Knab N.V.

Soft Bullet Covered Bond Programme

(On 4 April 2024, the statutory name was changed from Aegon Bank N.V. into Knab N.V.)

Investor Presentation

April 2024

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Executive summary

Soft Bullet Programme summary

Issuer	Knab N.V.
Programme size	EUR 5 billion
Cover Pool	EUR 2,291.5 million[1]
Format	Soft Bullet (SB)
Extension Period	Maximum of 1 year
Guarantor	Knab SB Covered Bond Company B.V.
Ratings	AAA (S&P)
Collateral	Prime Dutch residential mortgage loans
Regulatory Compliance	CRR Art. 129, LCR eligible Level 1, ECB repo eligible, Solvency II eligible, European Covered Bond (Premium) Label
Robust structure	✓ Registered programme with DNB ✓ Strong programme tests (Asset Cover Test & Amortisation Test) ✓ Exempted from bail-in

Knab: an established issuer operating under a new name

- Knab N.V. (Knab and previously acting under the name Aegon Bank N.V.) is a strongly positioned Dutch bank with around 400,000 clients focusing on self-employed customers and small business segments
- Since 2023, Knab is owned by Dutch insurance group ASR Nederland N.V. (a.s.r.)
- An experienced Covered Bonds (CB) issuer since 2015

Capital position

- Knab has a strong capital and liquidity position with a Total Capital Ratio of 23.5%, a Leverage Ratio of 4.6% and a Liquidity Coverage Ratio of 187% per end of H1 2023
- Balance sheet size EUR 17.1 billion per end of H1 2023
- Net income after tax EUR 64.4 million per end H1 2023

High-quality (AAA) Covered Bonds

- Strong (Dutch) legal framework
- EU Covered Bonds Premium Label
- Collateralised by a portfolio of high-quality prime Dutch mortgage loans originated under the Aegon mortgage label with a CLtIMV[3] of 56.0%[1] and 55.8%[1] government guaranteed mortgages (NHG)

Knab will be sold to BAWAG: expected in H2 2024

- On 1 February 2024, a.s.r. announced the sale of Knab to the Austrian banking group BAWAG Group AG (BAWAG)
- Closing of this transaction is expected in the second half of 2024 and is conditional to approval of the regulatory authorities
- In this context, S&P has recently updated the issuer credit rating to BBB+

1. Net Principal Balance as per end of February 2024
2. Portfolio swap and Interest rate swap are optional for the SBCB Programme
3. CLtIMV: Current Loan to Indexed Market Value

ASR Nederland N.V. and BAWAG Group AG

History of Knab

Highlights since 2012

History of the CB activities and ownership of the Issuer

2012
Knab established as a bank within Aegon as the first online bank in the Netherlands

2015
Set-up of Aegon CPTCB Programme

2021
Set-up of Aegon SBCB Programme

2023
a.s.r. acquired Knab as integral part of Aegon Nederland

February 2024
a.s.r. announces the sale of Knab to BAWAG

April 2024
Aegon Bank N.V. changed its name into Knab N.V.
As a result of name change the names of the relevant CB entities has been changed into Knab and with the next update of the prospectus the name of the SBCB Programme will also change

H2 2024
Expected closing of the sale of Knab to BAWAG

Knab's profile and ambition

Position of the bank

- a.s.r. acquired Knab as an integral part of former Aegon Nederland since 4 July 2023, wherein it has been integrated since 1 October 2023
- In February 2024 a.s.r. announced the sale of Knab to BAWAG, which is expected to close in H2 2024
- a.s.r. will provide extraordinary support to Knab until the transaction closes and following a successful closing, BAWAG will take over this support

Profile of the bank

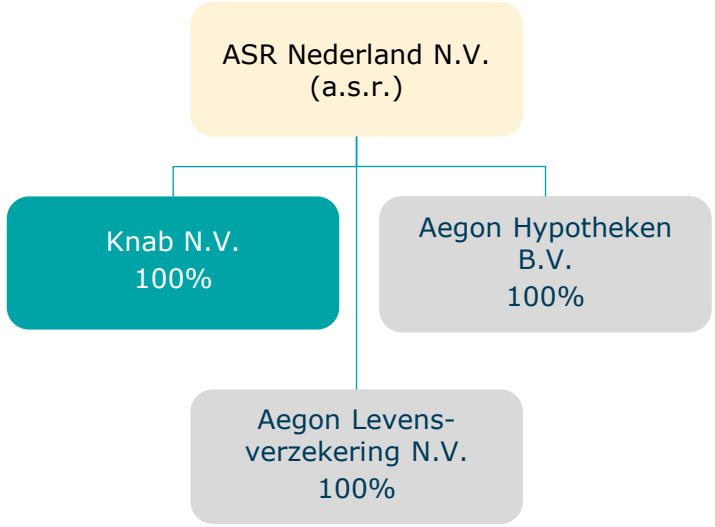
- On 4 April 2024, Knab changed its statutory name from Aegon Bank N.V. into Knab N.V.
- Knab is one of the fastest-growing banks in the Netherlands, with a differentiating proposition for self-employed entrepreneurs and a high level of customer satisfaction
- Access to self-employed customers and SME segments through its direct channel
- Knab has a fee generating strategy focusing on package fee(s) and increase sale of auxiliary (partner) products for its entrepreneurial customer base
- Knab offers retirement savings and investment solutions[1] for its customers

Own asset origination for future growth and to reach target scale

- In 2023 Knab started with originating SME loans for its own customers. This will extend towards non-Knab customers in 2024
- In 2024 Knab will start with the origination of own mortgage loans (tailored for self-employed customers)
- These new offerings allow Knab, next to the new pension investment product, to increase focus, improve its position for growth, reduce costs and add more value for our customers

Simplified organization structure

Situation until H2 2024



1. Consisting of both 3rd pillar (fiscal friendly) and 4th pillar propositions

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Knab will become part of BAWAG in H2 2024

Under BAWAG ownership Knab will continue to grow its retail and SME business

Position of the bank within BAWAG

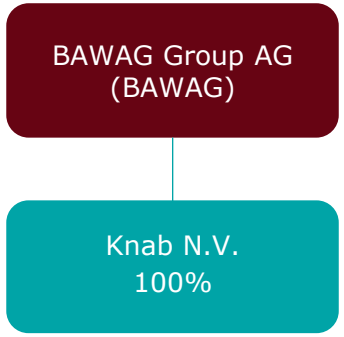
- With this acquisition BAWAG will acquire 100% of the shares in Knab
- The acquisition will expand BAWAG's footprint in the Dutch retail and SME banking market and position it for future growth in one of the bank's core markets
- BAWAG will work with the current Knab leadership team to continue growing its retail and SME business in the Netherlands
- In addition to the acquisition of Knab, an agreement was reached to transfer the management of the servicing of mortgages on Knab's balance sheet from a.s.r. to BAWAG in due time after closing

Profile of BAWAG

- BAWAG rated A1 by Moody's is a publicly listed holding company headquartered in Vienna, Austria, serving 2.1 million retail, small business, corporate, real estate and public sector customers across Austria, Germany, Switzerland, Netherlands, Western Europe and the United States
- BAWAG operates under various brands and across multiple channels offering comprehensive savings, payment, lending, leasing, investment, building society, factoring and insurance products and services
- BAWAG's Investor Relations website https://www.bawaggroup.com/ir contains further information, including financial and other information for investors

Simplified organization structure

Situation after closing H2 2024



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Introduction Knab

Knab at a glance

Capital position
(H1 2023, in percentages)

23.5%	**Total Capital Ratio**
23.2%	**CET1 Ratio**
4.6%	**Leverage Ratio**

What we do
Retail banking with payment services, partner products savings and investment products for around **400k** fee-paying customers
(Q1 2024)

History
Online Knab banking platform launched in 2012

Size
Total assets EUR **17.1** billion
(H1 2023)

Employees
over **400** internal employees (FTE)
(Q1 2024)

Investments
Approximately **69%** of total assets invested in prime Dutch retail mortgages, of which **56%** NHG guaranteed and an average Loan-to-Value of **60%**
(H1 2023)

The business model of the bank

Focusing on growing self-employed and small business customers

Banking services

- Knab's purpose is to make "Entrepreneurs feel at ease when it comes to their finances, every day"
- Growing online banking platform with strong market position, focusing on self-employed and small business customers
- Focus on being a scalable, retail bank with strong strategic alliances
- Full retail banking product suite with payment services, (retirement) savings products, investment products, partner products (incl. insurances) and alerts
- New Value Stream Lending for origination to small business customers
- Former Aegon labelled savings and investment products have been fully migrated to the strongly positioned Knab label

Net interest margin

- Asset mix mainly consists of high-quality mortgages originated[1] and serviced through Aegon Hypotheken and Robuust Hypotheken
- Consumer & small business loan portfolio originated through partners is currently in run-off and strongly reduced in size. In January 2024, the portfolio decreased to less than 1% of the balance sheet of which over 80% is guaranteed by the UK government.
- New origination of SME loans takes place through internal origination under the Knab label.

