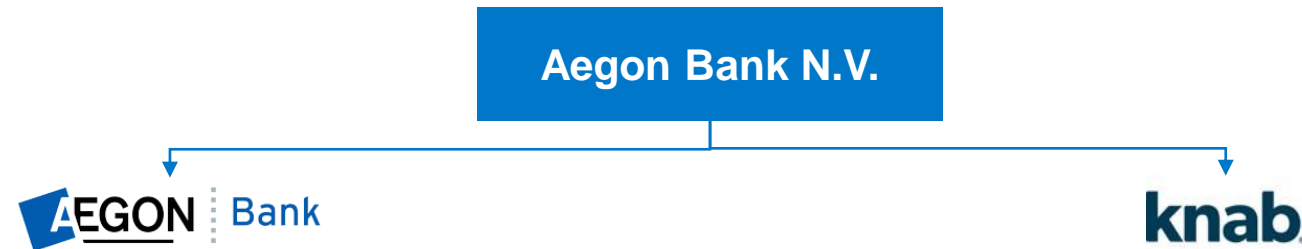
Aegon NL continues to demonstrate its commitment to developing Aegon Bank NV's potential:

- ▶ Aegon NL uses one website and one brand for banking and insurance business
- ▶ Aegon NL is committed to maintain a strong capital base for Aegon Bank N.V.
- ▶ Aegon Bank N.V. is integrated within Aegon's strong risk management culture



Aegon Bank N.V. two brands, one bank

Aegon Bank and Knab both support different strategic objectives

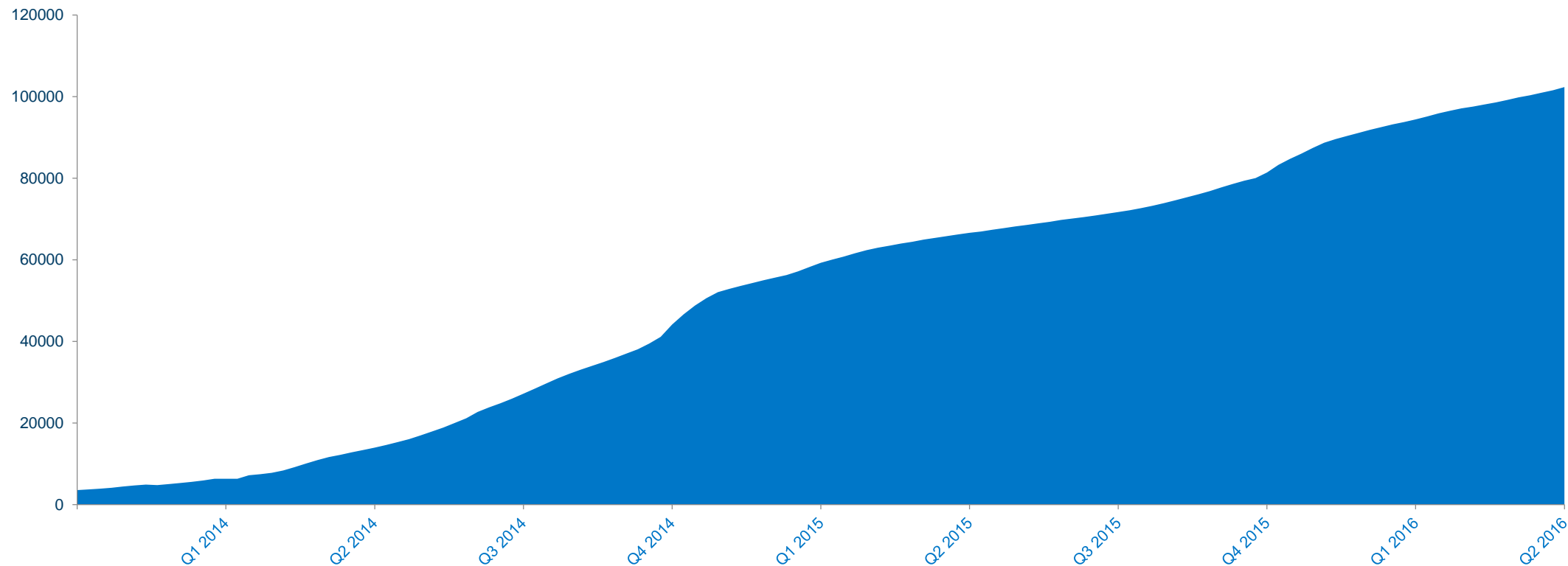


General	Is an online retail internet bank	Is a new, disruptive online banking initiative for retail and small business clients
Role in Aegon strategy	Develops third and fourth pillar products for future income, additional to second pillar pension	Has frequent customer contact and is an accelerator for the (online) developments in client contact of Aegon
Brand	Aegon	Knab
Products & services	Savings and investment products with a focus on long term wealth accumulation including tax friendly solutions. Focus on 24 hour service level	Full banking concept with payment services, investments, savings, financial planning tools, alerts, access to online archives and experts. Service quality is high
Business model	Mainly spread driven, turn to more fee through investments products	Fee and spread

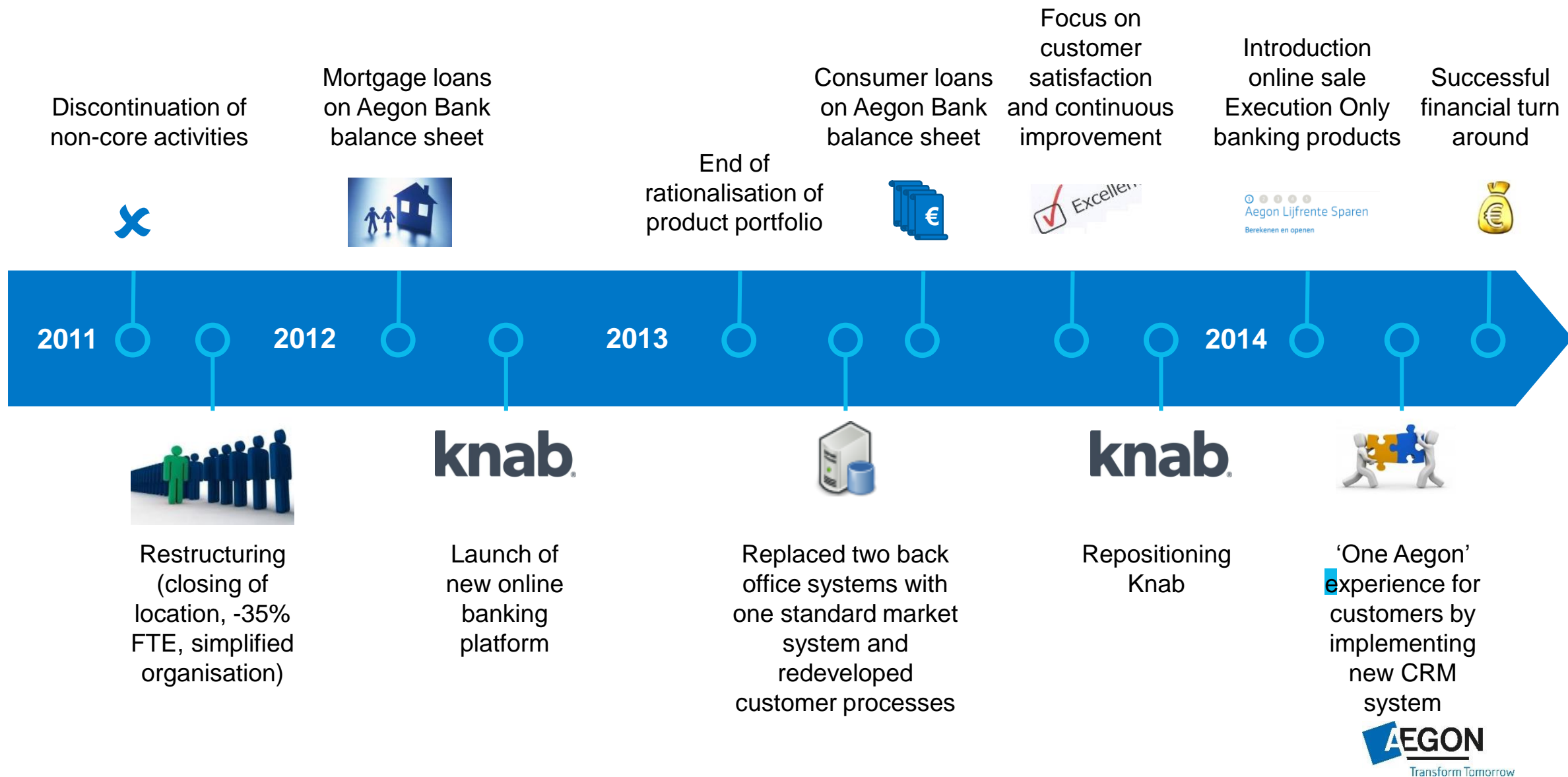
Knab delivered considerable growth during the last year

Number of customers

From January 1st 2014 until June 30, 2016



Executing strategic plan: 2011-2014



Continuing strategic developments: 2015-2016 YTD

First loans originated for Aegon by AuxMoney



First loans originated for Aegon by Younited Credit



EUR 750 mln 5yr CPT Covered Bond issued



Agreement signed with UK consumer lending platform Zopa



Crowdfunding platform launched



Expanded strategic partnership with German consumer lender AuxMoney



Growth accelerates



Milestones:
EUR 3 bn AuM
100k clients



EUR 500 mln
7yr CPT
Covered Bond issued

Aegon Bank N.V. is key in the execution of Aegon NL's income & living strategy

Key conclusions

(Dutch board/Aegon Bank)

- In the Dutch wealth accumulation market a retail banking activity is essential
- Savings and mortgage markets are still (but less) distorted due to crisis
- Aegon Bank is in transition from a mono line short term savings bank into a long term customer oriented solutions provider

Key transitions Aegon Bank NV

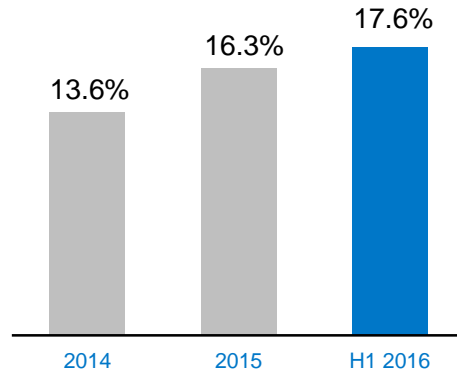
- Shift from spread business to fee business and improve customer focus
- Match both sides of the balance sheet (with retail products), e.g. by setting pricing, spread duration and liquidity
- Build scale in on balance and off balance products
- Optimize risk and funding profile
- Manage costs and reduce client rates (increase margin)



