

NIBC Bank N.V. ("NIBC"), a leading Dutch mortgage bank, is looking to onboard a new **cornerstone investor** who can support with accelerating its further growth in the mortgage market via a forward flow arrangement through its **originate-to-manage ("OTM") platform**. Via this platform you are able to **invest in Dutch mortgages**.

## OPPORTUNITY TO INVEST IN INTERESTING DUTCH MORTGAGE MARKET WITH A LEADING PLAYER



### Alignment of interest with NIBC which invests for its own book in identically originated mortgages

NIBC invests in mortgage receivables with the exact same underwriting criteria, processes and servicing on its own balance sheet.



### Ability to leverage on an established business model with tailored approach

The OTM platform of NIBC offers full transparency regarding economics and exposure to an attractive asset class. Investors can enjoy allocation based on tailored pre-agreed terms with regards to interest fixed periods and state-backed guarantees (NHG).



### NIBC can support the investor by offering balance sheet support

NIBC offers balance sheet support by taking certain loan parts (e.g. bridge loans or further advances), enabling investors to focus on their appetite.



### NIBC is highly experienced in the Dutch mortgage business

NIBC has been originating Dutch mortgages for over 25 years and is highly experienced in originating, servicing and managing Dutch residential mortgage portfolios and is an expert in offering services to external investors.

## THE DUTCH MORTGAGE MARKET IS SIZEABLE WITH AN ATTRACTIVE RISK-RETURN TRADE-OFF

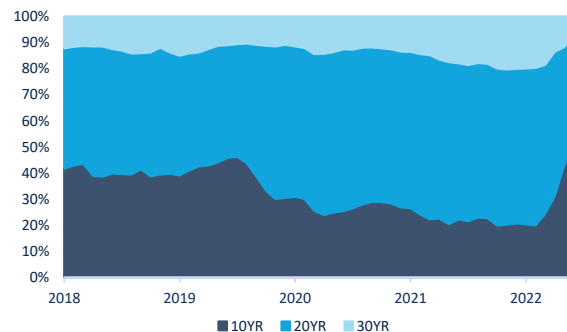
### Mortgage product

- Dutch residential mortgage loans form a sizeable asset class, corresponding to a total outstanding amount of EUR 750bn
- The Dutch mortgage market is highly regulated and characterized by standardized underwriting criteria
- The market share of (foreign) institutional investors continues to increase
- In the last few years, consumer appetite shifted towards longer interest fixed periods varying from 10 up to 30 years, which are also the type of loans available for new investors. Recently 10 years became more popular due to increased rates.

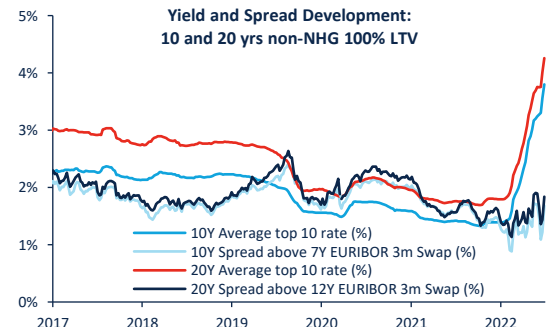
### Risk-return trade-off

- Dutch prime residential mortgage loans have demonstrated very low credit loss levels (less than 5 bps on average), also when compared to other European countries
- Despite the decreasing interest rates, the average spread over swap rate on the Dutch mortgage loans remains stable. Compared to other fixed income products, this asset class offers an attractive spread, where currently the gross spread above swap is c. 180 bps (i.e., 100% LTMV for 20 years interest fixed, non-NHG mortgage loans) and 170 bps (100% LTMV for 10 years fixed non-NHG)
- The net investor spread could be derived by further deducting c. 30 bps for credit losses and origination and servicing costs

Monthly applications in Dutch residential mortgage market



Yield and Spread Development: 10 and 20 yrs non-NHG 100% LTV



## NIBC OFFERS A WIDE RANGE OF PRODUCTS AND SERVICES TO RETAIL CLIENTS

- NIBC is a Dutch regulated bank and services over 400,000 clients across the Netherlands, Germany and Belgium by offering savings and mortgage products
- Established in 1945 to help rebuild the Netherlands, NIBC is strongly rooted in its obligations towards society and the environment. ESG is embedded in our strategy and the way we do our mortgage business. Our mortgage offering enables borrowers/clients to improve the sustainability of their houses.
- Despite price volume competition, NIBC has shown strong mortgage origination. The total mortgage portfolio grew from EUR 11.0 bn on 2018YE to EUR 21.0 bn on 2021YE, equal to a compound annual growth rate of 24.1%.



4%

Market share



EUR 5.5 bn

Annual mortgage loan production



NIBC DIRECT

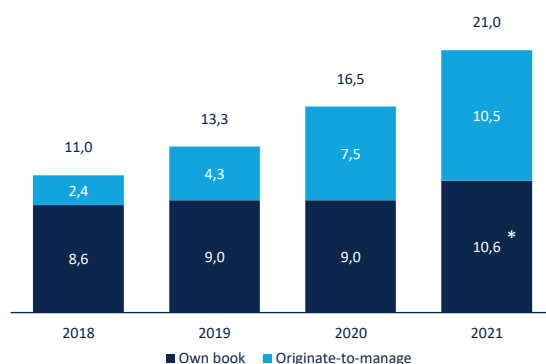


## MORTGAGE LOANS ARE FUNDED BY NIBC'S OWN BOOK AND EXTERNAL INVESTORS

- NIBC is active in the mortgage market with two brands: NIBC Direct and Lot Hypotheken. Part of the mortgage loans originated under both brands are for own balance sheet. As processes and underwriting are identical for own book mortgages and mortgages on the book of investors alignment of interest between NIBC and their strategic partners is ensured.
- The low interest environment increasingly drives retail clients to fix mortgage interest rates for longer terms (up to 30 years). These longer maturities are typically the sweet spot for investors. The current investment opportunity within the OTM platform is mainly focused on 20 yrs non-NHG products, while NIBC can still offer a tailored strategic approach with regards to allocation, ranging from different maturities and NHG/non-NHG distinction.
- In 2016, NIBC started originating mortgage loans for external investors by starting a strategic partnership with AXA Investment Managers. Since then, NIBC's mortgage portfolio originated and managed for external investors grew to more than EUR 10 billion.
- In order to facilitate the investor in such strategic partnerships, NIBC offers balance sheet support by taking certain loan parts, such as bridge loans or further advances, on its own balance sheet.

Outstanding residential mortgage loans (EUR bn)

\*Including purchase of Finqus portfolio EUR 1,3 bn



## ORIGINATE-TO-MANAGE BUSINESS STRUCTURE



1 NIBC originates mortgages under the labels Lot Hypotheken and NIBC Direct. As Originator and Servicer, NIBC is responsible for all contact with borrowers throughout the lifetime of the loan.

2 NIBC sells the Mortgage Receivables to the investor through an SPV-like structure ("Investor Entity"), which is managed by an internal or local investment manager. The mortgage receivables are legally transferred to the Investor Entity

3 The exact structure of the investment (e.g., through an SPV) and roles of the (new) partners are to be determined.

## SUMMARY

- Currently, NIBC is looking to onboard new cornerstone investors who can support NIBC by accelerating their growth ambitions in the mortgage market through their OTM platform.
- NIBC is an experienced originator of Dutch mortgage loans, it is aligned with investors via its own balance sheet, it offers a tailored strategic approach to investors, and it can provide balance sheet support where needed.

## CONTACT DETAILS

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