Service management fees

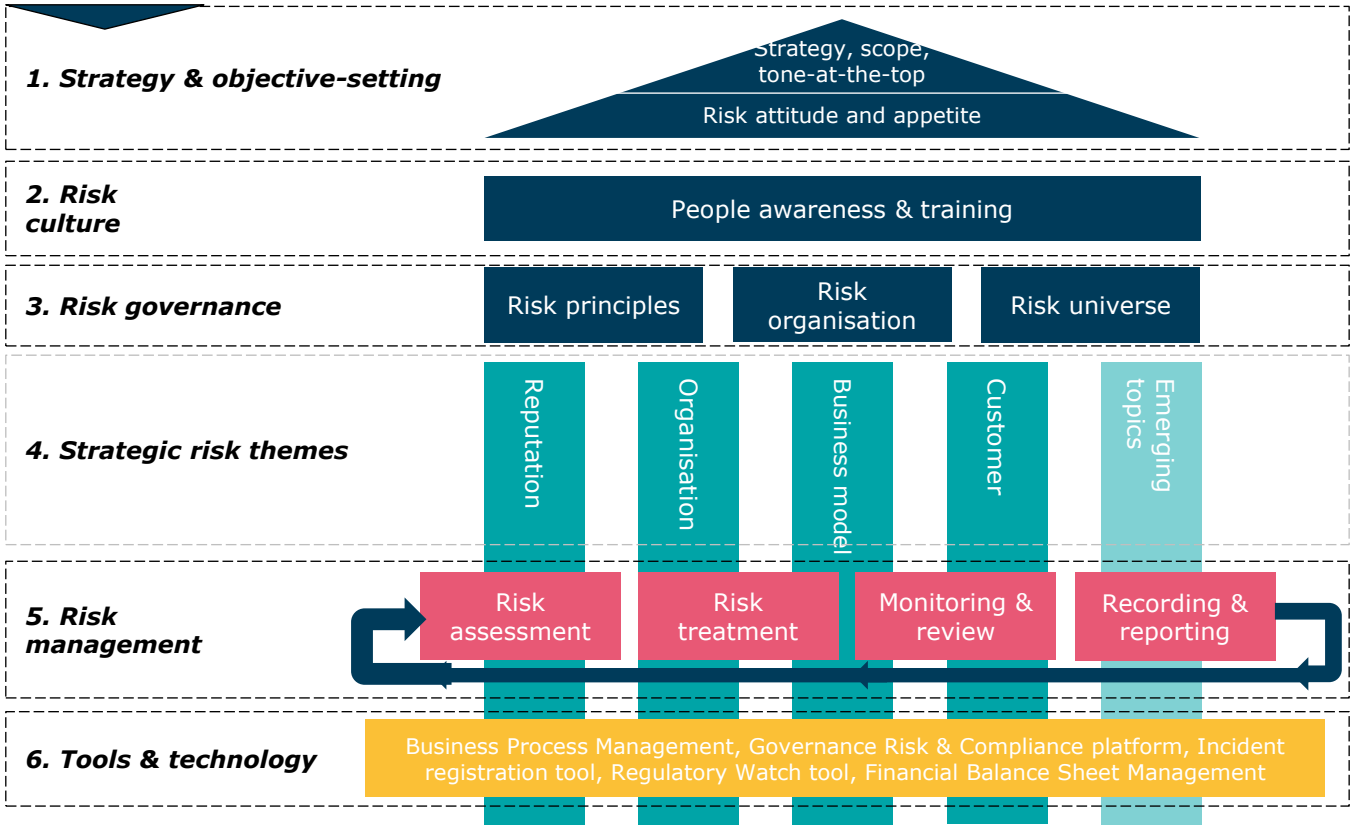
- Fee business from banking services, including offering partner products, payment services and investment products
- Focus on increasing fee business through offering of new value-added services, such as accounting package solution and business insurances

1. Aegon Levensverzekering N.V. used to be an origination vehicle in the past.

ERM Framework

The ERM framework enables Knab to effectively perform its risk management activities

Building blocks:



ERM Framework explained

- The purpose of risk management is the creation and protection of value to Knab's customers, employees and shareholders. It improves performance, encourages innovation and supports the achievement of objectives
- The aim of the ERM Framework is to enable Knab to effectively deal with uncertainty and opportunity, by enhancing the organization's capacity to build value which contributes to the fulfilment of its strategy. In addition, risk management facilitates the alignment of strategy and risk appetite. The execution of the ERM process is a continuous and iterative undertaking, including periodic or ad hoc adjustment of the strategy and risk tolerance based on emerging risk information or changes in the business (environment).
- The ERM Framework is designed to be fit for purpose for Knab's size and market context. It recognizes that Knab operates in a highly scrutinized regulatory environment and Knab's focus for ongoing development of services and product offerings.

Knab's sustainability objectives

Our objective is to make the world a better place for current and future generations

Make it a better place – Global

- Knab is an active member of Aegon Nederland's Responsible Investment Committee, which monitors Aegon Asset Management's investment portfolio and Aegon Hypotheken's mortgage portfolio
- Focus on measuring and reducing the greenhouse gas emissions (and CO_2 emissions in particular) associated with our investments
- Mortgages are Knab's largest asset class, consisting solely of residential Dutch mortgages. An energy efficiency label is available for 95% (FY 2022 and FY 2021: 96%) of the collateral

Make it a better place – The Netherlands

- By constantly engaging with entrepreneurs, Knab learns more about their situation, ideas and opinions on financial topics
- Knab shares outcomes of its research among its customer base with the broader public through publications and the 'Knab Bieb' (in 2022, 70 articles were added to this online library with over thousand articles and during the year the library was consulted almost 2 million times)

Knab - Internal

- Our people are who make Knab. Not only do we believe that fostering a workplace where everyone can be their true self is the right thing to do; we also believe that this make us stronger as a company
- In 2022, we increased the percentage of women in leadership positions from 27% to 37% and focused our efforts on increasing the number of women in tech positions. Also, we implemented multiple initiatives to reduce hiring bias, for instance by discarding academic requirements for open vacancies

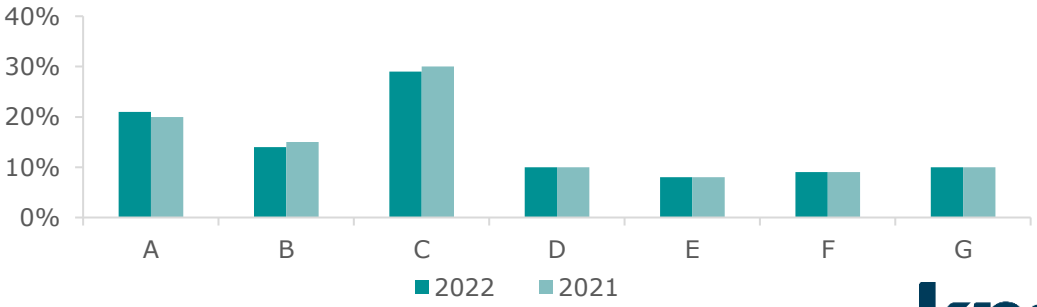
Investments carbon footprint[1]

(FY 2022)

	Value (EUR millions)	Carbon footprint (tCO_2e)	Coverage (% of assets)	Relative intensity (tCO_2e/EUR millions)	Weighted average carbon intensity (tCO_2e/EUR millions)
Cash	2,737	-	100%	-	-
Sovereign bonds	406	65,300	66%	240	180
Corporate credit	580	54,728	82%	115	242
Mortgages	11,638	189,900	96%	17	-
Unmeasured	1,599	Not yet measured assets			
Total	17,567	309,928	84%	21	

Mortgages energy label

(FY 2021 – FY 2022, in percentages)



1. *The carbon footprint of Knab's residential mortgage portfolio has been calculated based on the energy label information available from the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland) and average residential energy consumption.*

Knab N.V. ratings

Objective to maintain strong long-term ratings

	S&P Global Ratings
Knab N.V. Issuer credit rating, outlook	**BBB+ Negative**
Knab SB Covered Bond Programme	**AAA**
Knab N.V. Issuer credit ratings last affirmed	**6 February 2024**

Quotes from S&P Research update[1]

"We continue to include group support in the ratings on Knab as we believe a.s.r. will provide extraordinary support to the bank until the transaction closes"

"After the transaction, Knab's creditworthiness will likely benefit from support from BAWAG Group"

"Our negative outlook reflects our view that BAWAG Group's support might not fully compensate for the loss of support from a.s.r."

