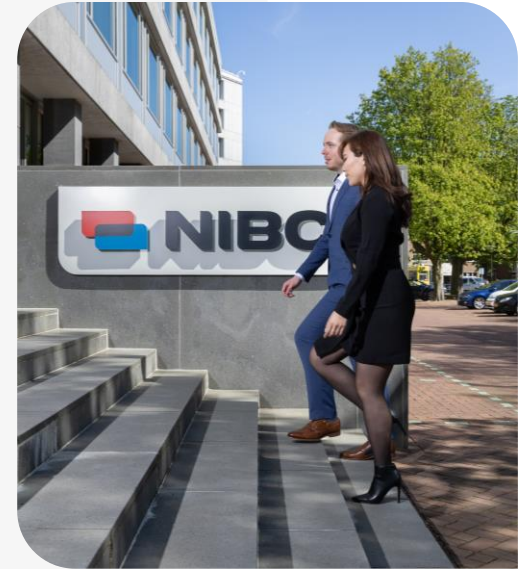
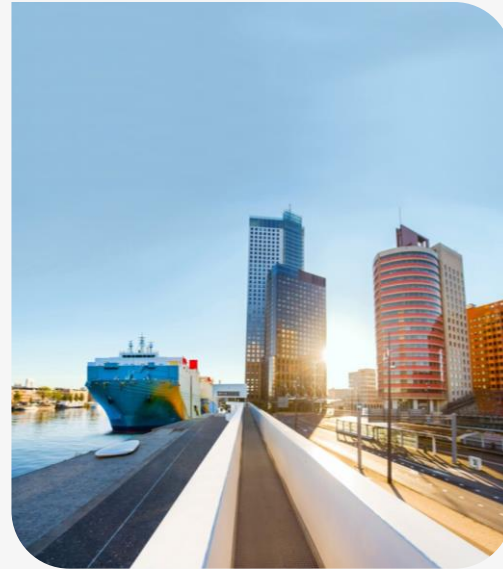


# NIBC Soft Bullet Covered Bond Presentation

August 2024



# Executive Summary

## NIBC

- Focus on residential mortgages, asset-based financing in specific corporate sectors as well as leasing and automotive financing
- Net profit of EUR 99 million in H1 2024 (EUR 103 million in H1 2023)
- Net interest margin of 2.07% in H1 2024 (2.06% in 2023)
- Impairment ratio of 0.08% in H1 2024 (from 0.13% in 2023)
- Cost-to-income ratio at 44% in H1 2024 (44% in 2023)
- Strong capital position, with CET 1 ratio at 19.7% and leverage ratio of 7.8% at H1 2024

## Soft Bullet Covered Bond Programme<sup>1</sup>

- AAA (S&P) Soft Bullet Covered Bonds
- Law-based program, registered with the Dutch Central Bank
- Favorable regulatory treatment with the European Covered Bond Premium Label
- Cover pool of prime Dutch residential mortgage loans

## Mortgage Business

- Total residential mortgage book on balance of EUR 12.1 billion
- The Dutch housing market has remained resilient: NPLs remain low and credit loss expenses for H1 2024 were negative EUR 2 million
- Origination via independent intermediaries, underwriting criteria fully controlled by NIBC
- In-house arrears and foreclosure management

1: In addition to its soft bullet covered bond programme NIBC Bank also has a conditional pass-through covered bond programme, for more information please visit: <https://nibc.com/nl/investor-relations/debt-investors>

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# 1. **BUSINESS UPDATE H1 2024**

# NIBC reports a strong H1 result

NIBC shows solid performance and enhanced efficiency

## NET PROFIT

**EUR 99 million**

(vs H1 2023 -4%)

## COST/INCOME RATIO

**44%**

(H1 2023: 44%)

## RETURN ON EQUITY

**11.0%**

(H1 2023: 10.9%)

## NET INTEREST MARGIN

**2.07%**

(vs H1 2023 +11 bps)

## CET 1 RATIO

**19.7%**

(FY 2023: 18.8%)

## RETURN ON TARGET CET 1 CAPITAL 13%

**16.3%**

(H1 2023: 16.6%)