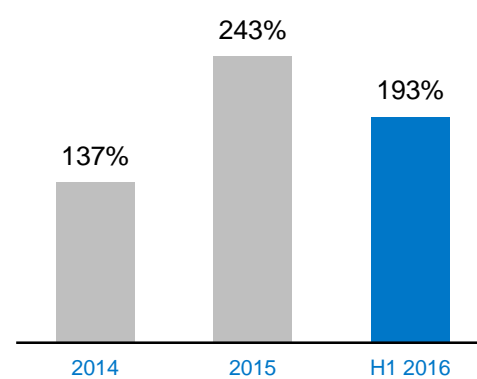
Aegon Bank is key in the execution of Aegon NL's Income and Living strategy

Aegon Bank N.V. in a snapshot

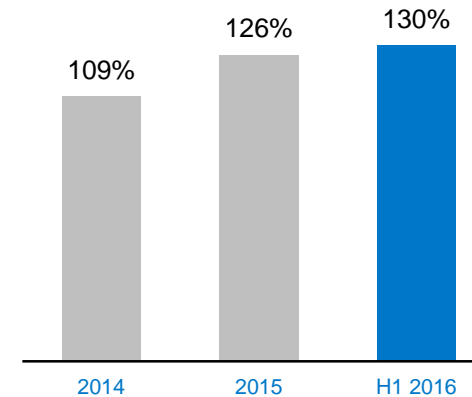
CET1



LCR

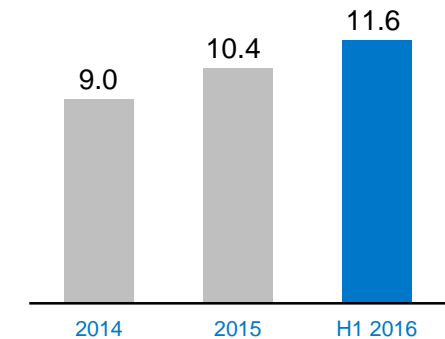


NSFR



Balance sheet

(EUR billion)



Ratings

Standard & Poor's

Fitch

Long-term

A+, Negative

A-, Stable

Short-term

A-1

F2

- Aegon Bank N.V. is key in the execution of Aegon's strategy
- Prudent capitalization
- Stable long term funding profile
- Strong liquidity buffer in place

Conservative risk profile and strong risk management

Prudent capitalisation	<ul style="list-style-type: none">▶ Solid BIS ratio in place to ensure sufficient capitalisation▶ Equity funding to increase – anticipated growth matched by retained earnings and client participations▶ Leverage ratio targeted above 3% requirement
Strong liquidity buffer in place	<ul style="list-style-type: none">▶ Sizeable buffer of high quality liquid assets in place to be able to cover potential stress outflows▶ High quality liquid asset portfolio with the largest holding in sovereign bonds and treasuries▶ Additional asset classes (RMBS/credits) to increase yield/return on investment portfolio
Stable long term funding profile	<ul style="list-style-type: none">▶ Extending duration of funding profile by switching to more long term retail deposits▶ Covered Bonds enable Aegon Bank N.V. to diversify funding sources and issue long-term capital markets funding
Spread / risk matching	<ul style="list-style-type: none">▶ Credit spread risk matching of assets and liabilities resulting in lower P&L volatility▶ Adding consumer loans to match retail savings▶ Lower dependency on derivatives to eliminate interest rate risk
Operational risk management	<ul style="list-style-type: none">▶ Aegon employs a holistic risk governance to optimize business support and oversight▶ Integrated risk reporting and databases in place, incl. process documentation across risk types▶ Aegon has defined three “lines of defence” for risk management

Aegon Bank N.V. Balance Sheet

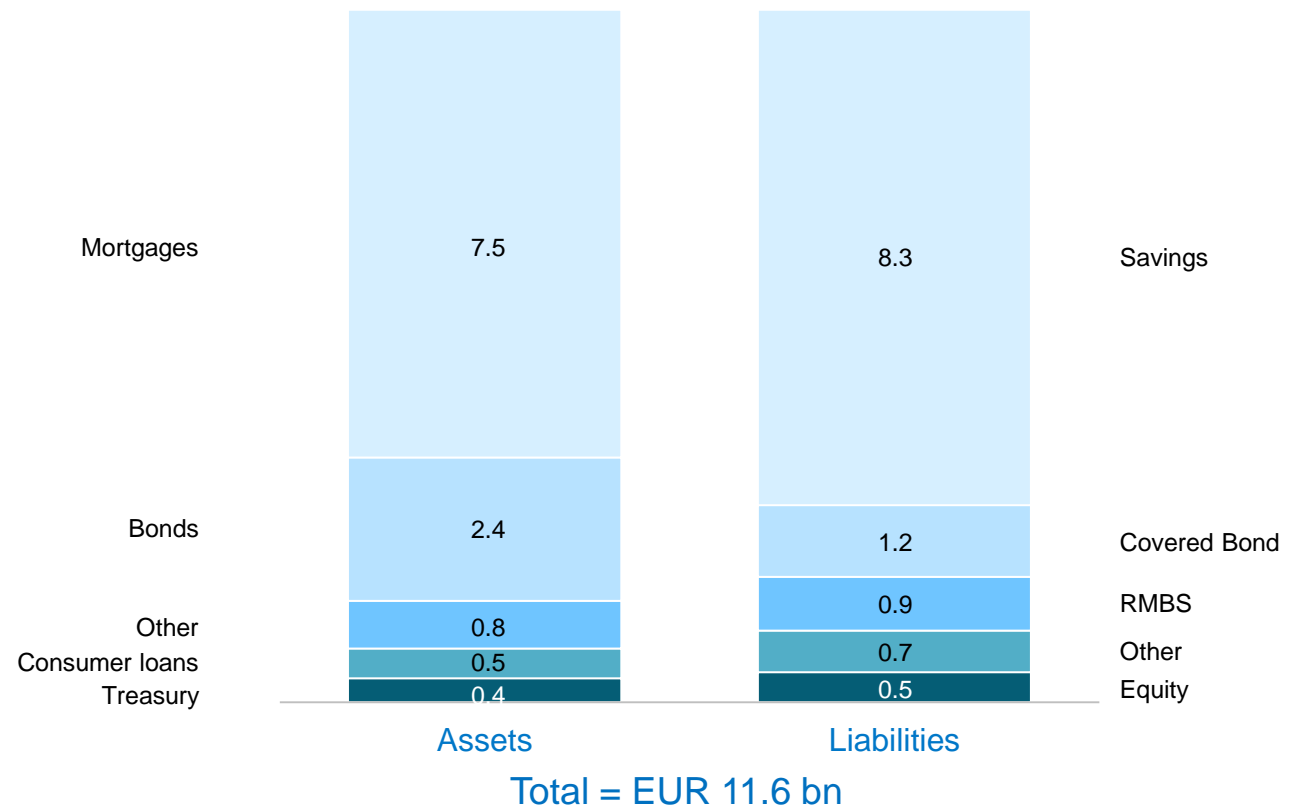
Composition of assets

- Mortgage loans are an important asset class on the balance sheet. They offer attractive risk-adjusted- returns
- Consumer loans currently represent around 5% of total assets. Aim is to increase this share over time
- The bond portfolio is of high quality (98% investment grade, 57% AAA rated) and is mainly used as a liquidity buffer

Composition of liabilities

- Retail savings are the main source of funding for Aegon Bank N.V. Savings have grown rapidly in the last year and are expected to continue to grow with the success of Knab
- Aegon Bank launched a successful inaugural Cover Bond in Q4 2015 followed by a second issuance in Q2 2016
- Other capital market funding is attracted using the Saecure programme. Our funding plan aims to refinance it with Covered Bonds
- Aegon Bank N.V. maintains a strong capital position and meets Basel 3 on a fully phased-in basis

Balance Sheet as of H1 2016 (EUR billion)



Aegon Bank N.V. Profit & Loss Account

Continued improvement in income	<ul style="list-style-type: none"> ▶ Interest margin is improving as a result of an increasing balance sheet, lower savings rates and the addition of mortgages and consumer loans
Costs under control	<ul style="list-style-type: none"> ▶ Increase of costs in line with the growth of Aegon Bank N.V. and additional costs for the ex-ante deposit guarantee deposit scheme. ▶ Substantial investments have been made to set up Knab, and due to the sharp increase in number of clients the servicing cost increased
Operating result	<ul style="list-style-type: none"> ▶ Operating result improved significantly in the recent years, despite Knab's negative operating result
Non-operating income	<ul style="list-style-type: none"> ▶ Result from financial position includes realized gains and hedge accounting impact swaps valuation at OIS (Overnight Index Swaps) ▶ Impairments increased in line with increased retail loans

Profit & Loss Account

Amounts EUR millions	H1 2016*	2015	2014
Total interest and fee margin	62.2	106.4	90.1
Total costs**	53.4	84.3	90.0
Operating Result	8.8	22.1	0.1
Result from financial position	24.2	4.4	131.4
Impairment charges/ reversals	(6.7)	(10.9)	(5.4)
Result before tax	26.3	15.6	126.1
Results after tax	19.7	11.8	92.2

* Unaudited figures

** In 2014 EUR 9.6 mn tax levy for SNS resolution

A photograph of a man and a woman in business attire, smiling and looking out a window at a cityscape. The woman is in the foreground, leaning forward, and the man is behind her, also smiling. The background shows a blurred city view through a window with a metal railing.