1. Source: S&P Global Ratings press release on rating update dated 6 February 2024.

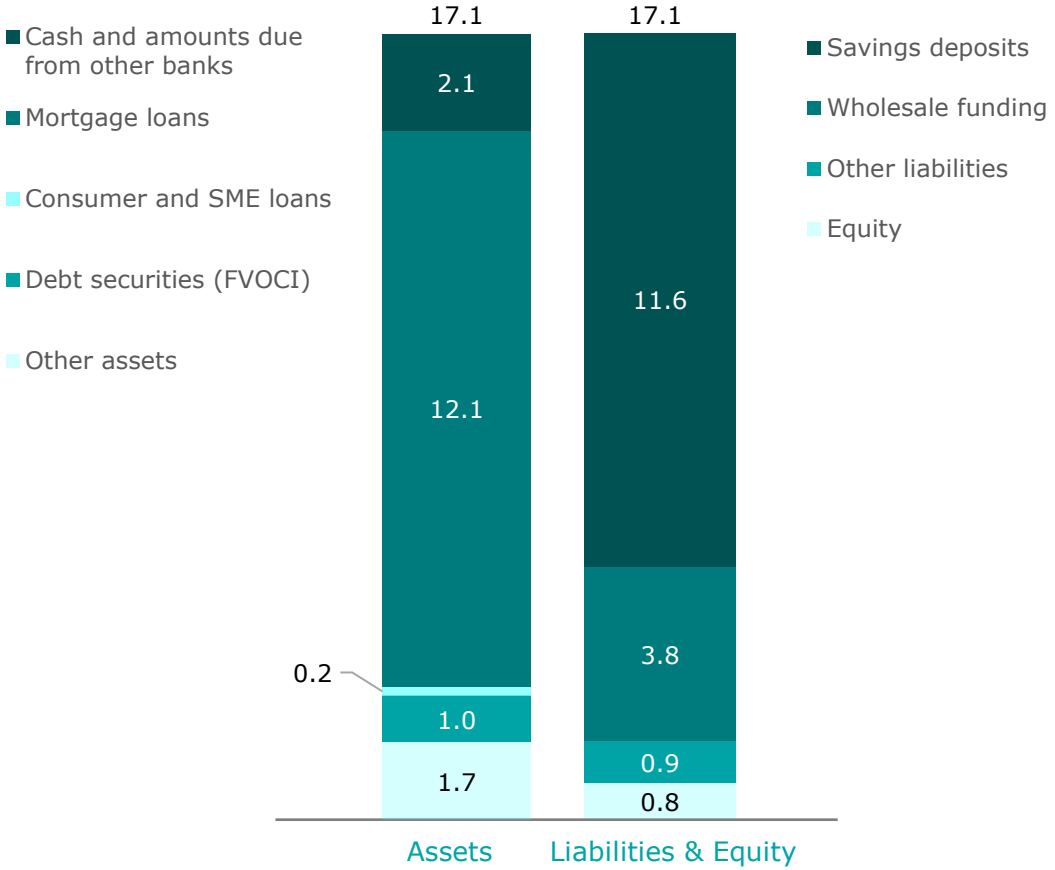
Financials Knab

Balance sheet composition - Assets

69% of total assets allocated to prime Dutch residential mortgage portfolio mainly complemented by cash and tradable debt securities

Balance sheet

(H1 2023, in EUR billions)



Cash

- Decreased LCR of 187% per H1 2023 (223% FY 2022), driven by steering the LCR to a more efficient level due to improved access to new mortgages and an outflow of savings over H1 2023

Mortgage loans

- Prime Dutch residential mortgage portfolio with an average Loan to Value of 60% per H1 2023
- 56% of Knab's mortgage portfolio is guaranteed by Dutch state through NHG[1] scheme per H1 2023, which is significantly above market average. Dutch mortgage market origination[2] consisted for 20% of NHG
- Significant portion of the mortgage loan book is eligible to be used in the cover pools of both the CPTCB and SBCB Programmes
- Knab applies standardized approach for all its asset classes, including mortgages

Consumer & small business loans

- Knab decided to put the current unsecured loans through 3rd party lending into run off (significant decrease in credit risk in the loan portfolio) and to start with own loan origination and servicing by the Value Stream Lending

Debt securities (FVOCI[3])

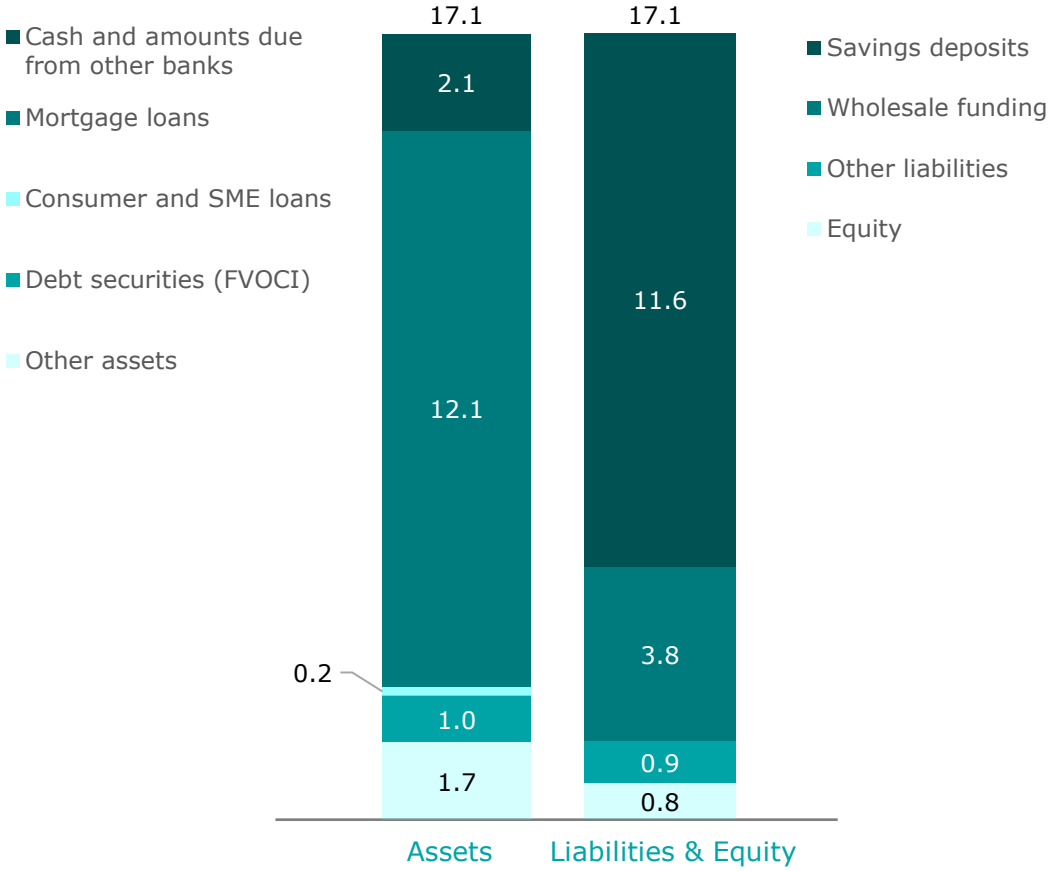
- Investment grade debt securities are used as tactical assets to manage liquidity
- Debt securities portfolio can be subdivided into mainly Sovereign bonds and Corporate credits

1. NHG: Nationale Hypotheek Garantie; this is a government guarantee scheme for retail mortgage debt
2. Source Hypotheken Data Network (FY 2022)
3. FVOCI: Fair Value through Other Comprehensive Income

Balance sheet composition - Liabilities & Equity

Primarily funded through savings deposits and Covered Bonds

Balance sheet
(H1 2023, in EUR billions)



Savings
(FY 2022)

- Savings base consists for 76% of 'On demand' variable rate savings of which over 80% is guaranteed by the DGS[1]
- 24% of total savings consists of fixed term deposits and annuities, providing a stable source of savings for Knab

Wholesale funding

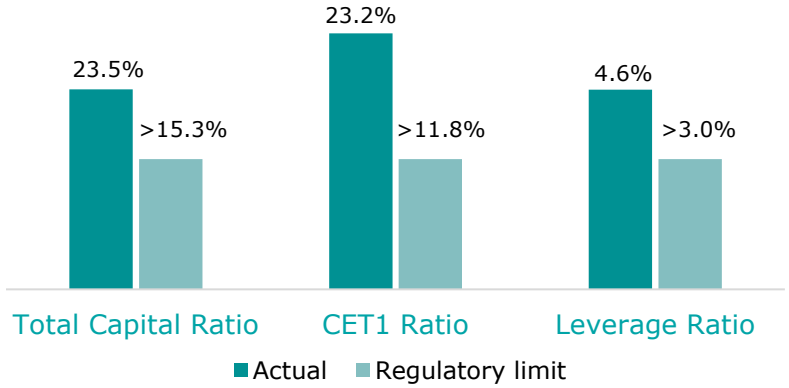
- In May 2023, the second Conditional Pass-Trough Covered Bond (CPTCB) of EUR 500 million matured
- In June 2023, Knab successfully issued its second EUR 500 million Soft Bullet Covered Bond (SBCB)[2]
- Approximately 66% of wholesale funding consists of covered bonds, collateralized by prime Dutch residential mortgage portfolio
- Per June 30, 2023, the wholesale funding consisted exclusively of:
  - Three CPTCB (EUR 1.5 billion in total) and two SBCB (EUR 1.0 billion in total[2]), maturing in 2024, 2025, 2027, 2030 and 2036, respectively; and
  - A Senior Non-Preferred bond (EUR 0.5 billion), issued in 2019 and maturing in 2024
- Since November 2022, the SBCB Programme is registered as 'European Covered Bond (Premium) program' by the Dutch central bank ('DNB')

