

## Aegon Bank N.V.

## Update

## Ratings

Long-Term IDR	A-
Short-Term IDR	F2
Support Rating	1

## Sovereign Risk

Foreign-Currency Long-Term IDR	AAA
Local-Currency Long-Term IDR	AAA

## Outlooks

Foreign-Currency Long-Term IDR	Stable
Sovereign Foreign-Currency Long-Term IDR	Stable
Sovereign Local-Currency Long-Term IDR	Stable

## Financial Data

## Aegon Bank N.V.

	31 Dec 18	31 Dec 17
Total assets (USDm)	16,196	16,402
Total assets (EURm)	14,140	13,676
Total equity (EURm)	626	586
Operating profit (EURm)	-2.5	59.5
Published net income (EURm)	5.7	44.7
Comprehensive income (EURm)	-1.0	43.3
Cost/income (%)	75.8	58.7
Operating ROAA (%)	-0.0	0.5
Operating ROAE (%)	-0.4	10.5
Impaired loans / gross loans (%)	0.5	0.4
Common equity Tier 1 capital ratio (%)	21.6	20.6
Customer deposits/total funding (%)	106	107

Source: Fitch Ratings, Fitch Solutions

## Key Rating Drivers

**IDRs Equalised with Parent's:** Aegon Bank N.V.'s (Aegon Bank) Issuer Default Ratings (IDRs) and Support Rating are based on Fitch Ratings' view of an extremely high probability that the bank would receive support, if needed, from its ultimate parent Aegon N.V. (Aegon, A-/Stable), a large international insurance group. Fitch's view on support is primarily driven by Aegon Bank's role within the group, complementing its insurance activities in the Netherlands, one of Aegon's core markets.

**Key to Aegon's Dutch Strategy:** Aegon Bank consolidates the group's retail banking operations in the Netherlands, and includes Knab, an online financial services platform. It provides bank savings and acts as a broker for mortgage loans and for the group's insurance and investment products. The bank is part of Aegon's strategy in the Netherlands of offering a full range of financial products to the group's clients and of growing the group's pension retirement business.

**Close Integration with the Parent:** Our view of support also reflects the bank's deep integration with Aegon and common branding. Aegon Bank is fully owned by Aegon Nederland N.V., which is ultimately owned by Aegon. The bank shares a number of services and back-office functions with the parent and its strategy is designed to support the group's targets.

**No Viability Rating Assigned:** Fitch does not assign a Viability Rating to Aegon Bank given its close integration with the group and Fitch's opinion that the bank's franchise cannot be assessed meaningfully on a standalone basis.

**Low Impaired Loans:** Aegon Bank's loan book is dominated by low-risk Dutch residential mortgage loans (about 85% of gross loans at end-2018), which mostly benefit from the Dutch mortgage guarantee (67% of total mortgage loans). Stage 3 loans were low at 0.5% of gross loans at end-2018. The quality of consumer and SME loans granted through partners in order to reduce the duration of Aegon Bank's assets is weaker (Stage 3 ratio of 3% at end-2018).

**Weak Profitability:** Despite the improvement over the last several years in net interest margin due to an increasing share of higher-yielding loans and lower funding costs, the bank's profitability remains weak. In 2018, it was also hit by material impairment charges on non-mortgage loans, which increased partly as a result of the introduction of IFRS 9.

**Solid Capital Ratios:** Risk-weighted capital ratios are solid (common equity Tier1 ratio of 21.6% at end-2018), boosted by low risk weights on mortgage loans. The Basel III leverage ratio was also reasonable (4.4% at end-2018).

**Healthy Funding, Sound Liquidity:** Retail savings dominate the bank's funding structure (about 80% of total funding). Liquidity is underpinned by a large cushion of liquid assets. The Basel 3 LCR stood at 209% and the NSFR at 141% at end-2018.

