



 NIBC

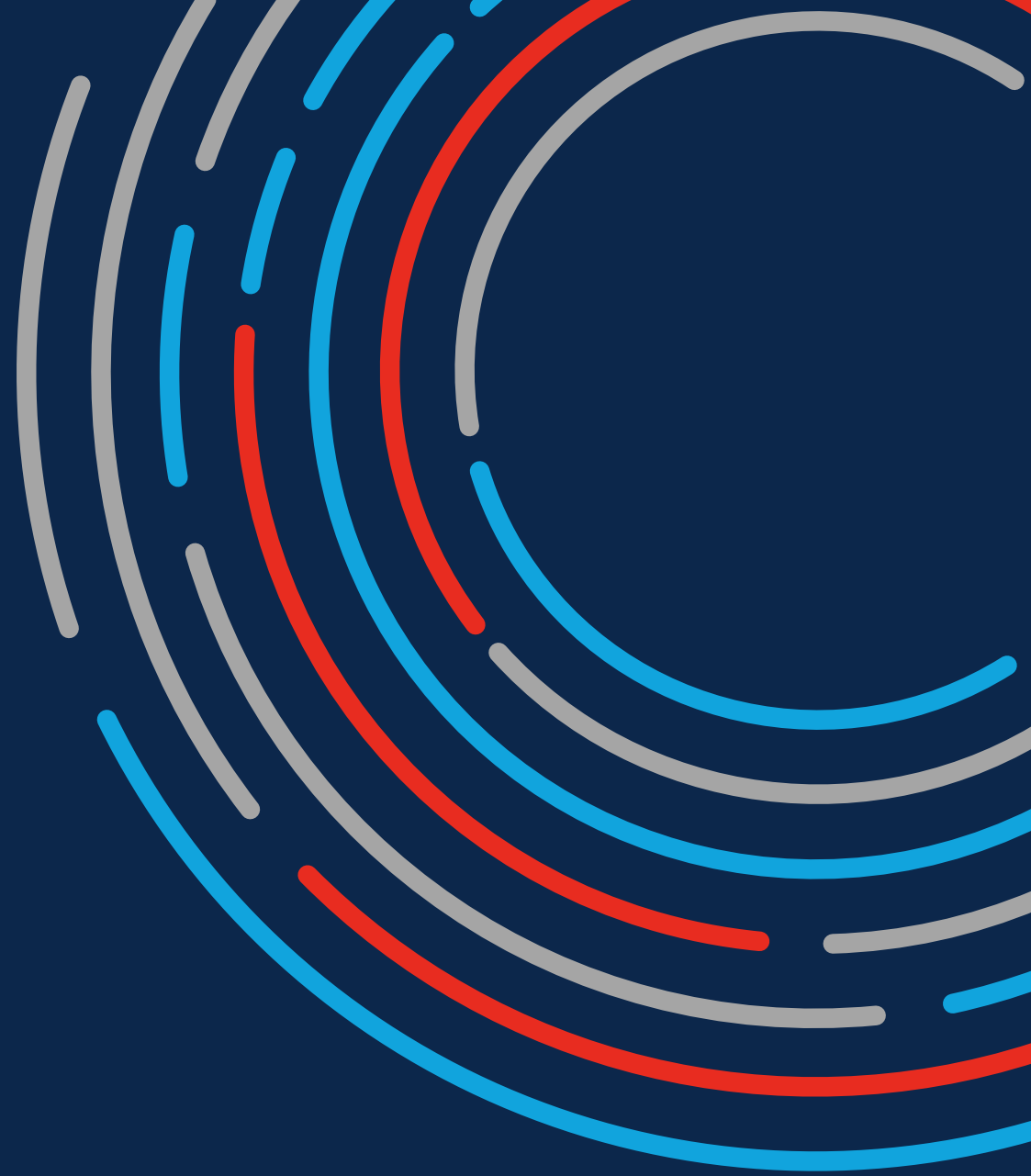
**CAPITAL
MARKETS**
UPDATE 2018

London
November 29th

TRENDS IN THE DUTCH MORTGAGE MARKET

Michel Kant, Retail Banking




Frits van der Scheer, Originate to Manage






MORTGAGE FRANCHISE

The Netherlands

BUSINESS MODEL

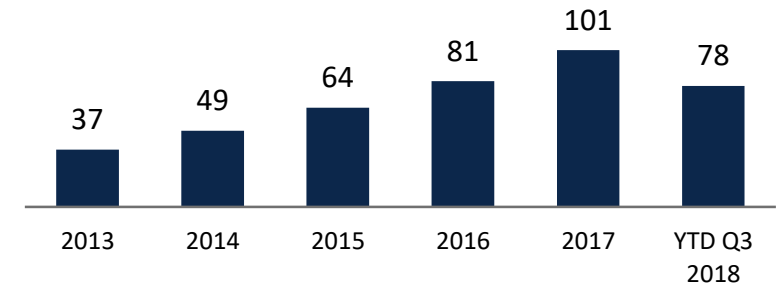
-  **Independent advice** - Mortgages are distributed via independent advisors (access to 4000) throughout the country
-  **Efficient** - No current accounts offered and no expensive branch network
-  **Scalable** - Non-value adding activities are outsourced resulting in an efficient and scalable setup