1. DGS: Deposit Guarantee Scheme
2. In November 2023 two retained covered bonds are issued of EUR 500 million each (EUR 1.0 billion in total) and maturing in 2028 and 2029

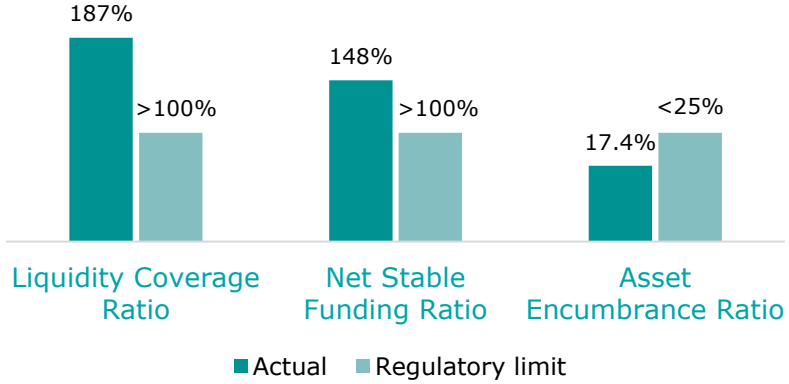
Capital and liquidity position

Strong capital and liquidity position exceeding regulatory requirements

Capital position
(H1 2023, in percentages)



Liquidity position
(H1 2023, in percentages)



Knab steers its capital and liquidity position within the regulatory requirements[1] and applies its internal policy for this to ensure that sufficient internal buffers are held against the minimum regulatory requirements

Capital

- Knab is self-supporting and does not need capital injections from the shareholder
- Strong Total Capital Ratio of 23.5%, which is well above regulatory requirements
- Leverage Ratio is comfortably above the regulatory requirement of 3%.

Liquidity

- The LCR and NSFR are both comfortably above the current regulatory requirements with a sizeable liquidity buffer in place to withstand stress scenarios
- Steering on a survival period of 24+ months (internal approach), where 6+ months is minimum regulatory requirement
- SAECURE 19 (retained RMBS) in place for contingent liquidity measures and additionally 2 retained covered bonds are issued of EUR 500 million each in November 2023
- Asset Encumbrance Ratio is well below requirements (70% of the limit)

1. All regulatory ratios are lower limits, except AER which is an upper limit
2. Regulatory requirements for total capital ratio and CET1 ratio also include the combined buffer requirement and pillar 2 guidance. Requirements as of June 30, 2023. Knab has received new requirements in September 2023.

Results Knab

Successful income increase and in de-risking its asset base

Income

- Interest income increased by EUR 87.1 million compared with H1 2022. This was mostly driven by increase in interest income on mortgages mainly due to maturing of amortization schedules, increase of the mortgage portfolio and on deposits following the increase in interest rates
- Interest income on consumer and SME loans decreased due to the decrease in the portfolio, to better-than-expected redemptions and the sale of unsecured lending portfolios
- Interest charges decreased by EUR 50 million, which was mainly driven by the change in interest on derivatives
- In line with Knab's growth strategy, fee and commission income increased
- Result from financial transactions declined mainly due to, although hedge accounting is applied, an ineffective portion in the profit and loss account on the basis risk to which the bank is exposed

Impairments

- Knab's impairment reversals decreased by EUR 5.0 million in H1 2023. In 2023 the Zopa portfolio was sold and due to these divestments, combined with repayments and pre-payments in the unsecured loan portfolio further decrease of the provisions and the related impairment reversals were achieved

Expenses

- Total operating expenses increased by EUR 9.8 million compared to FY 2022 because of regulatory tracks and IT implementation

Consolidated Income Statement

(FY 2022 – H1 2023, in EUR millions)

	H1 2022	FY 2022	H1 2023
Net interest income	94.8	216.7	181.9
Net fee and commission income	14.1	30.6	17.9
Result from financial transactions	(11.3)	(42.0)	(22.2)
Impairment reversals / (charges)	5.8	3.4	0.8
Expenses	(81.7)	(165.3)	(91.4)
Income before tax	**21.7**	**43.4**	**86.9**
Corporate income tax	(5.6)	(11.2)	(22.4)
Net income	**16.2**	**32.2**	**64.4**

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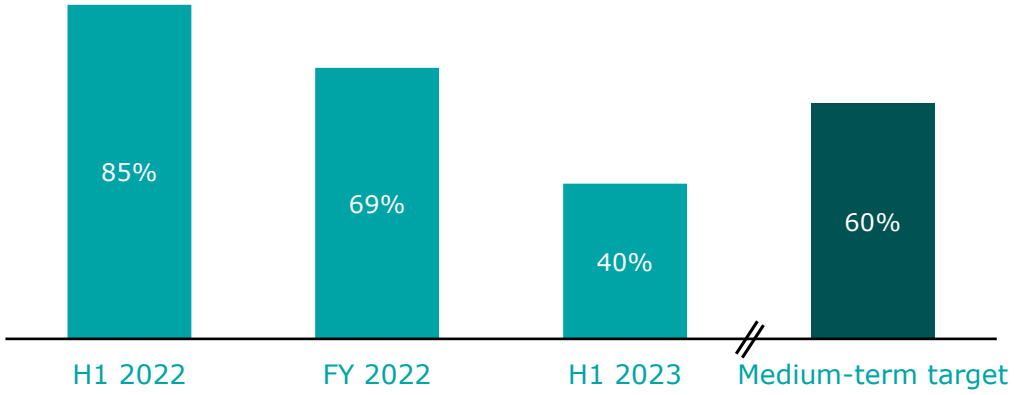
Key financial metrics over time

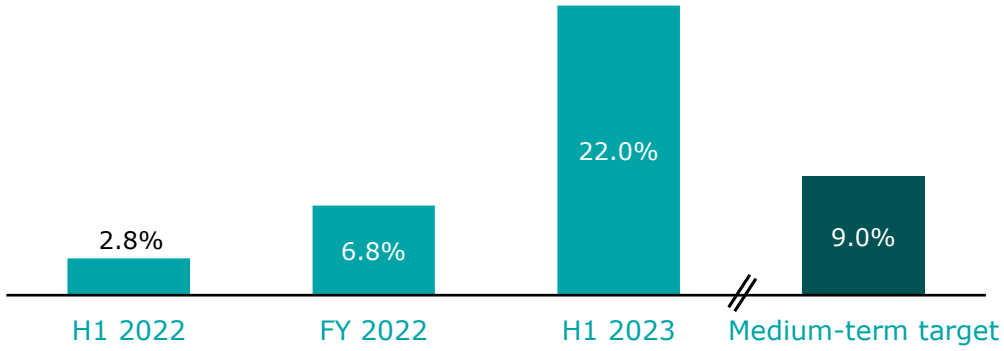
Income growth resulted in a reduction of the Cost-to-Ratio and a higher RoE

Cost-to-income ratio[1]



- The cost-to-income ratio improved to 39.5% during H1 2023, mainly due to higher interest income

Return on Equity[2]



- The RoE increased from 2.8% in the first half of 2022 to 22.0% in the first half of 2023, which is primarily due to the higher operating result and increased shareholders' equity excluding the revaluation reserve

Knab manages its business based on a non-IFRS-EU financial measure, namely operating result before tax

1. *Cost-to-income ratio is calculated as operating expenses divided by operating income as defined in the banks' operating result before tax measure*
2. *Return on Equity (RoE) is calculated as the annualized operating result after tax (applying a nominal tax rate) divided by average IFRS capital, excluding revaluation reserves over the period*

Clear strategic pillars and medium-term targets

Strengthening the existing business

- Optimize regulatory compliancy
- Further embed risk awareness in our culture
- Strengthen IT and the data foundations

Creating greater efficiency

- Increase execution power by focusing on differentiating customer engagement and outsourcing non-differentiating activities
- Optimize the asset and capital strategy
- Scale up operations to reduce the cost per customer, for example through further digitization

Focus on valuable customers

- Enrich our payment service relationships
- Provide mortgages and business loans under the Knab label to improve access to assets
- Introduce digital individual wealth accumulation and retirement services

KPI	Medium-term target
Customer Net Promotor Score (NPS)[1]	+ 40
Annual net core customer growth	+ 40k
Cost-to-income ratio	60%
Return on Equity	9%
Employee engagement score	+75%

1. *The NPS among business customers is stable, above target at 41. Especially the price-quality ratio and ease of use are perceived as positive*
2. *The customer base grew by 24k in H1 2023*