Aegon Bank N.V.'s mortgage loan portfolio

Performance of Aegon Bank N.V.'s mortgage loan portfolio

Recovery & Losses

- Mortgage loans are originated through Aegon Hypotheken B.V. and distributed over various Aegon entities including Aegon Bank N.V.
- Approximately 63% of the mortgage loans is NHG guaranteed
- Recovery Rate on NHG mortgage loans within the Aegon Bank N.V. portfolio from 2009 until H1 2016 is 94.4% (stable compared with 2015 (94.1%) and 2014 (94.2%))
- Recovery rate on Non NHG mortgage loans within the Aegon Bank N.V. portfolio from 2009 until H1 2016 is 73.5% (given the low numbers of Non NHG defaults, recovery rates from the last two years differ considerably: 2015 average recovery rate of 84.6% for 7 mortgage loans vs. 2014 average recovery rate of 35.7% for 3 mortgage loans)
- Net losses in H1 2016 amount EUR 0.37 million

Loss statistics loans across Aegon Bank mortgage loan portfolio

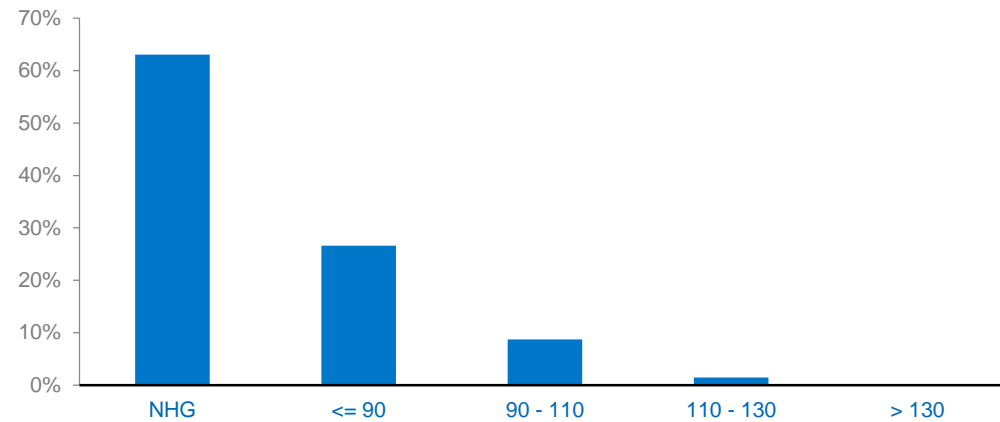
Source: Aegon (2009 – H1 2016)

Period	Outstanding gross balance (EUR m)	Total net losses (EUR m)	Total net losses (bps)
2009	1,559	0.37	2.4
2010	2,754	0.70	2.5
2011	2,683	0.00	0.0
2012	4,178	0.03	0.1
2013	4,069	0.48	1.2
2014	4,680	1.33	2.8
2015	5,976	1.60	2.7
H1 2016	7,116	0.37	NA

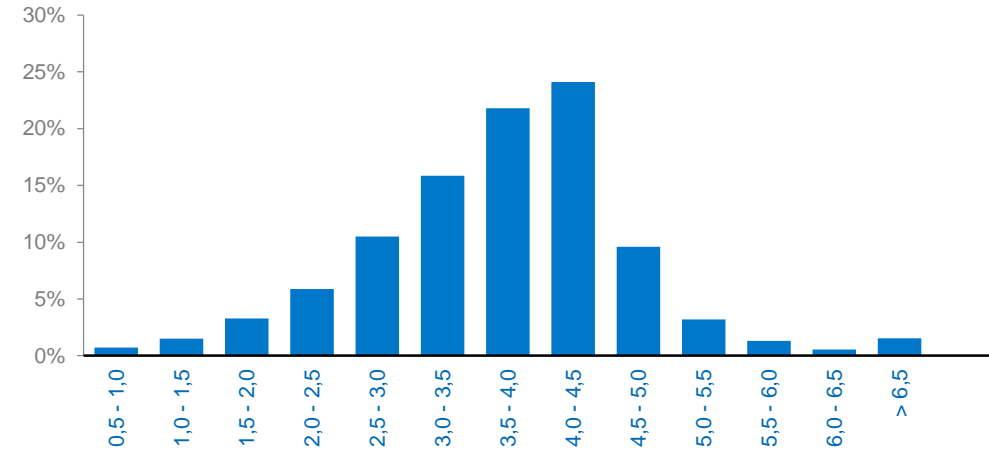
Note: Historical performance is not an indicator of future performance which may differ materially

Overview of Aegon Bank N.V.'s conservative mortgage loan portfolio

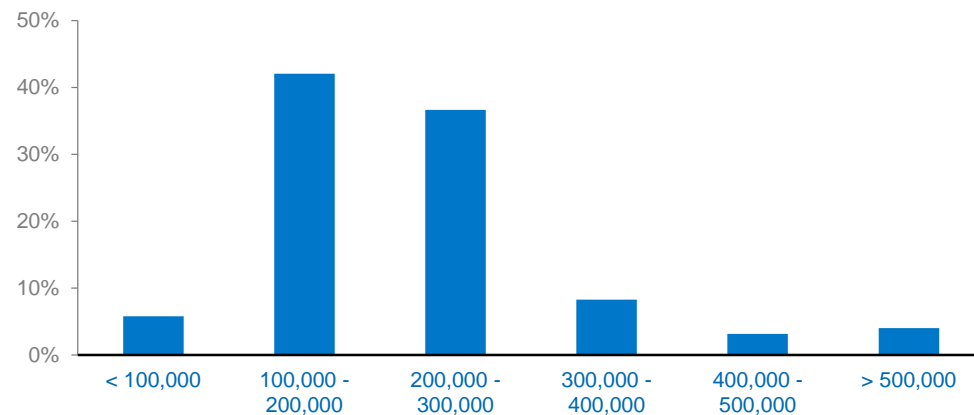
Current Loan to Indexed Market Value (H1 2016)



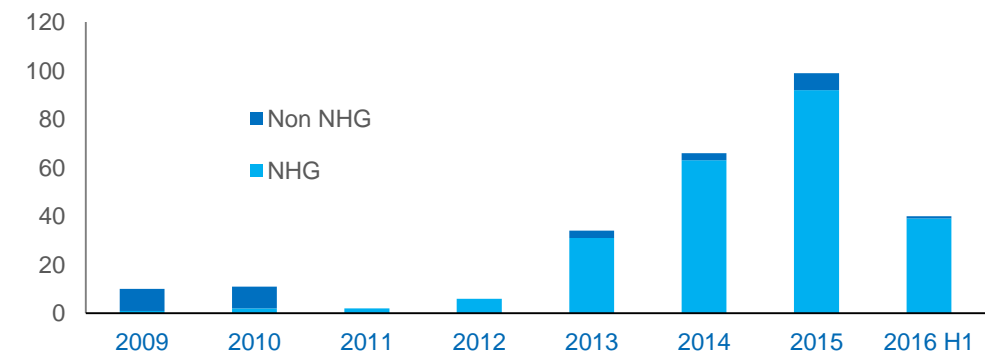
Loan-to-income (H1 2016)



Mortgage Loan Size (H1 2016)



No. of defaulted loans across Aegon Bank N.V. mortgage loan portfolio Source: Aegon (2009 – H1 2016)



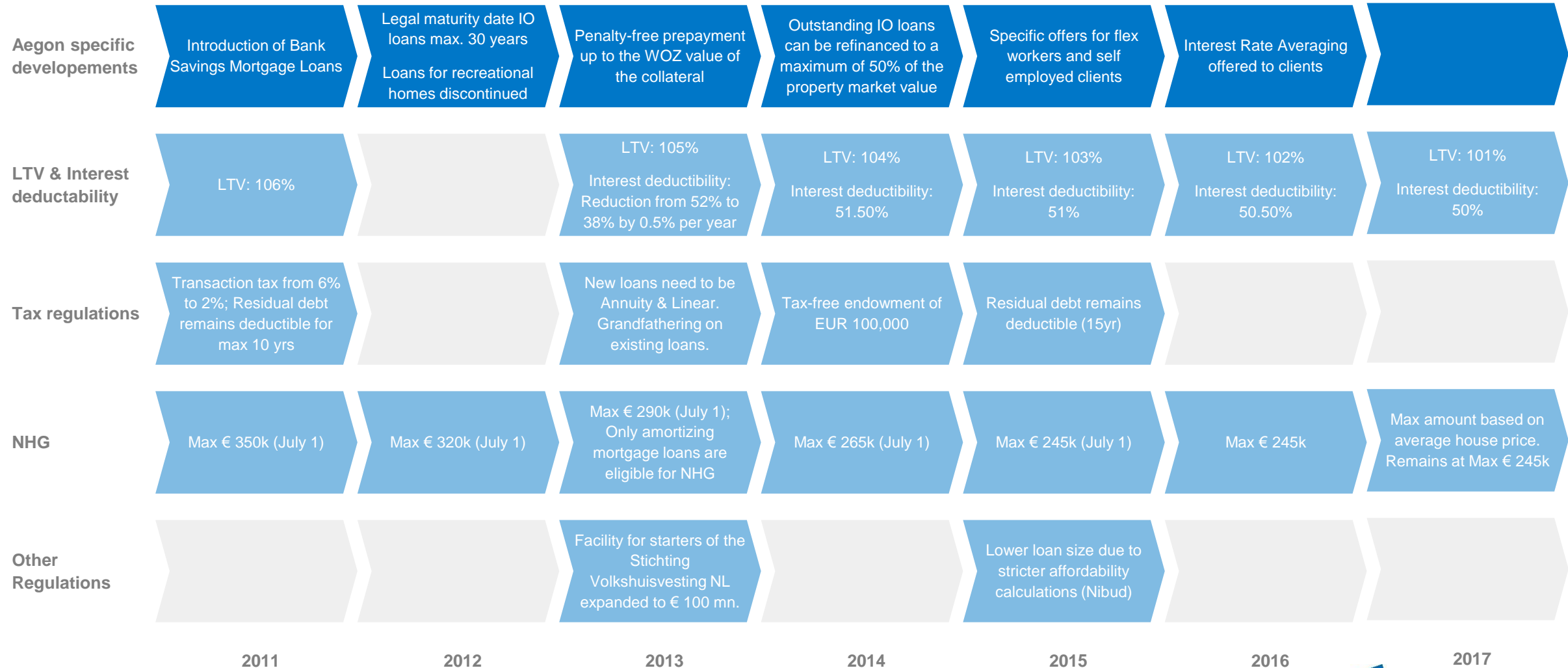
An aerial photograph of a Dutch city, likely Utrecht, showing a dense urban landscape with numerous multi-story residential buildings, many with red-tiled roofs. A prominent church spire is visible in the lower-left corner. The city extends to the horizon under a clear blue sky.