## Rating Sensitivities

**Ratings Sensitive to Parent Support:** The Stable Outlook on the bank's Long-Term IDR reflects that of Aegon. Aegon Bank's ratings are sensitive to a change in Aegon's ability to support the bank, as reflected in the ultimate parent's Long-Term IDR. The ratings are also sensitive to perceived changes in the propensity of Aegon to support the bank, particularly should the bank play a less key and integral role in the group's business.

## Related Research

Aegon N.V. (March 2019)

## Analysts

Romain Levasseur  
+33 1 44 29 91 76  
romain.levasseur@fitchratings.com

Konstantin Yakimovich  
+44 20 3530 1789  
konstantin.yakimovich@fitchratings.com

**Aegon Bank N.V.  
Income Statement**

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015	
	Year End USDm Audited - Unqualified	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	381.2	332.8	2.60	284.0	2.33	248.1	2.23	223.5	2.30
2. Other Interest Income	7.1	6.2	0.05	11.8	0.10	25.6	0.23	34.7	0.36
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>4. Gross Interest and Dividend Income</b>	<b>388.3</b>	<b>339.0</b>	<b>2.65</b>	<b>295.8</b>	<b>2.43</b>	<b>273.7</b>	<b>2.45</b>	<b>258.2</b>	<b>2.66</b>
5. Interest Expense on Customer Deposits	78.2	68.3	0.53	88.7	0.73	103.2	0.93	104.4	1.07
6. Other Interest Expense	90.5	79.0	0.62	61.5	0.51	49.6	0.44	50.0	0.51
<b>7. Total Interest Expense</b>	<b>168.7</b>	<b>147.3</b>	<b>1.15</b>	<b>150.2</b>	<b>1.23</b>	<b>152.8</b>	<b>1.37</b>	<b>154.4</b>	<b>1.59</b>
<b>8. Net Interest Income</b>	<b>219.6</b>	<b>191.7</b>	<b>1.50</b>	<b>145.6</b>	<b>1.20</b>	<b>120.9</b>	<b>1.08</b>	<b>103.8</b>	<b>1.07</b>
9. Net Fees and Commissions	12.4	10.8	0.08	10.1	0.08	5.3	0.05	2.6	0.03
10. Net Gains (Losses) on Trading and Derivatives	(25.0)	(21.8)	(0.17)	(40.9)	(0.34)	15.7	0.14	(14.4)	(0.15)
11. Net Gains (Losses) on Assets and Liabilities at FV	(0.9)	(0.8)	(0.01)	1.9	0.02	(0.5)	(0.00)	2.3	0.02
12. Net Gains (Losses) on Other Securities	11.6	10.1	0.08	2.8	0.02	10.9	0.10	13.3	0.14
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	0.0	0.0	0.00	80.9	0.66	n.a.	-	n.a.	-
<b>15. Total Non-Interest Operating Income</b>	<b>(1.9)</b>	<b>(1.7)</b>	<b>(0.01)</b>	<b>54.8</b>	<b>0.45</b>	<b>31.4</b>	<b>0.28</b>	<b>3.8</b>	<b>0.04</b>