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Summary

Strategic priorities and KPIs

- Customer satisfaction is a core strategic priority of the bank, aiming to maintain a Net Promotor Score at +40
- The bank needs to grow its customer base to achieve scale, targeting a net growth of 40k core fee-paying customers per year
- Focus on cost reduction and improved efficiency, innovation and customer service
- S&P considers "*to include group support in the ratings on Knab as we believe a.s.r. will provide extraordinary support to the bank until the transaction with BAWAG closes*"[1]

Cornerstone of strategy

- Being a focused player in financial services with a strong market position in self-employed and small business markets
- High-quality assets, strong liquidity buffer and stable long-term profile
- "*After the transaction, Knab's creditworthiness will likely benefit from support from BAWAG Group*" according to S&P[1]

Business & Financials

- Knab continues to increase its fee income by growing the number of fee-paying customers
- Increased cost control to ensure sufficient profitability with a 60% medium-term target cost-to-income ratio
- Operating result will be a key priority with a medium-term target Return on Capital of 9%
- Strong focus on ensuring regulatory compliance

Capital, Liquidity & Funding

- Strong capital and liquidity position exceeding regulatory requirements

1. Source: S&P Global Ratings press release on rating update dated 6 February 2024.

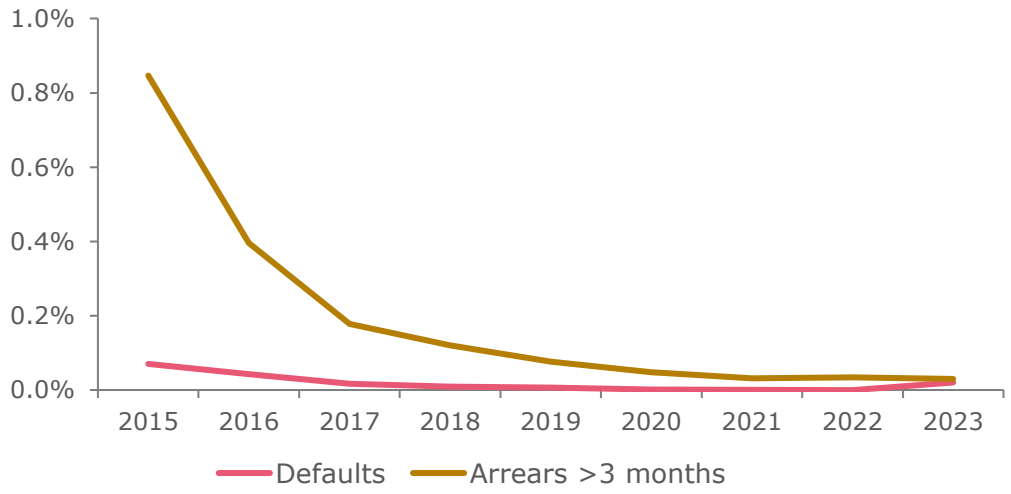
The Dutch economy & housing market

Resilient Dutch mortgage portfolio with low defaults

- Structural features of economy and strict bankruptcy laws lead to limited loan losses
  - The Netherlands has strong social security and adequate unemployment benefits
  - Homeowners separating from each other is the main cause of defaults
  - To the extent permitted under Dutch (bankruptcy) law, mortgage issuers have full recourse to borrowers' assets and earnings
- Low level of defaults[1] and arrears in the aftermath of the 2008 financial crisis despite pick-up in unemployment and decline in housing prices

Development arrears and defaults[2]

(H1 2023, in percentages)



Defaults post financial crisis (2015-Q3 2023)[2]

(House price in EUR, defaults in bps of net principal balance)

	EoY 2015		Q3 2023
Average house price[3]	236k	↗	422k
Unemployment rate[3]	7.4%	↘	3.7%
Defaults	7bps	↘	0bps

1. *Defaults here are defined as losses recorded divided by total net principal balance*
2. *For mortgages that are on the balance sheet of Aegon NL entities*
3. *Source of data: Centraal Bureau voor de Statistiek (CBS)*

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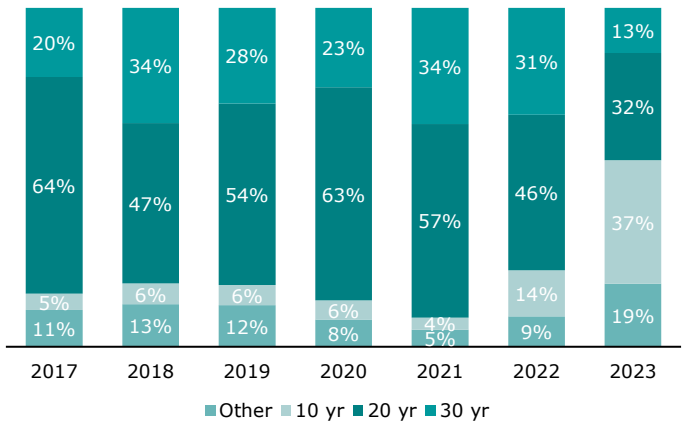
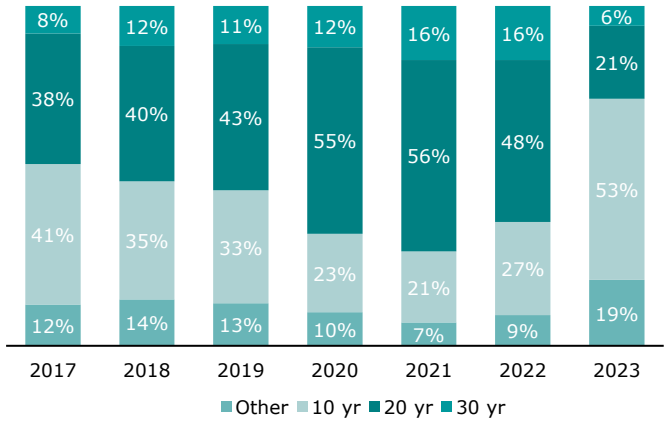
Aegon in the Dutch mortgage market

Shift from longer term fixed rate periods towards 10 years

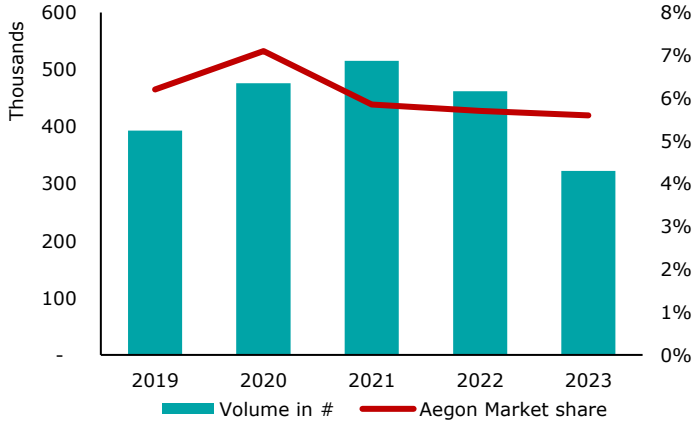
Aegon production by interest reset date



Market production by interest reset date



Total transaction volume and Aegon Market share



Source: Aegon; Hypotheken Data Nederland (HDN) and Kadaster

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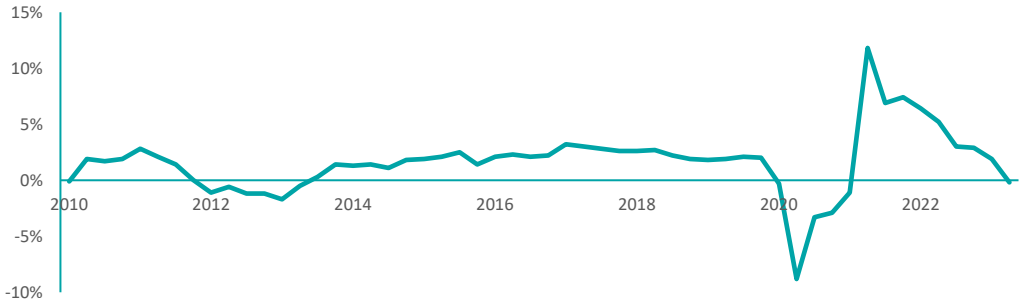
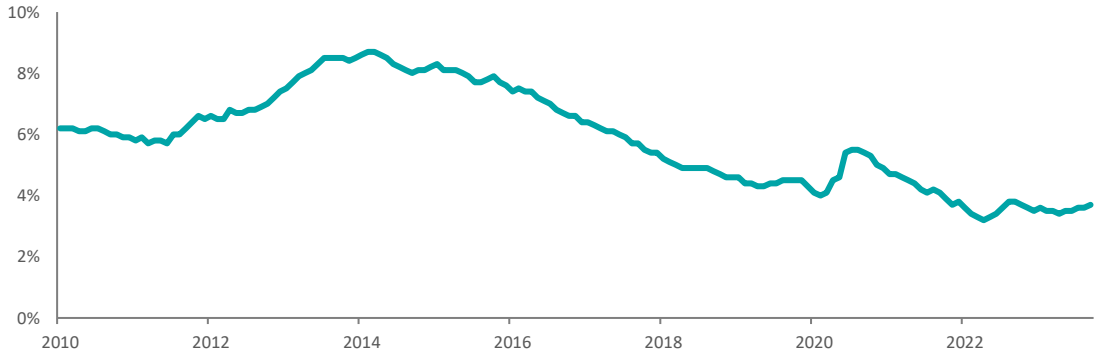
Dutch economy slowing down due to higher inflation