MARKET DEVELOPMENTS

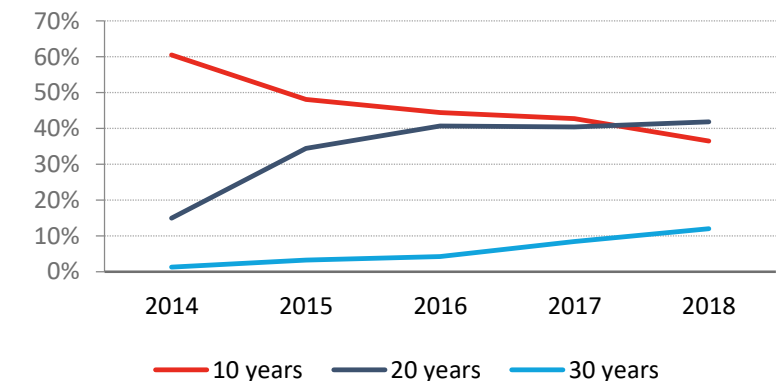
-  **Increase in volumes** - the mortgage origination volumes substantially increased
-  **Decrease in loan losses** - Losses continue to decrease, due to declining unemployment rate and improving housing market (<1bps)
-  **Increase in fixed terms** - High demand for longer fixed interest terms (20/30 years) due to low interest rate environment

Leading to successful launch of Originate-to-Manage in 2016

MORTGAGE ORIGINATION IN THE NETHERLANDS¹ (EUR billion)



CHOSEN FIXED-TERM MORTGAGE ORIGINATION²

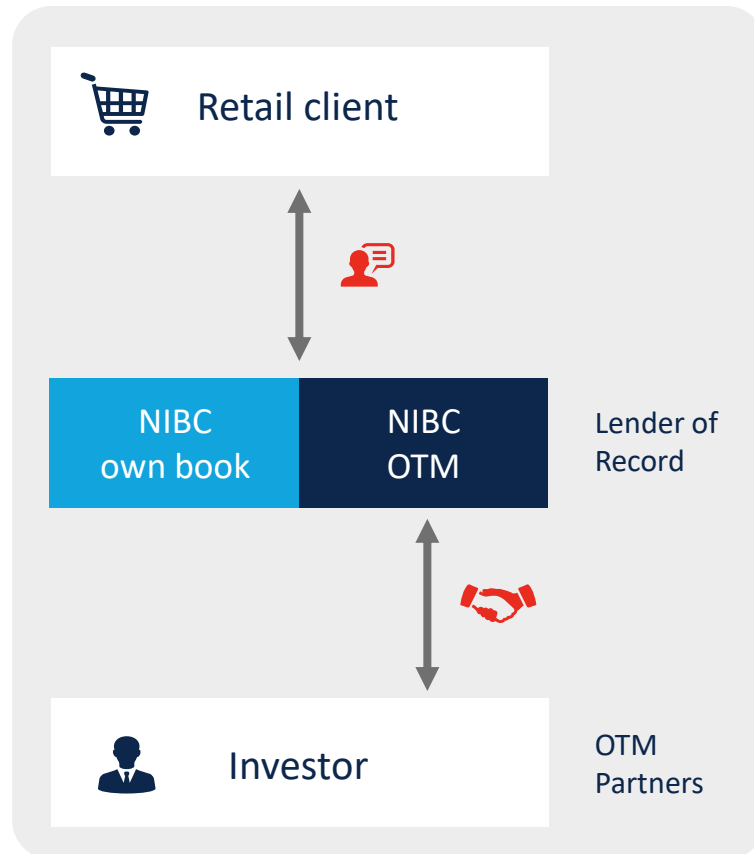


¹ Publication date: 10 – 22 – 2018, Kadaster

² HDN

ORIGINATE TO MANAGE

How does it work



PROCESS



Independent advice - Retail Client and NIBC

- Label NIBC direct
- No differences in underwriting for OTM and own book



NIBC and Investor (OTM partner)

- Allocation based on pre-agreed terms
- Allocation at moment of loan offer
- Financial risks (credit and interest rate risk) fully transferred

UNIQUE SELLING POINTS



Investor preference – Maturity, NHG



Alignment of interest - no differences in process and underwriting for own book and OTM mortgages



Balance sheet support – Ability to facilitate investor appetite



Experienced mortgage originator and servicer – Leveraging on existing experience

AMBITION TO GROW FURTHER

Building on strategic partnerships



WAY FORWARD

- NIBC and AXA IM announced strategic partnership
- Mandate currently over € 3.5 billion
- Intensify strategic partnerships
- Further diversify the investor base