The Dutch Mortgage and Housing Market

Key characteristics of the Dutch residential mortgage market

Products	<ul style="list-style-type: none">• Predominantly prime, owner occupied• Virtually no buy-to-let, non-conforming and sub-prime• Mainly fixed rate mortgage loans
Underwriting	<ul style="list-style-type: none">• Mortgage loans are provided predominantly on the basis of income (LTMV's are a less significant basis due to tax incentives)• “Full-doc” underwriting, no self certification of income• Industry wide credit database (BKR) and Fraud Register (SFH)
Code of Conduct	<ul style="list-style-type: none">• The Code of Conduct aims lenders to compete on service and price rather than aggressive lending practices• Affordability calculation assuming 30 year amortizing loan regardless of product and interest rate risk
NHG	<ul style="list-style-type: none">• The NHG programme is the public mortgage loan guarantee scheme supporting home ownership in The Netherlands• All people in The Netherlands can obtain a guarantee from the Dutch State guaranteed non-profit organization (Stichting WEW) subject to the applicable terms and conditions
Framework	<ul style="list-style-type: none">• Lenders can repossess and sell properties by public auction without a court order• Full recourse to the borrower. After foreclosure, any remaining debt remains enforceable until discharged in full• Strong social support and pension system

Recent policy developments impacting the Dutch housing market



The Dutch housing market: supply and demand

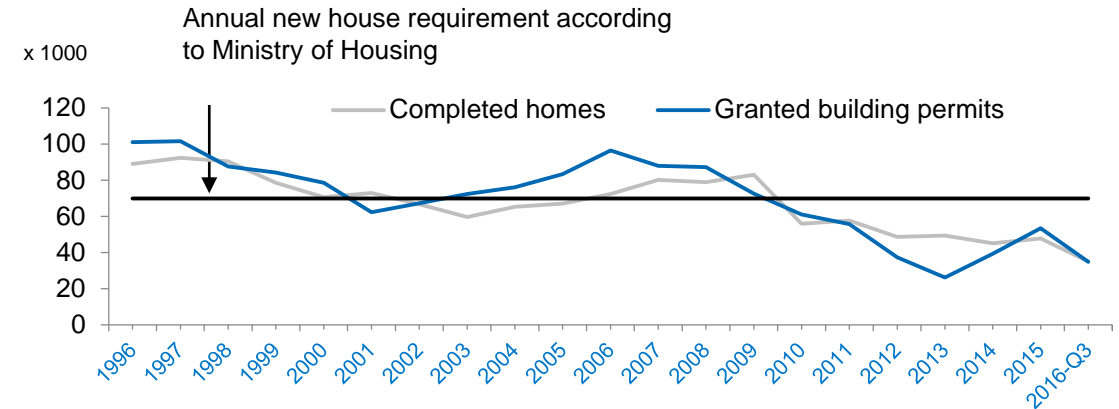
Supply dynamics

Source: CBS, Ministry of Housing, VROM, ABF Research

- Supply in the Dutch housing market is relatively inelastic
 - Limited land available for housing
 - Regulations and planning permissions
- The Dutch Ministry of Housing estimated that at least 70,000 new homes are required annually
- The number of completed homes reached its lowest point since 1953. Given the growing demand for new homes and increased number of granted building permits, it is to be expected that the number of completed homes will increase in the coming years

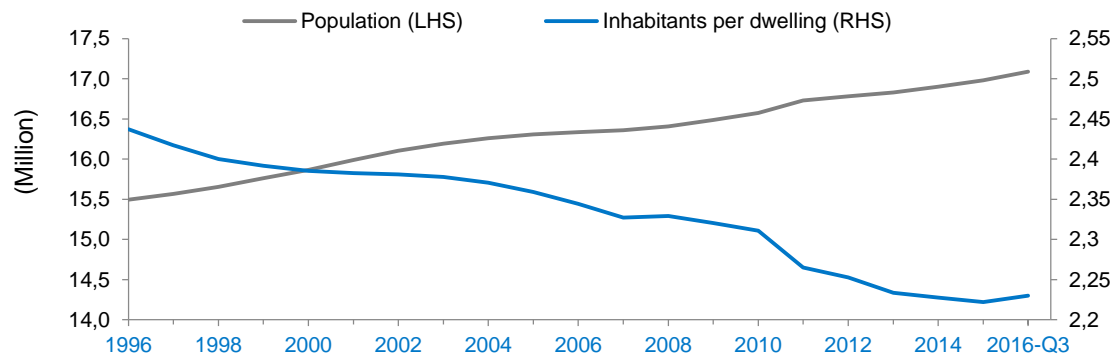
Building permits and newly built homes

Source: CBS



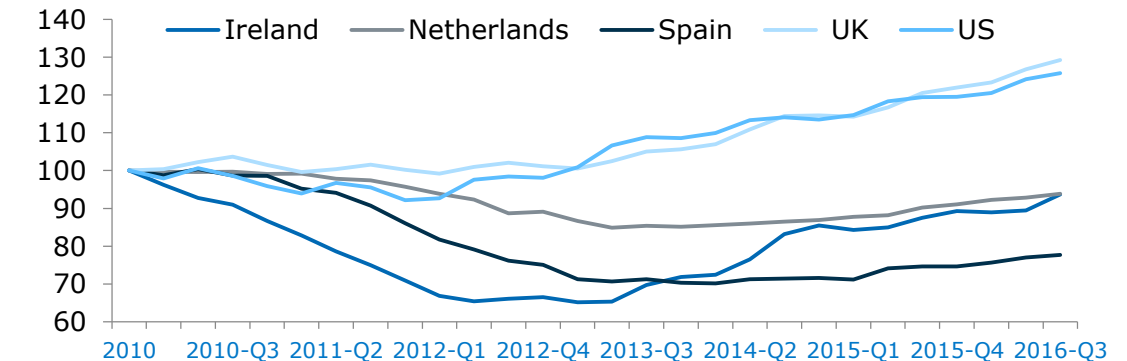
Dutch population and housing occupation

Source: CBS



Dutch housing prices development

Source: Eurostat, S&P Case Schiller



NHG mortgage loan guarantee

NHG

- NHG (Nationale Hypotheek Garantie) refers to the public mortgage loan insurance scheme supporting home ownership in the Netherlands
- WEW (Stichting Waarborgfonds Eigen Woningen) is the foundation responsible for granting NHG guarantees
- All people in the Netherlands can apply for an NHG guarantee over an amortizing residential mortgage loan up to an amount of EUR 245k and by paying an upfront premium of 100bps over the loan amount.
- Mortgagors that benefit from an NHG guarantee will:
 - receive an interest rate discount varying between 10 - 70bps depending on LTMV
 - receive full or partial compensation for a mortgage loss caused by a divorce, unemployment, occupational disability, decease or a non culpable drop in income
- Mortgage lenders that apply for an NHG guarantee on behalf of their clients are responsible for ensuring that the guarantee application meets NHG conditions:
 - If the NHG conditions are not satisfied, the mortgage lender may not be fully covered by the guarantee
 - NHG conditions may change over time:
 - Starting January 1st 2017 the maximum NHG mortgage loan amount will be determined on a yearly basis, based on the national average house price. For 2017 the amount remains at 245k.
 - Starting July 1st 2015 the maximum NHG mortgage loan was reduced from EUR 265k to EUR 245k and was scheduled to be reduced further to EUR 225k per July 1st 2016. This second reduction has been put on hold due the recovering housing market and rising house prices.
 - Starting January 1st 2014 the mortgage lender is accountable for 10% of the realized loss
 - Starting January 1st 2013 NHG guarantee is only available for amortizing mortgage loans

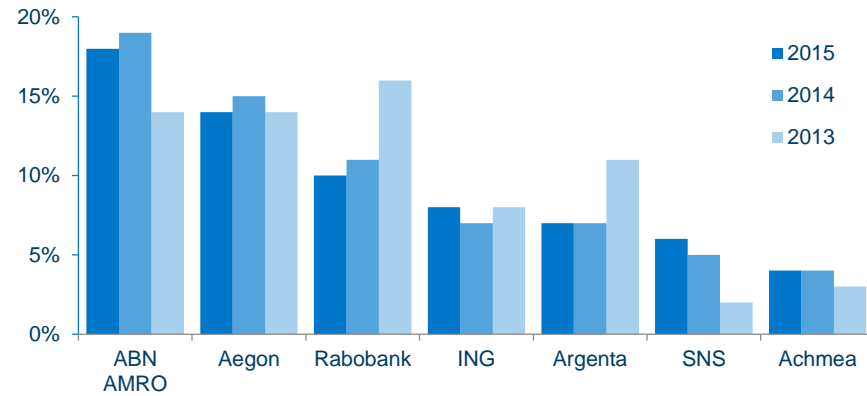
WEW Source: NHG Quarterly Report Q4 2016

- Fitch and Moody's have both confirmed Stichting WEW 's Aaa/AAA rating and stable outlook in 2016 and 2017 respectively.
- Since January 1st 2011 the Dutch State is providing a full back stop for all new guarantees granted by Stichting WEW, before 2011 this back-stop was provided by the Dutch State (50%) and Dutch Municipalities (50%)
- In H2 2016 the guaranteed amount increased by EUR 2bn to EUR 193bn and the WEW's capital position increased by 51mn to EUR 966mn, resulting in a capital ratio of 0.50%

NHG Statistics

NHG Mortgage lending market share key lenders

Source: NHG Annual Report 2015



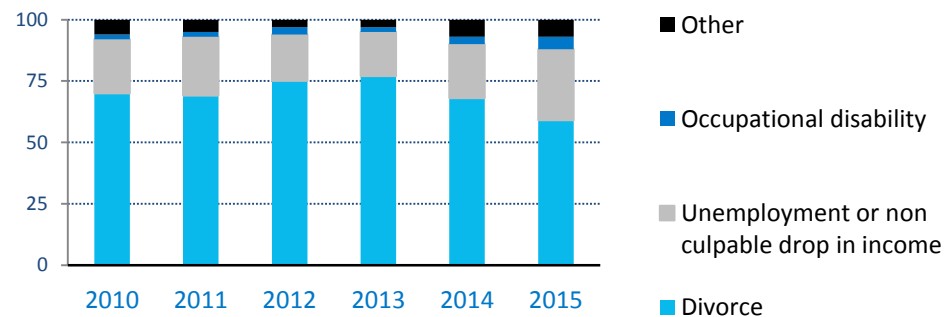
NHG statistics

Source: NHG Annual Report 2015

- Aegon has originated 14% (15% in 2014) of the total number of NHG guaranteed mortgage loans in 2015.
- In 2015 a total of 135,400 (123,384 in 2014) borrowers have taken a NHG guarantee on their mortgage loan
- 59% (2014: 68%) of the forced sales resulting in a loss were caused by divorce, while 29% (2014: 22%) was caused by unemployment or a non culpable drop in income.
- In 2015 94% (95% in 2014) of the submitted claims were granted by NHG