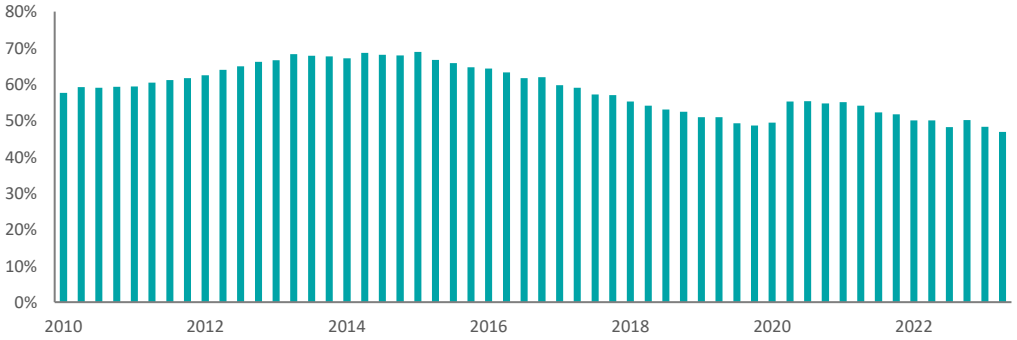
GDP growth (YoY change)



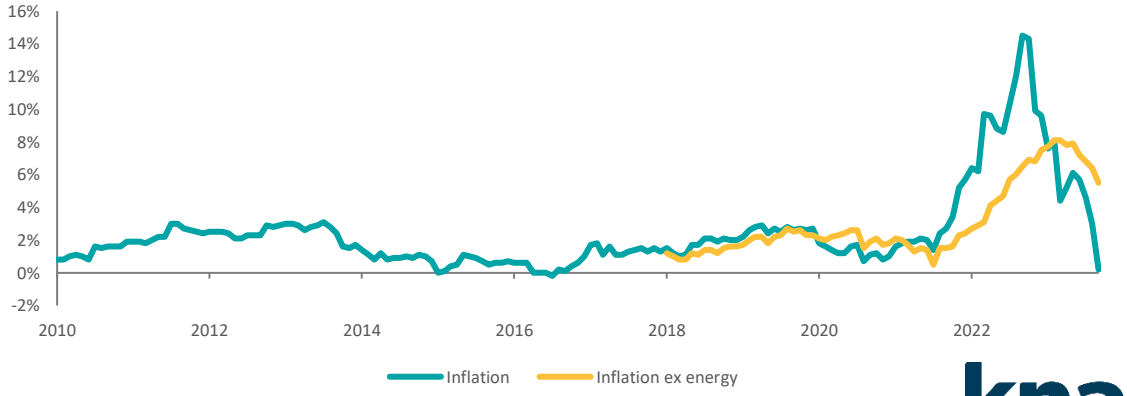
Unemployment rate (%)



Dutch EMU Debt & Balance (%GDP)



Inflation (%)



Source: Centraal Bureau voor de Statistiek (CBS)

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Facts and figures Dutch mortgage market

Total mortgage production amounted to a **level of €107 billion (YoY -30,4%)** in 2023

Lower demand in the **second time buyer & refinancing segment (YoY -11%)**

HDN registered **368,442 mortgage applications in 2023 (YoY -29.3%)**

HDN registered **a higher number of applications** for new loans compared to refinancing in 2023

Number of permissions for newly built properties **slowing down (YoY -21%)**

Coupons have stabilized in 2023

Average mortgage size new loans slightly decreased to €332,942 in 2023 **(YoY -3%)**

ESG has become a hygiene factor in the Dutch mortgage market

Source: Centraal Bureau voor de Statistiek (CBS), Hypotheken Data Nederland (HDN), Kadaster

Policy developments Dutch mortgage market

Policies aimed at reducing risk and improving accessibility for first time buyers

	2019	2020	2021	2022	2023	2024
Aegon Hypotheken specific developments	Implementation of automatic LTV migration Aegon stops offering interest rate averaging	Temporary stricter underwriting criteria in response to COVID-19	Introduction LTV 106% for sustainability measures Increased granularity in offered LTV buckets	Introduction Desktop Valuations Extended construction deposit term for newly built homes Limit situations where 'explain' is possible	Introduction of the "EnergySaveBudget" Maximum bridge loan lowered from 90% to 85% of market value	Mover mortgage - interest on loan for old house to be based on actual market rates
LTV & Interest deductibility	LTV: 100% Interest deductibility: 49% In 2020-2023 decrease by 3% per year	Interest deductibility: 46%	Interest deductibility: 43%	Interest deductibility: 40%	Interest deductibility: 36.93% - Final decrease	
Tax regulations	Gradually restructured income tax system to 2 tariffs in 2021		Transfer tax for house buyers younger than 35 abolished for house prices of 440k or less & increased to 8% for investors		'Jubelton' arrangement expires: Transfer tax for investors increased to 10.4%	Exemption transfer tax for first time house buyers younger than 35 house price increased to 510k
NHG	Maximum amount set at EUR 290k	Maximum amount set at EUR 310k NHG fee reduced to 0.7% of loan amount	Maximum amount set at EUR 325k	Maximum amount set at EUR 355k NHG fee reduced to 0.6% of loan amount	Maximum amount set at EUR 405k	Maximum amount set at EUR 435k
Other Regulations	Introduction of 'aflossingsblij' initiative	Partner income counts for 80% in calculating maximum mortgage amount allowed (up from 70%)[1]	Partner income counts for 90% in calculating maximum mortgage amount allowed (up from 80%)[1]		Partner income counts for 100% in calculating maximum mortgage amount allowed (up from 90%)	

1. Please note that only in determining the applicable 'woonquote' (share of income that can be used for housing expenses) a percentage of the partner income is considered. In the second step (calculating the amount of financing that can be granted) the full 100% of partner income is always considered

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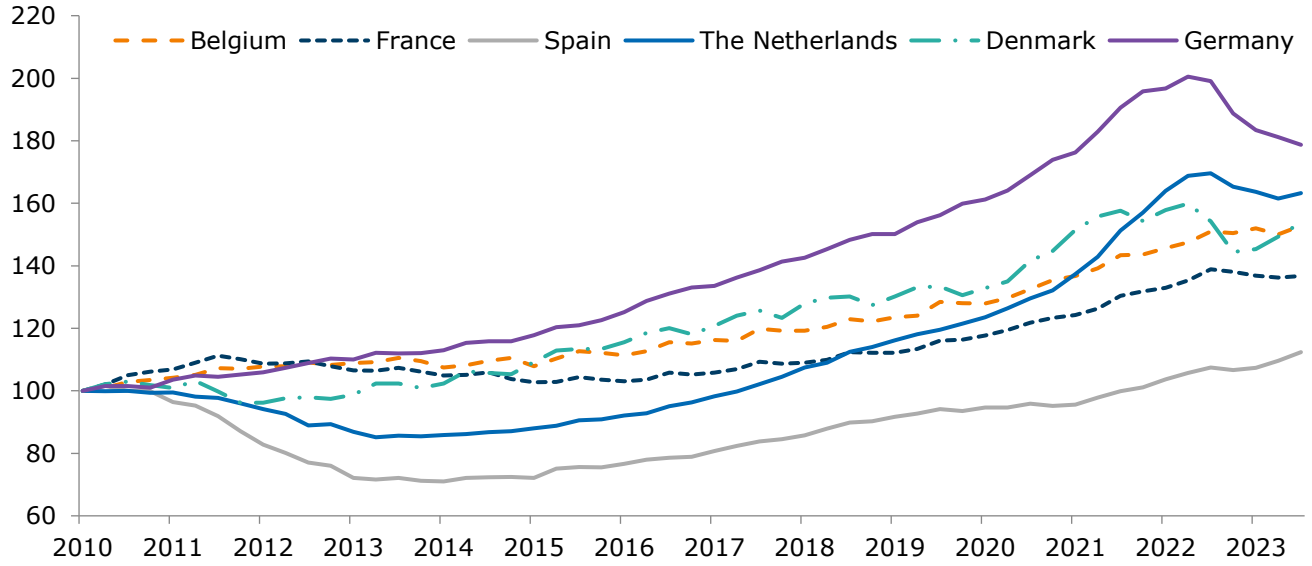
Dutch housing price development

Housing prices have shown a decrease in recent MoM figures; however, the decrease has slowed down compared to previous quarters