<b>16. Total Operating Income</b>	<b>217.6</b>	<b>190.0</b>	<b>1.49</b>	<b>200.4</b>	<b>1.65</b>	<b>152.3</b>	<b>1.37</b>	<b>107.6</b>	<b>1.11</b>
17. Personnel Expenses	26.3	23.0	0.18	23.9	0.20	17.7	0.16	15.3	0.16
18. Other Operating Expenses	138.7	121.1	0.95	93.8	0.77	89.7	0.80	69.0	0.71
<b>19. Total Non-Interest Expenses</b>	<b>165.1</b>	<b>144.1</b>	<b>1.13</b>	<b>117.7</b>	<b>0.97</b>	<b>107.4</b>	<b>0.96</b>	<b>84.3</b>	<b>0.87</b>
20. Equity-accounted Profit/ Loss - Operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>21. Pre-Impairment Operating Profit</b>	<b>52.6</b>	<b>45.9</b>	<b>0.36</b>	<b>82.7</b>	<b>0.68</b>	<b>44.9</b>	<b>0.40</b>	<b>23.3</b>	<b>0.24</b>
22. Loan Impairment Charge	56.1	49.0	0.38	23.2	0.19	16.3	0.15	10.9	0.11
23. Securities and Other Credit Impairment Charges	(0.7)	(0.6)	(0.00)	0.0	0.00	n.a.	-	n.a.	-
<b>24. Operating Profit</b>	<b>(2.9)</b>	<b>(2.5)</b>	<b>(0.02)</b>	<b>59.5</b>	<b>0.49</b>	<b>28.6</b>	<b>0.26</b>	<b>12.4</b>	<b>0.13</b>
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	n.a.	n.a.	-	n.a.	-	89.6	0.80	3.2	0.03
28. Non-recurring Expense	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>31. Pre-tax Profit</b>	<b>(2.9)</b>	<b>(2.5)</b>	<b>(0.02)</b>	<b>59.5</b>	<b>0.49</b>	<b>118.2</b>	<b>1.06</b>	<b>15.6</b>	<b>0.16</b>
32. Tax expense	(9.4)	(8.2)	(0.06)	14.8	0.12	29.4	0.26	3.8	0.04
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
<b>34. Net Income</b>	<b>6.5</b>	<b>5.7</b>	<b>0.04</b>	<b>44.7</b>	<b>0.37</b>	<b>88.8</b>	<b>0.80</b>	<b>11.8</b>	<b>0.12</b>
35. Change in Value of AFS Investments	1.3	1.1	0.01	(1.9)	(0.02)	9.0	0.08	(3.6)	(0.04)
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
38. Remaining OCI Gains/(losses)	(8.9)	(7.8)	(0.06)	0.5	0.00	(2.3)	(0.02)	1.1	0.01
<b>39. Fitch Comprehensive Income</b>	<b>(1.1)</b>	<b>(1.0)</b>	<b>(0.01)</b>	<b>43.3</b>	<b>0.36</b>	<b>95.5</b>	<b>0.86</b>	<b>9.3</b>	<b>0.10</b>
40. Memo: Profit Allocation to Non-controlling Interests	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
41. Memo: Net Income after Allocation to Non-controlling Interests	6.5	5.7	0.04	44.7	0.37	88.5	0.79	11.7	0.12
42. Memo: Common Dividends Relating to the Period	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	n.a.	n.a.	-	0.4	0.00	0.3	0.00	0.1	0.00