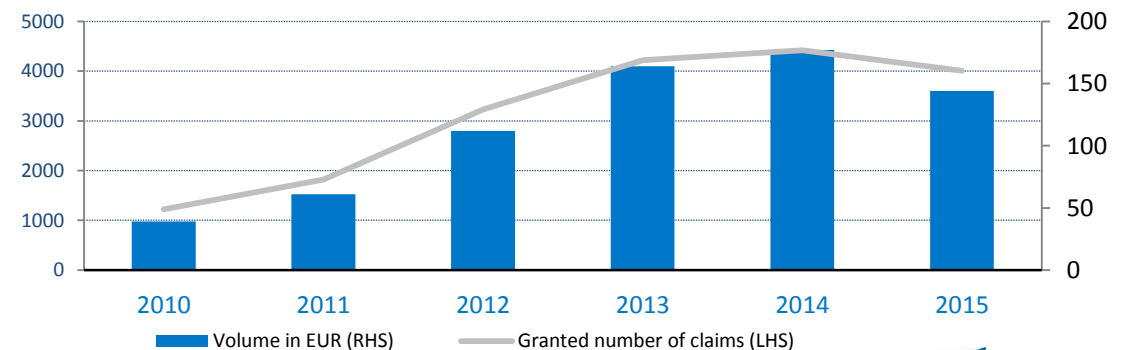
Reasons for submitting an NHG claim

Source: NHG Annual Report 2015



Granted NHG claims*

Source: NHG Annual Report 2015



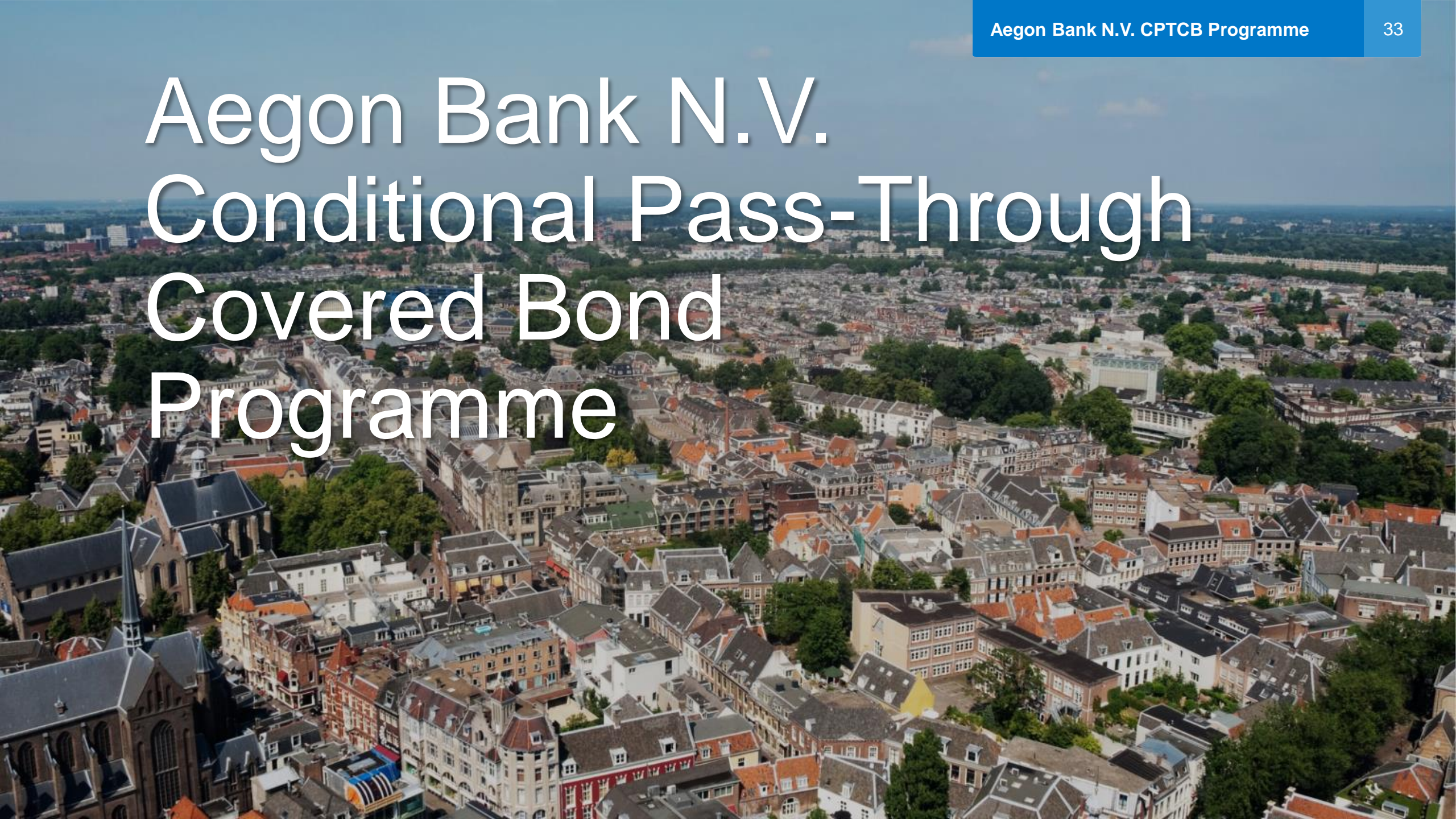
*At year end (2015) there were still 53 claims being processed

Summary - Aegon Bank N.V.

Conditional Pass-Through Covered Bond Programme

- Aegon Bank N.V. is key in the execution of Aegon's Strategy
- The activities of Aegon Bank N.V. show sound financials and the operations are strongly tied into Aegon N.V.
- Aegon NL is one of the top 5 lenders in the Dutch residential mortgage market and has demonstrated the flexibility to adjust to changing market conditions
- Aegon NL has a high quality and low risk mortgage lending business
- The historical performance of Aegon NL's residential mortgage loan portfolio has been stable over the last years
- Aegon Bank N.V. is rated by S&P (A+) and Fitch (A-)
- The Cover Pool contains a high % of NHG and a relatively low % of interest only mortgage loans
- Aegon Bank launched a successful inaugural Cover Bond in Q4 2015 followed by a second issuance in Q2 2016
- Covered Bonds enable Aegon N.V. and Aegon Bank N.V. to diversify funding sources in addition to RMBS – Saecure programme
- Aegon Bank N.V. is expected to be a committed issuer

Aegon Bank N.V. Conditional Pass-Through Covered Bond Programme

An aerial photograph of a dense European city, likely Brussels, showing a mix of historic and modern architecture. The foreground features a large Gothic church with a prominent spire. The city is characterized by numerous multi-story buildings with varied rooflines and colors, interspersed with green trees. The background shows a vast urban landscape extending to the horizon under a clear sky.

Summary

Key features of the Covered Bond Programme

Issuer	Aegon Bank N.V.
Programme size	EUR 5 bn
Currency	Euro
Format	Conditional Pass-Through
Extension period	Maximum of 32 years
Guarantor	Aegon Conditional Pass-Through Covered Bond Company B.V.
Ratings	AAA/AAA (S&P/Fitch)
Collateral	Prime Dutch residential mortgage loans
Documented minimum OC	10%
Robust structure	<ul style="list-style-type: none"> ✓ Registered programme with DNB ✓ Strong programme tests (Asset Cover Test & Amortisation Test) ✓ No interest rate swap counterparties* ✓ Back-up administrator in place ✓ External bank account

Key benefits

- Dual recourse:
 - ✓ Highly rated issuer: Aegon Bank A+/A- (S&P/Fitch)
 - ✓ Obligation for Aegon Bank to redeem the bond at expected maturity date
 - ✓ Recourse to CBC in case of default of Aegon Bank
- Stability of ratings:
 - ✓ De-linkage from issuer rating; a downgrade of the issuer rating does not directly affect the Covered Bond rating
- Favourable regulatory treatment. Covered Bonds are expected to:
 - ✓ qualify as LCR eligible (Level 1)
 - ✓ be Solvency II eligible
 - ✓ be ECB CBPP3 eligible
 - ✓ be exempt from bail-in
 - ✓ be ECB repo eligible
 - ✓ have ECBC Covered Bond Label
- Cover Pool:
 - ✓ High quality portfolio of prime Dutch residential mortgage loans
 - ✓ All mortgage loans backed by eligible collateral
 - ✓ 63%** of the mortgage loans benefit from a NHG guarantee