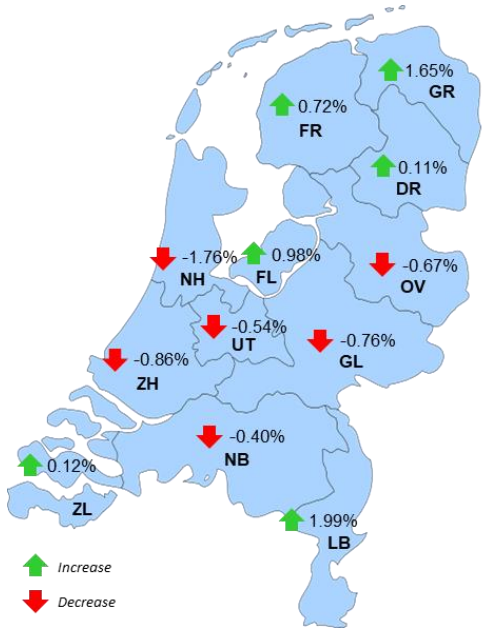
House price index development (Q3 2023)



On average house prices decreased by 2.8% in 2023, according to CBS

House prices expected to increase by 4% (YTD) in 2024[1]

Regional house price development (YoY)



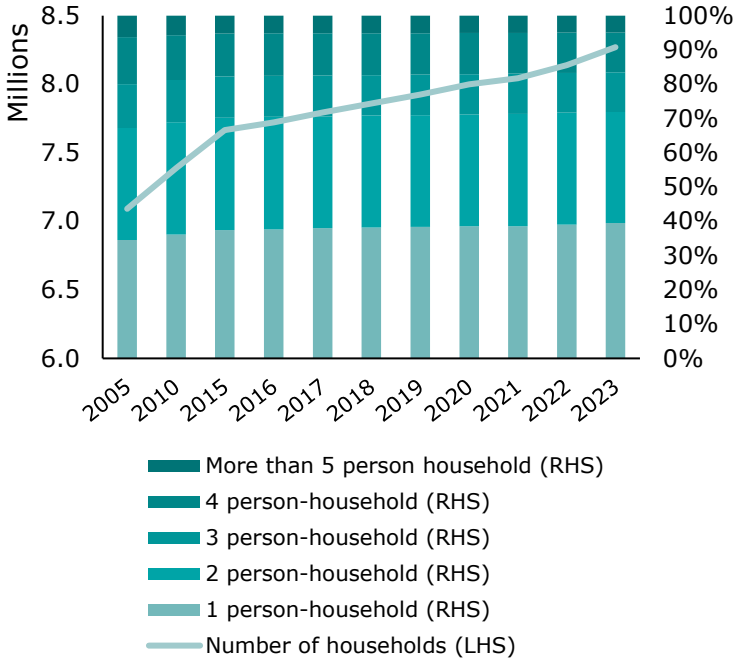
Average (by province) per December 2023

Source: Eurostat
1. ABN AMRO: Woningmarktmonitor January 2024

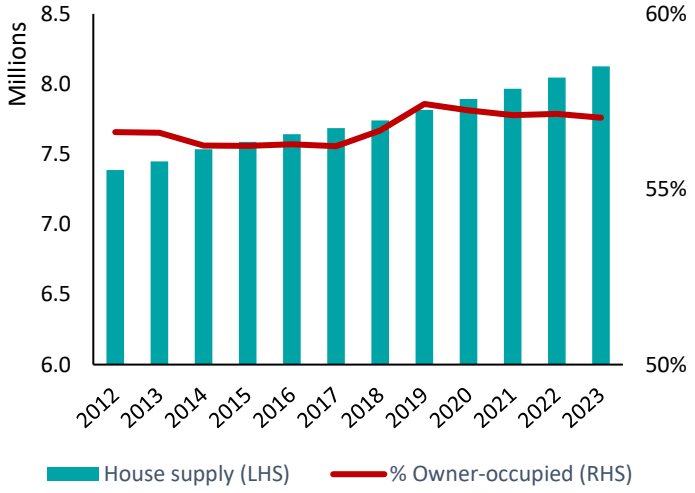
Dutch housing market

Changing household composition requires more supply

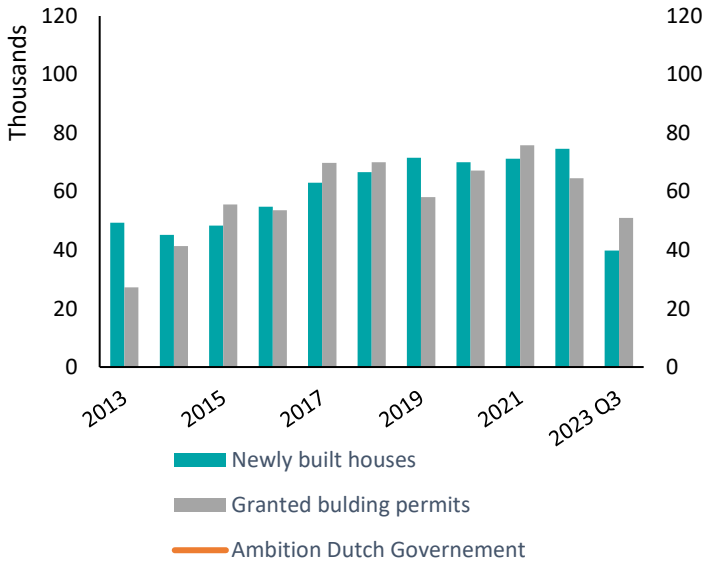
Dutch household composition



Dutch house supply



Newly built properties and permits



Source: CBS; LHS is Left Hand Side and RHS is Right Hand Side

Soft Bullet Covered Bond Programme

Soft Bullet Covered Bond (SBCB) Programme

Programme summary

Issuer	Knab N.V.
Programme size	EUR 5 billion
Cover Pool	EUR 2,291.5 million[1]
Format	Soft Bullet (SB)
Extension Period	Maximum of 1 year
Ratings	AAA (S&P)
Collateral	Prime Dutch residential mortgage loans
Over Collateralisation	• Regulatory Minimum OC of 5% • Asset Percentage of 91.5%[2] • Current OC of 14.6%[3]
Robust structure	✓ Registered programme with DNB ✓ Strong programme tests (Asset Cover Test & Amortisation Test) ✓ Back-up administrator in place ✓ External bank account ✓ Exempted from bail-in

Key benefits

Dual recourse	• Issuer: 'BBB+' (S&P) • Obligation for Knab to redeem the bond at expected maturity date (no optionality) • Recourse to Knab SB Covered Bond Company in case of default of Knab
Favourable regulatory treatment	**Covered Bonds are expected to:** ✓ European Covered Bond (Premium) Label ✓ Qualify as LCR eligible (Level 1) ✓ Qualify for lower risk weight (10%) ✓ Be Solvency II eligible ✓ Be ECB repo eligible ✓ Have ECBC Covered Bond Label
Cover Pool	• Weighted average CLtIMV of 56.0%[3] • Contains a high % of NHG of 55.8%[3] • All mortgage loans backed by eligible collateral

1. Net Principal Balance as per end of February 2024
2. Asset percentage changed to 91.5% per February 2024
3. Available statutory nominal OC, CLtIMV and NHG% per end of February 2024 (HTT)

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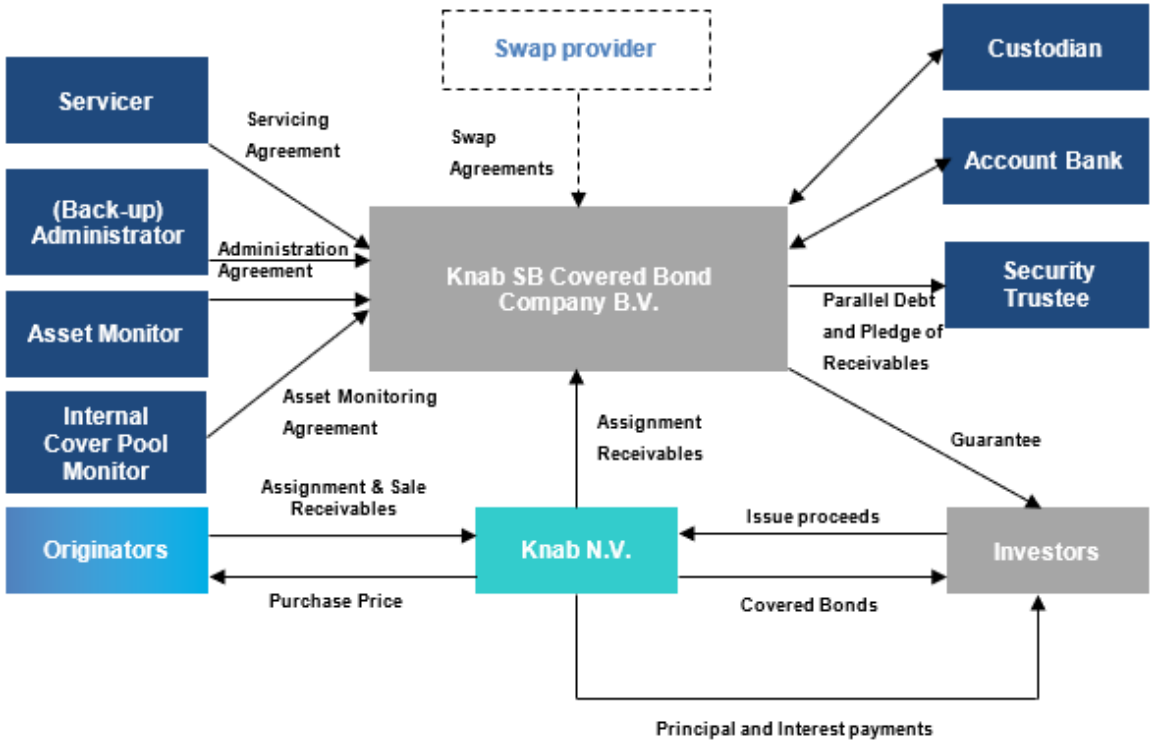
Highlights Soft Bullet Covered Bond Programme