Exchange rate

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

USD1 = EUR0.9185

**Related Criteria**

[Bank Rating Criteria \(October 2018\)](#)

[Short-Term Ratings Criteria \(May 2019\)](#)

**Aegon Bank N.V.**  
**Balance Sheet**

	31 Dec 2018			31 Dec 2017			31 Dec 2016			31 Dec 2015		
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	
<b>Assets</b>												
<b>A. Loans</b>												
1. Residential Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	6,232.9	60.13	-	-	
2. Other Mortgage Loans	11,018.8	9,620.0	68.03	9,118.9	66.68	7,854.8	64.65	n.a.	-	-	-	
3. Other Consumer/ Retail Loans	1,297.6	1,132.9	8.01	833.3	6.09	530.8	4.37	528.9	5.10	-	-	
4. Corporate & Commercial Loans	305.2	266.5	1.88	n.a.	-	n.a.	-	n.a.	-	-	-	
5. Other Loans	253.2	221.1	1.56	243.1	1.78	256.4	2.11	261.2	2.52	-	-	
6. Less: Loan Loss Allowances	97.7	85.3	0.60	39.9	0.29	20.6	0.17	12.6	0.12	-	-	
<b>7. Net Loans</b>	<b>12,777.2</b>	<b>11,155.2</b>	<b>78.89</b>	<b>10,155.4</b>	<b>74.26</b>	<b>8,621.4</b>	<b>70.96</b>	<b>7,010.4</b>	<b>67.63</b>	-	-	
<b>8. Gross Loans</b>	<b>12,874.9</b>	<b>11,240.5</b>	<b>79.49</b>	<b>10,195.3</b>	<b>74.55</b>	<b>8,642.0</b>	<b>71.13</b>	<b>7,023.0</b>	<b>67.75</b>	-	-	
9. Memo: Impaired Loans included above	63.6	55.5	0.39	44.2	0.32	58.1	0.48	76.8	0.74	-	-	
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>B. Other Earning Assets</b>												
1. Loans and Advances to Banks	109.8	95.9	0.68	159.8	1.17	91.4	0.75	72.4	0.70	-	-	
2. Reverse Repos and Securities Borrowing	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	-	-	
3. Derivatives	246.1	214.9	1.52	83.8	0.61	108.6	0.89	131.8	1.27	-	-	
4. Trading Securities and at FV through Income	0.0	0.0	0.00	0.2	0.00	0.7	0.01	0.5	0.00	-	-	
5. Securities at FV through OCI / Available for Sale	1,505.7	1,314.6	9.30	1,776.6	12.99	2,328.4	19.16	2,496.8	24.09	-	-	
6. Securities at Amortised Cost / Held to Maturity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>8. Total Securities</b>	<b>1,505.7</b>	<b>1,314.6</b>	<b>9.30</b>	<b>1,776.8</b>	<b>12.99</b>	<b>2,329.1</b>	<b>19.17</b>	<b>2,497.3</b>	<b>24.09</b>	-	-	
9. Memo: Government Securities included Above	490.7	428.4	3.03	470.1	3.44	0.0	0.00	0.0	0.00	-	-	
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
11. Equity Investments in Associates	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
12. Investments in Property	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>15. Total Earning Assets</b>	<b>14,638.9</b>	<b>12,780.6</b>	<b>90.39</b>	<b>12,175.8</b>	<b>89.03</b>	<b>11,150.5</b>	<b>91.77</b>	<b>9,711.9</b>	<b>93.69</b>	-	-	
<b>C. Non-Earning Assets</b>												
1. Cash and Due From Banks	1,453.2	1,268.7	8.97	1,431.9	10.47	933.5	7.68	491.7	4.74	-	-	
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
4. Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
5. Goodwill	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
6. Other Intangibles	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
7. Current Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
8. Deferred Tax Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
9. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
10. Other Assets	103.9	90.7	0.64	68.3	0.50	66.1	0.54	162.4	1.57	-	-	
<b>11. Total Assets</b>	<b>16,196.0</b>	<b>14,140.0</b>	<b>100.00</b>	<b>13,676.0</b>	<b>100.00</b>	<b>12,150.1</b>	<b>100.00</b>	<b>10,366.0</b>	<b>100.00</b>	-	-	
<b>Liabilities and Equity</b>												