*Portfolio swap and Interest rate swap are optional for the Programme

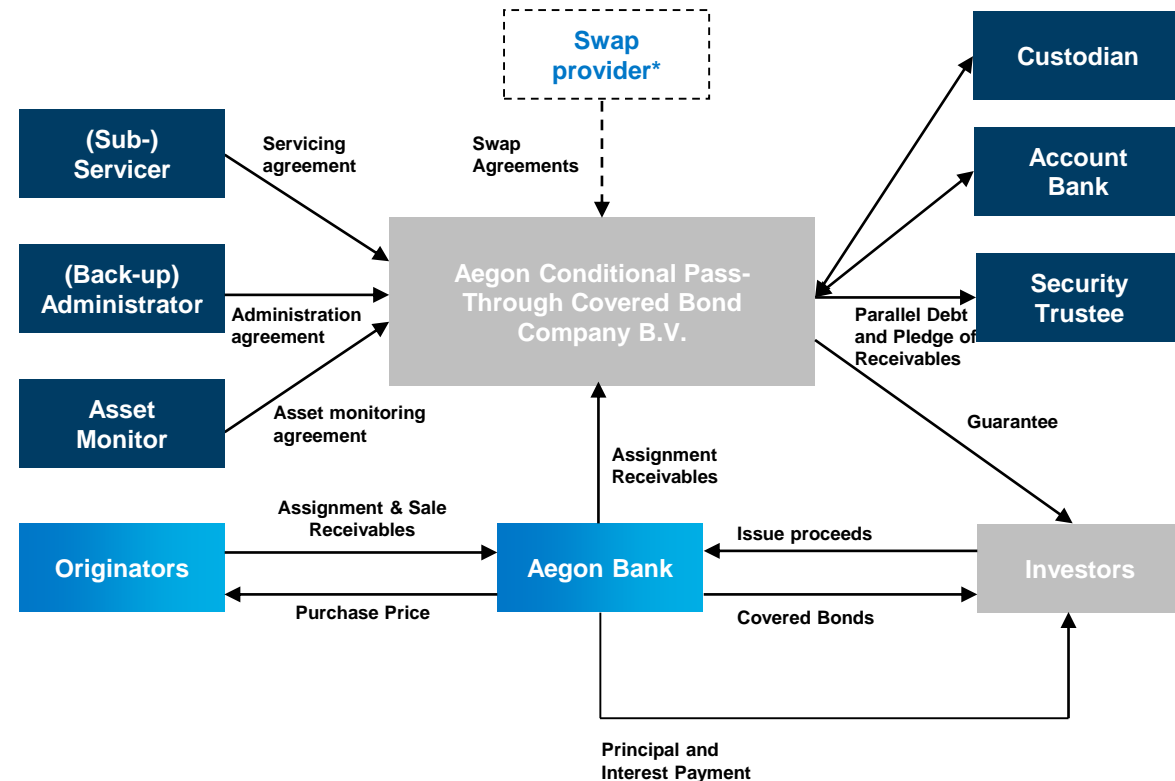
**As of December 31, 2016

Programme highlights

Key Programme Parties

Originators:	Aegon Bank / Aegon Hypotheken / Aegon Leven
Transferor:	Aegon Bank
Issuer:	Aegon Bank
Servicer:	Aegon Bank / Aegon Hypotheken / Aegon Leven
Administrator:	Aegon Bank
Back-up Administrator:	Intertrust
Asset Monitor:	PwC
Director CBC:	Intertrust
Security Trustee:	Stichting Security Trustee Aegon Conditional Pass-Through Covered Bond Company
CBC Account Bank:	Bank Nederlandse Gemeenten
Principal Paying Agent:	Citibank
Custodian:	Rabobank

Transaction Structure

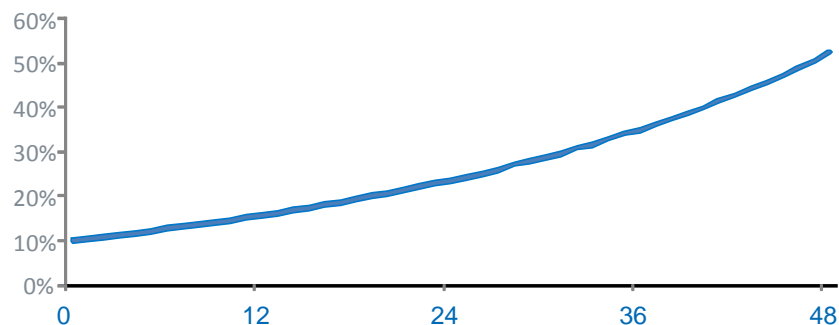


* Portfolio swap and Interest rate swap are optional for the Programme

Conditional Pass-Through vs Hard and Soft Bullet Covered Bonds

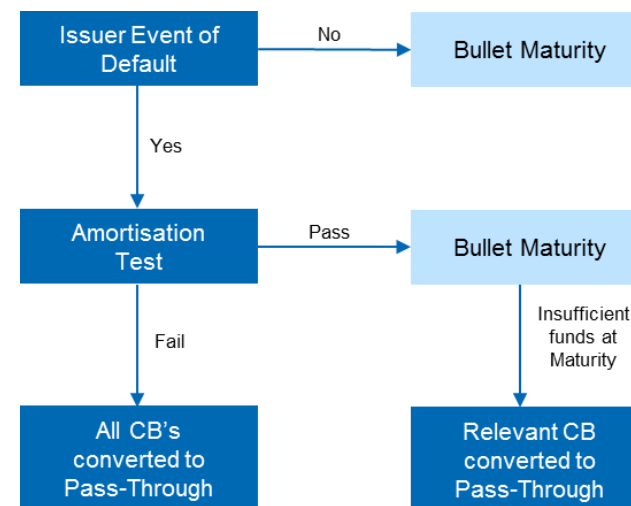
- The Conditional Pass-Through structure ensures an orderly wind-down of the Cover Pool and avoids the risk of a fire sale
- The Covered Bonds are bullet obligations of the issuer. Ahead of issuer default, Aegon Bank will make both coupon and principal payments under the programme
- Once the Pass-Through mode is entered into:
 - All cash flows received by the CBC in respect of the Cover Pool (principal and excess interest) can be used to pay down the relevant outstanding Covered Bonds
 - Every six months an attempt will be made to sell (a randomly selected part of) the Cover Pool
- The sale can only proceed if the Amortisation Test does not deteriorate
- During the Pass-Through phase, the OC is expected to increase as a result of the pay down of the outstanding Covered Bonds, and a sale of the Cover Pool becomes more likely

Expected increase of OC in pass-through scenario
(by month)*

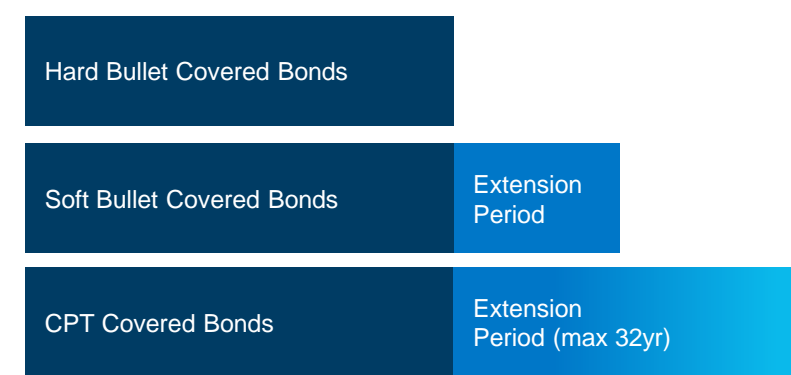


* Assuming, inter alia, all bonds in pass-through mode, 5% CPR, no losses

Conditional Pass-Through Mechanics



Comparison Covered Bond structures

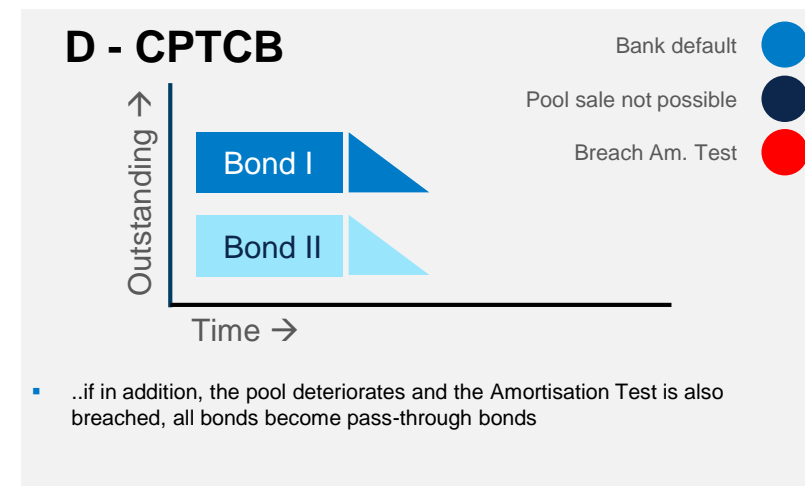
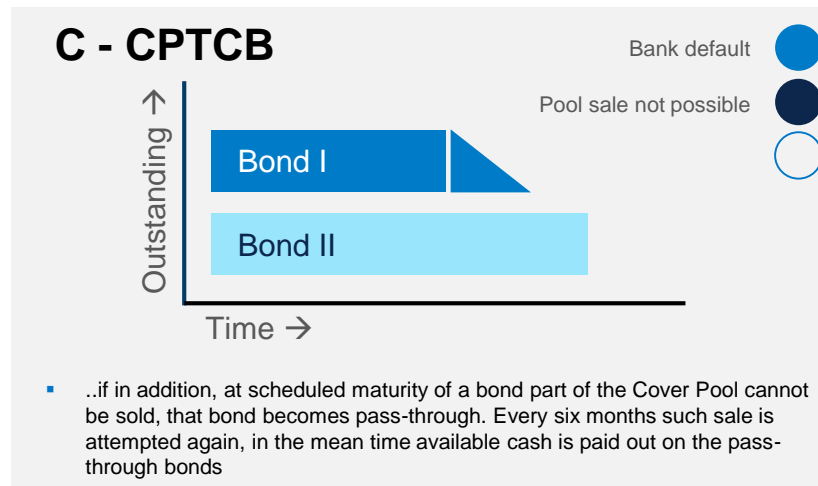
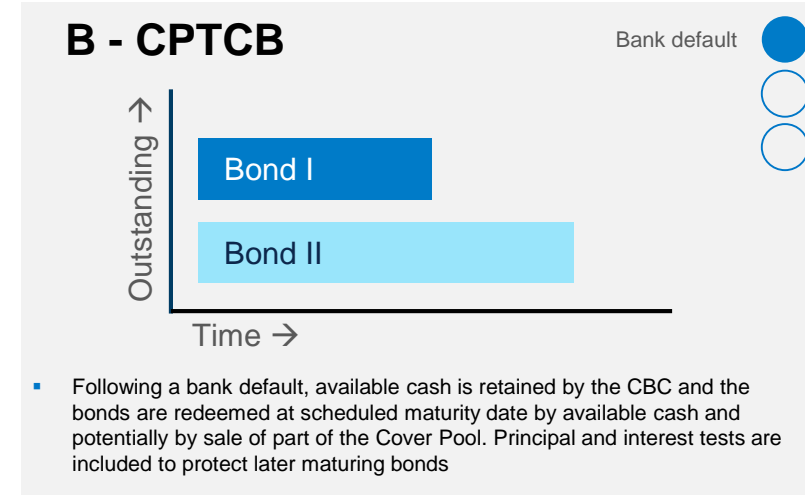
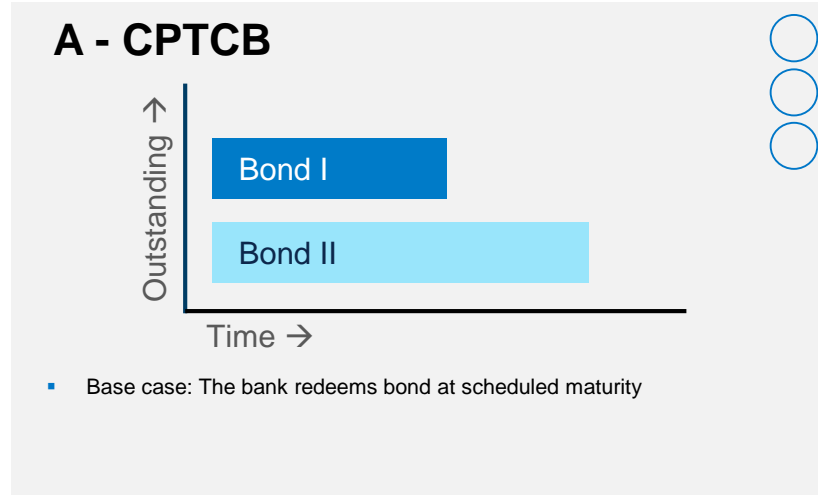