Key Programme Parties

Originators	Knab N.V., Aegon Hypotheken B.V., Aegon Levensverzekering N.V.
Transferor	Knab N.V.
Issuer	Knab N.V.
Servicer	Aegon Hypotheken B.V.
Administrator	Knab N.V.
Back-up Administrator	Intertrust Management B.V.
Asset Monitor	PricewaterhouseCoopers Accountants N.V.
Internal Cover Pool Monitor	Knab N.V. - Internal Audit
Director CBC	Intertrust Management N.V.
Security Trustee	Stichting Security Trustee Knab SB Covered Bond Company
CBC Account Bank	BNG Bank N.V.
Principal Paying Agent	Citibank N.A. London Branch
Custodian	ABN AMRO Bank N.V.

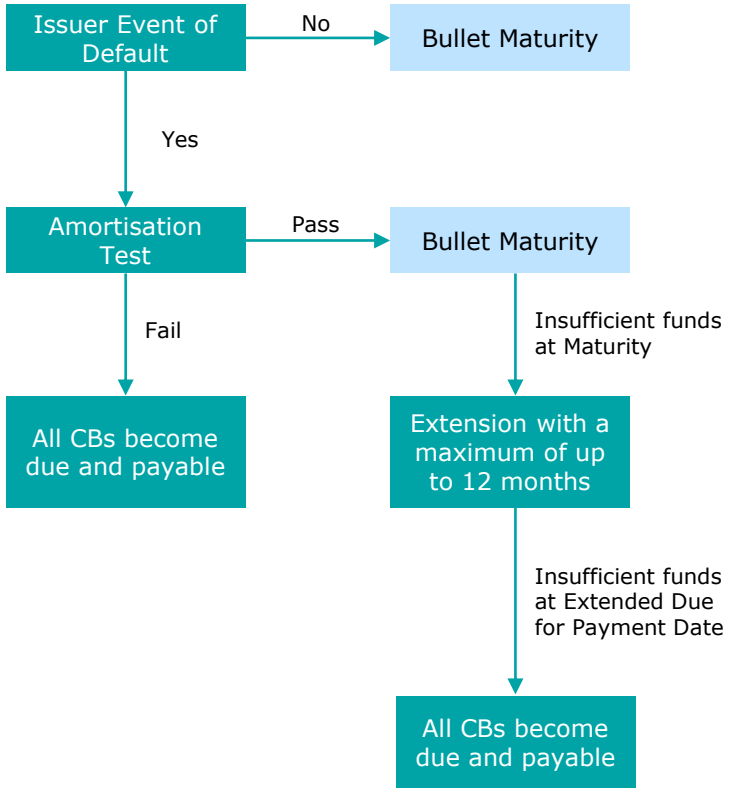
Transaction Structure



1. Portfolio swap and Interest rate swap are optional for the Programme

Soft Bullet mechanism

Event Diagram



Event of Default

- The Asset Cover Test (ACT) will be replaced by the Amortisation Test
- If on the Maturity Date of the SB CB an Issuer Event of Default takes place and the CBC has insufficient funds to redeem the Covered Bonds (CBs) this will not trigger a CBC Event of Default
- As a result, the Maturity Date will be extended for a period of maximum 12 months
- During this extension period the administrator undertakes to sell (a part of) the cover pool and uses the proceeds thereof to (partially) repay the specific SB CB series on every Interest Payment Date within this period
- If the structure has insufficient funds to repay a specific series on the Extended Due for Payment Date, this will trigger a CBC default and result in all CBs becoming due and payable
- A breach of the Amortisation Test would also constitute a CBC Event of Default and results in all CBs becoming due and payable

Asset Cover Test

Asset Monitoring Agreement

- Adjusted Aggregate Asset Amount[1] >= outstanding Covered Bonds
- First Regulatory Current Balance Amount >= 105% of outstanding Covered Bonds (as may be required under the Dutch CB regulation)
- Second Regulatory Current Balance Amount >= 100% of outstanding Covered Bonds (as may be required under the Dutch CB regulation)

Adjusted Aggregate Asset Amount = A + B + C + D - Z

- The calculation of 'A' includes:
  - 91.5% asset percentage
  - 80% LTMV cut-off
  - Deductions of savings deposits above EUR 100k (if issuer rating trigger (below 'A') is hit)
  - Deduction of arrears (>90 days) and defaulted receivables
  - Deduction of construction deposits
  - Deduction of long-term mortgage loans if > 15% of Cover Pool
- 'B' represents any unapplied cash
- 'C' and 'D' represent cash (including Reserve Account) and substitution assets
- 'Z' represents the amount equal to the 'Interest Cover Required Amount'

1. Please refer to Base Prospectus (section 16) for a detailed overview

Comparison Dutch Covered Bond programmes

	ABN AMRO	Achmea	Knab	Van Lanschot Kempen (VLK)	ING	NIBC	NN	Rabobank	de Volksbank
Issuer[1]	ABN AMRO Bank N.V.	Achmea Bank N.V.	**Knab N.V.**	VLK Wealth Management N.V.	ING Bank N.V.	NIBC Bank N.V.	Nationale-Nederlanden Bank N.V.	Coöperatieve Rabobank U.A.	de Volksbank N.V
Guarantor[1]	ABN AMRO CB Company	Achmea SB CB Company	**a) Knab CPT CB Company b) Knab SB CB Company**	VLK SB CB Company	ING HB/SB CB Company	a) NIBC CPT CB Company b) NIBC SB CB Company	NN SB CB Company	Rabobank CB Company	De Volks CB Company
Issuer Rating (S/M/F)	A/A1/A	A-/NR/A	**BBB+/NR/NR**	BBB+/NR/BBB+	A+/A1/AA-	BBB/NR/BBB	A/NR/NR	A+/Aa2/A+	A/A2/A-
Programme Rating (S/M/F) [1]	NR/Aaa/AAA	AAA/NR/NR	**a) AAA/NR/NR b) AAA/NR/NR**	AAA/NR/NR	AAA/Aaa/AAA	a) AAA/NR/AAA b) AAA/NR/NR	AAA/NR/NR	NR/Aaa/NR	NR/Aaa/AAA
Collateral Type[1]	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	**Prime Residential Dutch Mortgages**	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages	Prime Residential Dutch Mortgages
Indexed Valuation[1]	Calcasa, 100% increase 100% decrease	Calcasa, 90% increase 100% decrease	**Kadaster, 90% increase 100% decrease**	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 90% increase 100% decrease	Kadaster, 100% increase 100% decrease
NHG%[1]	0%	24.95%	**a) 62.5% b) 55.8%**	0%	19.62%	a) 10.29% b) 0%	29.57%	18.35%	22.55%
LTV Cut-Off (ACT) [1]	80%	80%	**80%**	80%	80%	80%	80%	80%	80%
Asset Percentage[1]	88%	93.47%	**a) 93.0% b) 91.5%**	82%	97.56%	a) 97.5% b) 76.5%	94.75%	100%	91%
Total Return Swap Provider[1]	n.a.	n.a.	**n.a.**	n.a.	ING Bank N.V.	n.a.	n.a.	n.a.	n.a.
Repayment Type[1]	Hard and Soft Bullet	Soft Bullet	**a) CPT b) Soft Bullet**	Soft Bullet	Hard and Soft Bullet	a) CPT b) Soft Bullet	Soft Bullet	Soft Bullet	Soft Bullet
UCITS Compliant	Yes	Yes	**Yes**	Yes	Yes	Yes	Yes	Yes	Yes
CRR Article 129 Compliant	Yes	Yes	**Yes**	Yes	Yes	Yes	Yes	Yes	Yes
DNB Registration	Yes	Yes	**Yes**	Yes	Yes	Yes	Yes	Yes	Yes

1. Source: based on February 2024 figures as included in the NTT reports Dutch Covered Bond issuers have published in March 2024

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Thank you

For questions and information relating to the Knab Soft Bullet Covered Bond Programme please contact:

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