<b>D. Interest-Bearing Liabilities</b>												
1. Total Customer Deposits	12,125.0	10,585.8	74.86	9,567.5	69.96	8,814.1	72.54	7,100.9	68.50	-	-	
2. Deposits from Banks	n.a.	n.a.	-	n.a.	-	n.a.	-	675.0	6.51	-	-	
3. Repos and Securities Lending	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
4. Commercial Paper and Short-term Borrowings	15.8	13.8	0.10	749.6	5.48	862.3	7.10	962.2	9.28	-	-	
<b>5. Customer Deposits and Short-term Funding</b>	<b>12,140.8</b>	<b>10,599.6</b>	<b>74.96</b>	<b>10,317.1</b>	<b>75.44</b>	<b>9,676.4</b>	<b>79.64</b>	<b>8,738.1</b>	<b>84.30</b>	-	-	
6. Senior Unsecured Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
7. Subordinated Borrowing	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
8. Covered Bonds	2,554.2	2,230.0	15.77	2,226.5	16.28	1,242.0	10.22	746.0	7.20	-	-	
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>10. Total LT Funding</b>	<b>2,554.2</b>	<b>2,230.0</b>	<b>15.77</b>	<b>2,226.5</b>	<b>16.28</b>	<b>1,242.0</b>	<b>10.22</b>	<b>746.0</b>	<b>7.20</b>	-	-	
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
12. Trading Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>13. Total Funding</b>	<b>14,695.0</b>	<b>12,829.6</b>	<b>90.73</b>	<b>12,543.6</b>	<b>91.72</b>	<b>10,918.4</b>	<b>89.86</b>	<b>9,484.1</b>	<b>91.49</b>	-	-	
14. Derivatives	398.4	347.8	2.46	182.9	1.34	273.0	2.25	270.4	2.61	-	-	
<b>15. Total Funding and Derivatives</b>	<b>15,093.4</b>	<b>13,177.4</b>	<b>93.19</b>	<b>12,726.5</b>	<b>93.06</b>	<b>11,191.4</b>	<b>92.11</b>	<b>9,754.5</b>	<b>94.10</b>	-	-	
<b>E. Non-Interest Bearing Liabilities</b>												
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
3. Reserves for Pensions and Other	11.6	10.1	0.07	2.9	0.02	2.0	0.02	n.a.	-	-	-	
4. Current Tax Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
5. Deferred Tax Liabilities	77.1	67.3	0.48	101.8	0.74	94.2	0.78	60.3	0.58	-	-	
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
7. Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
9. Other Liabilities	285.9	249.6	1.77	249.6	1.83	311.8	2.57	124.6	1.20	-	-	
<b>10. Total Liabilities</b>	<b>15,467.9</b>	<b>13,504.4</b>	<b>95.50</b>	<b>13,080.8</b>	<b>95.65</b>	<b>11,599.4</b>	<b>95.47</b>	<b>9,939.4</b>	<b>95.88</b>	-	-	
<b>F. Hybrid Capital</b>												
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
2. Pref. Shares and Hybrid Capital accounted for as Equity	10.9	9.5	0.07	9.5	0.07	7.9	0.07	4.4	0.04	-	-	
<b>G. Equity</b>												
1. Common Equity	708.3	618.4	4.37	570.9	4.17	526.6	4.33	412.7	3.98	-	-	
2. Non-controlling Interest	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00	-	-	
3. Securities Revaluation Reserves	8.8	7.7	0.05	14.8	0.11	16.2	0.13	9.5	0.09	-	-	
4. Foreign Exchange Revaluation Reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
5. Fixed Asset Revaluations and Other Accumulated OCI	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	-	-	
<b>6. Total Equity</b>	<b>717.1</b>	<b>626.1</b>	<b>4.43</b>	<b>585.7</b>	<b>4.28</b>	<b>542.8</b>	<b>4.47</b>	<b>422.2</b>	<b>4.07</b>	-	-	
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equity	728.0	635.6	4.50	595.2	4.35	550.7	4.53	426.6	4.12	-	-	
<b>8. Total Liabilities and Equity</b>	<b>16,196.0</b>	<b>14,140.0</b>	<b>100.00</b>	<b>13,676.0</b>	<b>100.00</b>	<b>12,150.1</b>	<b>100.00</b>	<b>10,366.0</b>	<b>100.00</b>	-	-	
9. Memo: Fitch Core Capital	717.1	626.1	4.43	585.7	4.28	542.8	4.47	422.2	4.07	-	-	