Four Potential Scenarios – Conditional Pass-Through Covered Bonds

To illustrate the CPT mechanism this slide shows CB repayments for various scenarios. Here we assume a programme with two bonds outstanding

For the scenarios a combination of three events can occur:

- Bank default ●
- Pool sale not possible ●
- Breach Amortisation Test ●



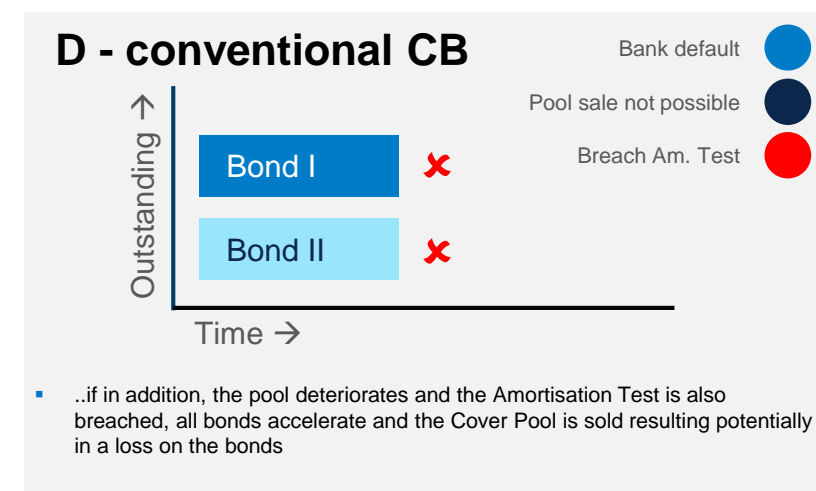
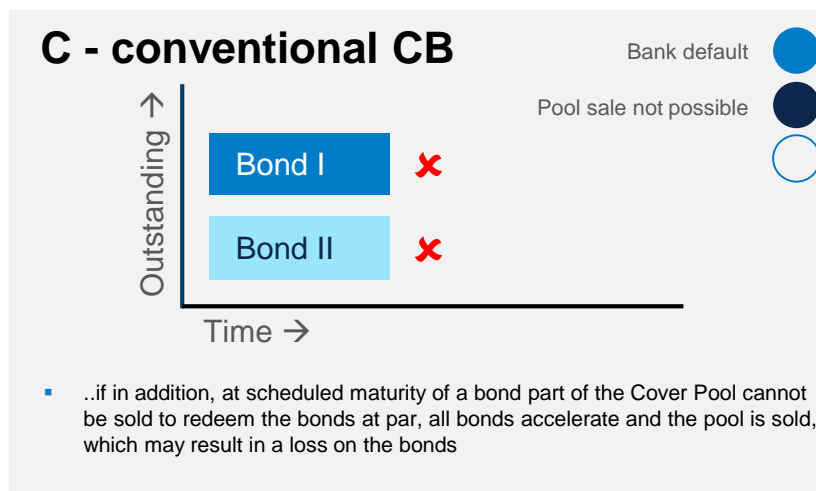
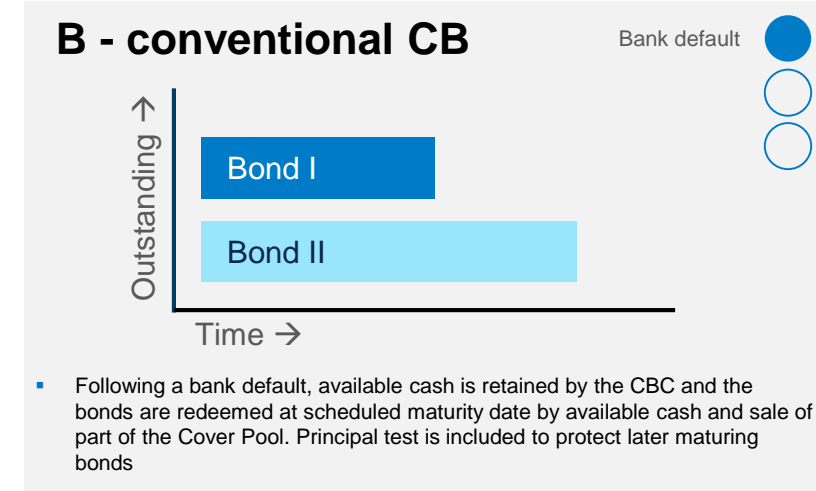
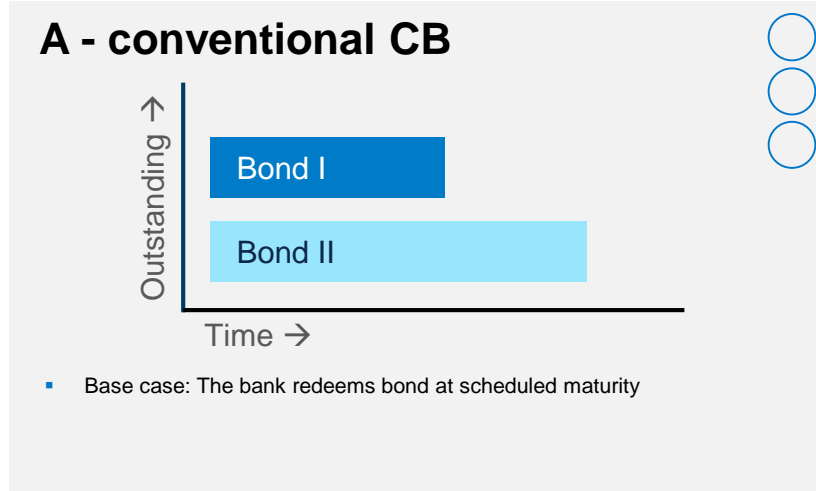
CPTCB

Four Potential Scenarios – Conventional Covered Bonds

Conventional CB (hard bullets) and CPTCB are very similar, only under severe stress the work-out scenario differs

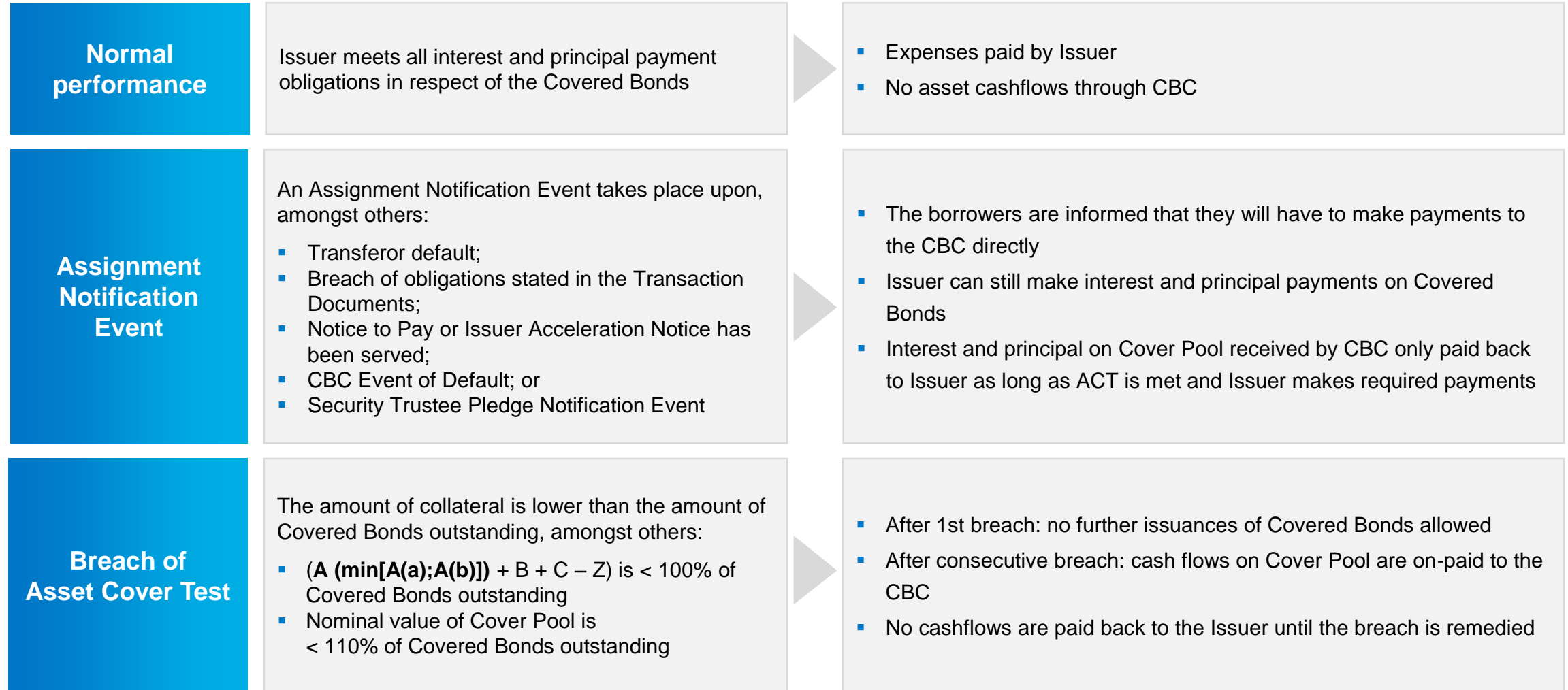
For the scenarios a combination of three events can occur:

- Bank default ●
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- Breach Amortisation Test ●

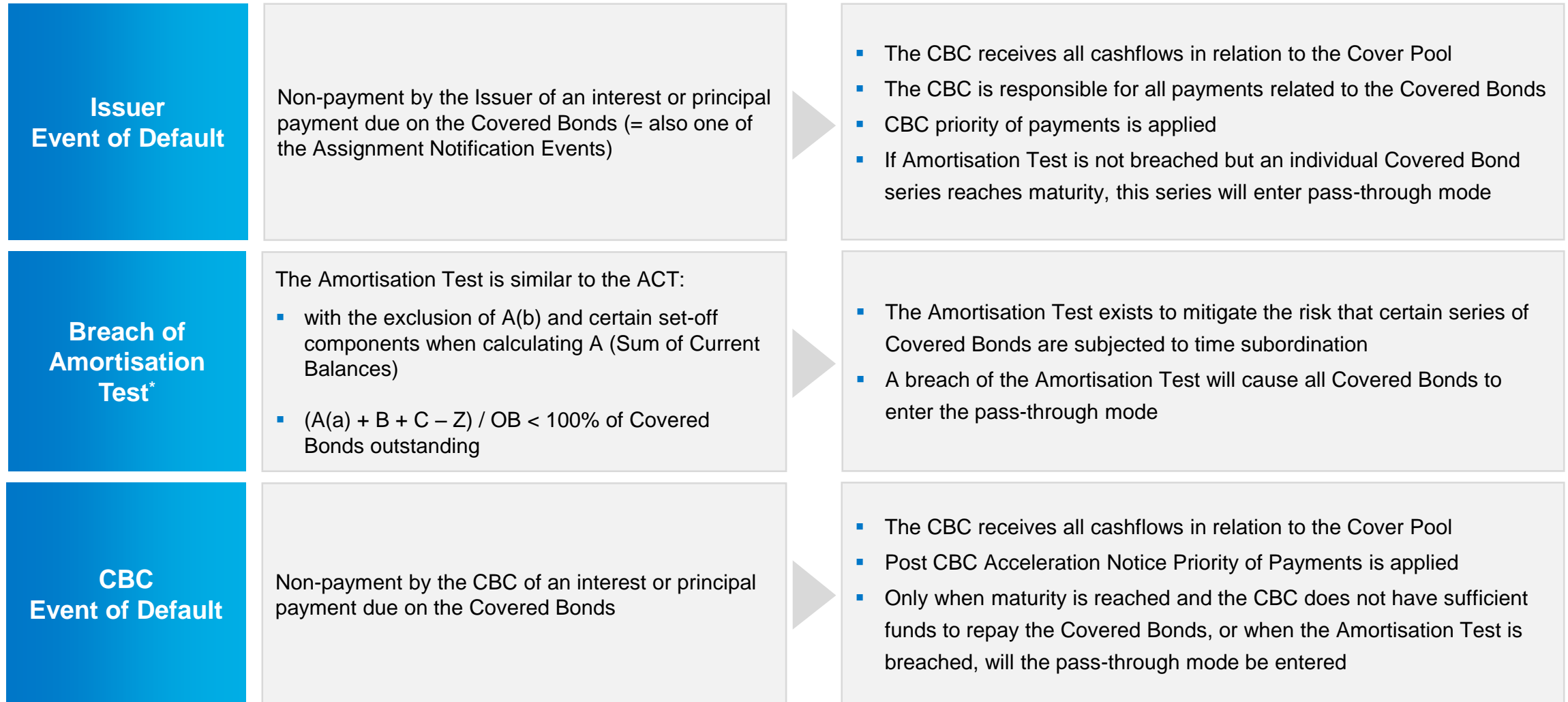


CPTCB

Key Triggers in a Conditional Pass-Through Covered Bond



Key Triggers in a Conditional Pass-Through Covered Bond



* Following a Notice to Pay the Amortisation Test is calculated each month

Priority of Payments

CBC Priority of Payments

- 1 ■ Security Trustee (excl. Parallel Debt)
- 2 ■ Tax authority
- 3 ■ Paying agent, Registrar and Calculation agent expenses (if applicable)
- 4 ■ Servicer expenses
■ Administrator expenses
■ Back-up administrator expenses
■ Account bank expenses
■ Asset Monitor expenses
■ Directors expenses
- 5 ■ Portfolio swap counterparty
- 6 ■ Other swap counterparties
■ **Interest due on Covered Bonds**
- 7 ■ Replenishment Reserve Account
- 8 ■ **Principal due on Covered Bonds**
- 9 ■ Cash trapping (for 1-8) for next payment date (until maturity date)
- 10 ■ (Remaining) swap termination amounts (if swap counterparty is the defaulting party)
- 11 ■ Indemnity amounts to transferor
■ Costs and indemnity amounts to asset monitor
- 12 ■ Remaining moneys to the issuer

Post CBC Acceleration Priority of Payments

- 1 ■ Security Trustee (excl. Parallel Debt)
- 2 ■ Paying agent, Registrar and Calculation agent expenses (if applicable)
- 3 ■ Servicer expenses
■ Administrator expenses
■ Back-up administrator expenses
■ Account bank expenses
■ Directors expenses
- 4 ■ Portfolio swap counterparty
- 5 ■ Other swap counterparties
■ **Interest due on Covered Bonds**
- 6 ■ **Principal due on Covered Bonds**
- 7 ■ (Remaining) swap termination amounts (if swap counterparty is the defaulting party)
- 8 ■ Indemnity amounts to transferor
■ Costs and indemnity amounts to asset monitor
- 9 ■ Remaining moneys to the issuer

Asset Cover Test

1

Adjusted aggregate asset amount* \geq outstanding Covered Bonds

Adjusted aggregate asset amount = A+B+C-Z

- The calculation of 'A' includes:
 - ▶ 93% asset percentage
 - ▶ 80% LTMV cut-off
 - ▶ Deductions of savings deposits above €100k (if issuer rating trigger hit)
 - ▶ Deduction of arrears and defaulted receivables
 - ▶ Deduction of construction deposits
 - ▶ Deduction of Long Term Mortgage Loans if $> 10\%$ of Cover Pool
- 'B' and 'C' represent cash and substitution assets
- 'Z' represents the 'Interest Reserve Required Amount'

2

Minimum OC level

The Net Outstanding Principal Amount of all Mortgage Receivables

- Any Defaulted Receivables
- + Substitution Assets
- + All amounts standing to the balance of the CBC Transaction Accounts
- Swap Collateral Amounts;

Will always be at least equal to 110%** of the aggregate Principal Amount Outstanding of the Covered Bonds

* Please refer to section 16 of the base prospectus for a detailed overview; **10% committed minimum OC level, regulatory minimum OC requirement is 5%

Amortisation Test

1

Amortisation Test Aggregate Asset Amount* \geq outstanding Covered Bonds

Adjusted aggregate asset amount = $A+B+C-Z$

- The calculation of 'A' includes:
 - ▶ 80% LTMV cut-off
 - ▶ Deduction of arrears and defaulted receivables
 - ▶ Deduction of Long Term Mortgage Loans if $> 10\%$ of Cover Pool
- 'B' and 'C' represent cash and substitution assets
- 'Z' represents the 'Interest Reserve Required Amount'

2

Minimum OC level

The Net Outstanding Principal Amount of all Mortgage Receivables

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- Swap Collateral Amounts;

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* Please refer to section 16 of the base prospectus for a detailed overview; ** 10% committed minimum OC level, regulatory minimum OC requirement is 5%

A photograph showing two people in business attire sitting at a white table, writing on documents with pens. The person on the left is wearing a blue and white striped shirt and a dark tie. The person on the right is wearing a light-colored sweater. The background is a bright, out-of-focus office setting.

Appendix: Cover Pool characteristics

Cover Pool characteristics

Key characteristics as at December 31, 2016

Principal balance (EUR)	1.811.720.029,35
Value of saving deposits (EUR)	83.623.328,07
Net principal balance (EUR)	1.728.096.701,28
Construction deposits (EUR)	3.757.781,31
Net principal balance excl. construction and saving deposits (EUR)	1.724.338.919,97
Number of loans (#)	9,382
Number of loan parts (#)	18,494
Average principal balance per borrower (EUR)	184.192,78
Weighted average current interest rate (%)	3.65%
Weighted average Remaining Fixed Rate Period (in years)	13.71
Weighted average maturity (in years)	28.29
Weighted average seasoning (in years)	3.07
Weighted average LTMV (%)	81.74%
Weighted average LTMV (indexed) (%)	77.97%
NHG guarantee (%)	63.45%

Source: Investor Report December 31, 2016

Key eligibility criteria

- Each mortgage loan is either an Interest-only Mortgage Loan, Linear Mortgage Loan, Annuity Mortgage Loan, Investment Mortgage Loan, Savings Mortgage Loan, Bank Savings Mortgage Loan, Life Mortgage Loan, Universal Life Mortgage Loan or a combination thereof
- The maximum Outstanding Principal Amount per borrower, originated (i) if originated in and after August 2011 did not exceed 104% LTMV and (ii) if originated before August 2011, did not exceed 130% LTFV at origination or (iii) the maximum amount as may be applicable under the relevant regulations at the time of origination
- First and sequentially ranking mortgages only
- Borrower is a private individual, resident of The Netherlands and not an employee of Aegon
- Each Mortgage Loan has been originated by one of the originators
- Each Mortgage Loan is governed by Dutch law and is denominated in euro
- Mortgage conditions provide that all payments by the Borrower should be made without any deduction or set-off (other than in respect of Construction Deposits)

For questions and information relating to Aegon Bank N.V.'s Conditional Pass-Through Covered Bond Programme

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