Exchange rate

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

USD1 = EUR0.9185

## Aegon Bank N.V. Summary Analytics

	31 Dec 2018	31 Dec 2017	31 Dec 2016	31 Dec 2015
	Year End	Year End	Year End	Year End
<b>A. Interest Ratios</b>				
1. Interest Income/ Average Earning Assets	2.72	2.54	2.62	2.79
2. Interest Income on Loans/ Average Gross Loans	3.11	3.02	3.17	3.43
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.68	0.97	1.30	1.67
4. Interest Expense/ Average Interest-bearing Liabilities	1.14	1.26	1.46	1.70
5. Net Interest Income/ Average Earning Assets	1.54	1.25	1.16	1.12
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.14	1.05	1.00	1.00
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.54	1.24	1.16	1.12
<b>B. Other Operating Profitability Ratios</b>				
1. Operating Profit/ Risk Weighted Assets	(0.09)	2.28	1.26	0.51
2. Non-Interest Expense/ Gross Revenues	75.84	58.73	70.52	78.35
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	105.45	28.05	36.30	46.78
4. Operating Profit/ Average Total Assets	(0.02)	0.46	0.25	0.13
5. Non-Interest Income/ Gross Revenues	(0.89)	27.35	20.62	3.53
6. Non-Interest Expense/ Average Total Assets	1.04	0.91	0.95	0.87
7. Pre-impairment Op. Profit/ Average Equity	7.58	14.66	9.31	5.54
8. Pre-impairment Op. Profit/ Average Total Assets	0.33	0.64	0.40	0.24
9. Operating Profit/ Average Equity	(0.41)	10.54	5.93	2.95
<b>C. Other Profitability Ratios</b>				
1. Net Income/ Average Total Equity	0.94	7.92	18.40	2.81
2. Net Income/ Average Total Assets	0.04	0.35	0.79	0.12
3. Fitch Comprehensive Income/ Average Total Equity	(0.17)	7.67	19.79	2.21
4. Fitch Comprehensive Income/ Average Total Assets	(0.01)	0.34	0.85	0.10
5. Taxes/ Pre-tax Profit	328.00	24.87	24.87	24.36
6. Net Income/ Risk Weighted Assets	0.20	1.72	3.90	0.48
<b>D. Capitalization</b>				
1. FCC/ FCC-Adjusted Risk Weighted Assets	21.87	22.49	23.84	17.34
2. Tangible Common Equity/ Tangible Assets	4.43	4.28	4.47	4.07
3. Equity/ Total Assets	4.43	4.28	4.47	4.07
4. Basel Leverage Ratio	4.40	3.90	3.90	3.90
5. Common Equity Tier 1 Capital Ratio	21.62	20.60	20.40	16.41
6. Fully Loaded Common Equity Tier 1 Capital Ratio	n.a.	n.a.	n.a.	n.a.
7. Tier 1 Capital Ratio	n.a.	n.a.	n.a.	17.00
8. Total Capital Ratio	n.a.	n.a.	n.a.	17.00
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	(4.76)	0.73	6.91	15.21
10. Impaired Loans less Loan Loss Allowances/ Equity	(4.76)	0.73	6.91	15.21
11. Cash Dividends Paid & Declared/ Net Income	n.a.	0.89	0.34	0.85
12. Risk Weighted Assets/ Total Assets	20.25	19.04	18.74	23.49
13. Risk Weighted Assets - Standardised/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
14. Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	n.a.	n.a.	n.a.	n.a.
<b>E. Loan Quality</b>				
1. Impaired Loans/ Gross Loans	0.49	0.43	0.67	1.09
2. Growth of Gross Loans	10.25	17.97	23.05	17.19
3. Loan Loss Allowances/ Impaired Loans	153.69	90.27	35.46	16.41
4. Loan Impairment Charges/ Average Gross Loans	0.46	0.25	0.21	0.17
5. Growth of Total Assets	3.39	12.56	17.21	14.64
6. Loan Loss Allowances/ Gross Loans	0.76	0.39	0.24	0.18
7. Net Charge-offs/ Average Gross Loans	0.06	0.07	0.09	0.16
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.49	0.43	0.67	1.09
<b>F. Funding and Liquidity</b>				
1. Loans/ Customer Deposits	106.18	106.56	98.05	98.90
2. Liquidity Coverage Ratio	209.00	277.00	218.00	243.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	82.45	76.22	80.67	74.84
4. Interbank Assets/ Interbank Liabilities	n.a.	n.a.	n.a.	10.73
5. Net Stable Funding Ratio	141.00	132.00	138.00	126.00
6. Growth of Total Customer Deposits	10.64	8.55	24.13	31.16

**Aegon Bank N.V.  
Reference Data**

	31 Dec 2018			31 Dec 2017		31 Dec 2016		31 Dec 2015		
	Year End USDm	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	
<b>A. Off-Balance Sheet Items</b>										
1. Managed Securitised Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
3. Guarantees	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Committed Credit Lines	50.4	44.0	0.31	77.0	0.56	138.0	1.14	149.0	1.44	
6. Other Contingent Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
7. Other Off-Balance Sheet items	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
8. Total Assets under Management	0.0	0.0	0.00	0.0	0.00	274.0	2.26	240.0	2.32	
<b>B. Average Balance Sheet</b>										
1. Average Loans	12,276.3	10,717.9	75.80	9,418.7	68.87	7,832.5	64.46	6,508.0	62.78	
2. Average Earning Assets	14,292.5	12,478.2	88.25	11,663.2	85.28	10,431.2	85.85	9,256.7	89.30	
3. Average Total Assets	15,930.2	13,908.0	98.36	12,913.1	94.42	11,258.1	92.66	9,704.0	93.61	
4. Average Managed Securitised Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
5. Average Interest-Bearing Liabilities	14,835.2	12,952.0	91.60	11,959.0	87.45	10,473.0	86.20	9,063.0	87.43	
6. Average Common equity	681.2	594.7	4.21	548.8	4.01	469.7	3.87	406.9	3.93	
7. Average Equity	694.0	605.9	4.29	564.3	4.13	482.5	3.97	420.4	4.06	
8. Average Customer Deposits	11,541.9	10,076.7	71.26	9,190.8	67.20	7,957.5	65.49	6,257.5	60.37	
<b>C. Maturities</b>										
<b>Asset Maturities:</b>										
Loans & Advances < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances > 5 years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>Liability Maturities:</b>										
Retail Deposits < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Retail Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Deposits from Banks > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>Total Senior Debt on Balance Sheet</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>Total Subordinated Debt on Balance Sheet</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	<b>n.a.</b>	<b>-</b>	
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>D. Risk Weighted Assets</b>										
1. Risk Weighted Assets	3,279.6	2,863.3	20.25	2,604.5	19.04	2,276.5	18.74	2,434.9	23.49	
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>3. Fitch Core Capital Adjusted Risk Weighted Assets</b>	<b>3,279.6</b>	<b>2,863.3</b>	<b>20.25</b>	<b>2,604.5</b>	<b>19.04</b>	<b>2,276.5</b>	<b>18.74</b>	<b>2,434.9</b>	<b>23.49</b>	
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-	
<b>5. Fitch Adjusted Risk Weighted Assets</b>	<b>3,279.6</b>	<b>2,863.3</b>	<b>20.25</b>	<b>2,604.5</b>	<b>19.04</b>	<b>2,276.5</b>	<b>18.74</b>	<b>2,434.9</b>	<b>23.49</b>	
<b>E. Fitch Core Capital Reconciliation</b>										
1. Total Equity as reported (including non-controlling interests)	717.1	626.1	4.43	585.7	4.28	542.8	4.47	422.2	4.07	
2. Fair-value adjustments relating to own credit risk on debt issued	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
4. Goodwill	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
5. Other intangibles	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
6. Deferred tax assets deduction	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00	
<b>10. Fitch Core Capital</b>	<b>717.1</b>	<b>626.1</b>	<b>4.43</b>	<b>585.7</b>	<b>4.28</b>	<b>542.8</b>	<b>4.47</b>	<b>422.2</b>	<b>4.07</b>	

Exchange Rate

USD1 = EUR0.873057

USD1 = EUR0.83382

USD1 = EUR0.9487

USD1 = EUR0.9185

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: [HTTPS://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS](https://fitchratings.com/understandingcreditratings). IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT [WWW.FITCHRATINGS.COM](http://WWW.FITCHRATINGS.COM). PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE. FITCH MAY HAVE PROVIDED ANOTHER PERMISSIBLE SERVICE TO THE RATED ENTITY OR ITS RELATED THIRD PARTIES. DETAILS OF THIS SERVICE FOR RATINGS FOR WHICH THE LEAD ANALYST IS BASED IN AN EU-REGISTERED ENTITY CAN BE FOUND ON THE ENTITY SUMMARY PAGE FOR THIS ISSUER ON THE FITCH WEBSITE.

Copyright © 2019 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.