# Successful execution of our focused strategy

Growth core activities, discontinuation non-core activities

## GROWTH CORE ACTIVITIES



**Mortgages**  
+1%



**Asset Based Finance<sup>1</sup>**  
+2%



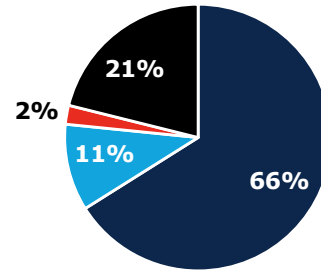
**Platforms**  
+7%



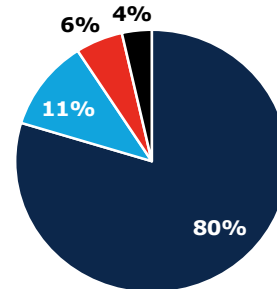
**Savings**  
+8%

## TRANSFORMATION ASSET MIX

Including OTM  
2020



H1 2024



■ Mortgages      ■ Asset Based Finance  
■ Platforms      ■ Non-Core activities

## OTHER OBSERVATIONS

- As we continuously investigate development opportunities across various business lines, this also means that specific product offerings may benefit from a new setting. In this context, NIBC is actively investigating strategic alternatives for both its Platform activities. As such both offerings are now classified as held for sale, reflecting these strategic considerations.
- Increase of our retail savings volumes improved our funding composition resulting in a further decrease of the average funding spread to 0.10% (2023 0.18%)
- Continued decrease in Non-Core portfolio, reducing exposure by EUR 139 million since FY2023 (-10%) to EUR 1.3 billion.

1. Asset Based Finance is excluding the Shipping portfolio which has been sold in H1 2024

# Dedicated strategy execution

Our focused business model allows for strong performance



## MORTGAGES

**+1%**

- Total loan portfolio EUR 27.1 billion (2023: EUR 26.9 billion)
- Origination: EUR 1.2 billion (2023: EUR 3.3 billion)
- Servicing ~200k clients
- Market share 2.4%
- NIBC is awarded for the best mortgage lender in the medium-sized category and also nominated for the innovative "Hero" mortgage



## ASSET BASED FINANCE<sup>1</sup>

**+2%**

- Exposure EUR 3.8 billion (2023: EUR 3.7 billion)
- Origination: EUR 0.4 billion
- Successful sale of the Shipping portfolio of EUR 0.9 billion in H1 2024
- Servicing ~170 clients
- Focus on continuing growth in core portfolios
- Strong quality portfolio with limited losses



## PLATFORMS

**+7%**

- Exposure EUR 1.9 billion (2023: EUR 1.8 billion)
- Origination: EUR 0.4 billion
- Servicing ~5300 clients
- yesqar: largest challenger in automotive sector
- Beequip: largest alternative SME financier

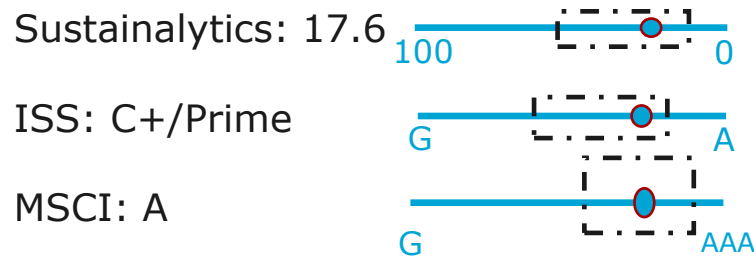
1. Asset Based Finance is excluding the Shipping portfolio which has been sold in H1 2024

# Additional highlights H1 2024

Improved asset quality recognised by rating upgrades from both Fitch and Moody's

## ESG

- Significant further reduction in financed emissions expected due to sale of Shipping portfolio
- NIBC' ESG strategy to support clients in their sustainability journey across all core asset classes
- Sustainalytics rating upgraded to 17.6 low risk for NIBC Bank



## CREDIT RATINGS

- Recognising the steps we have taken to strengthen the business model, NIBC's credit rating was upgraded by both Fitch and Moody's

Fitch<sup>1</sup>: A-, stable outlook  
S&P<sup>1</sup>: BBB, stable outlook  
Moody's<sup>1</sup>: A2, stable outlook

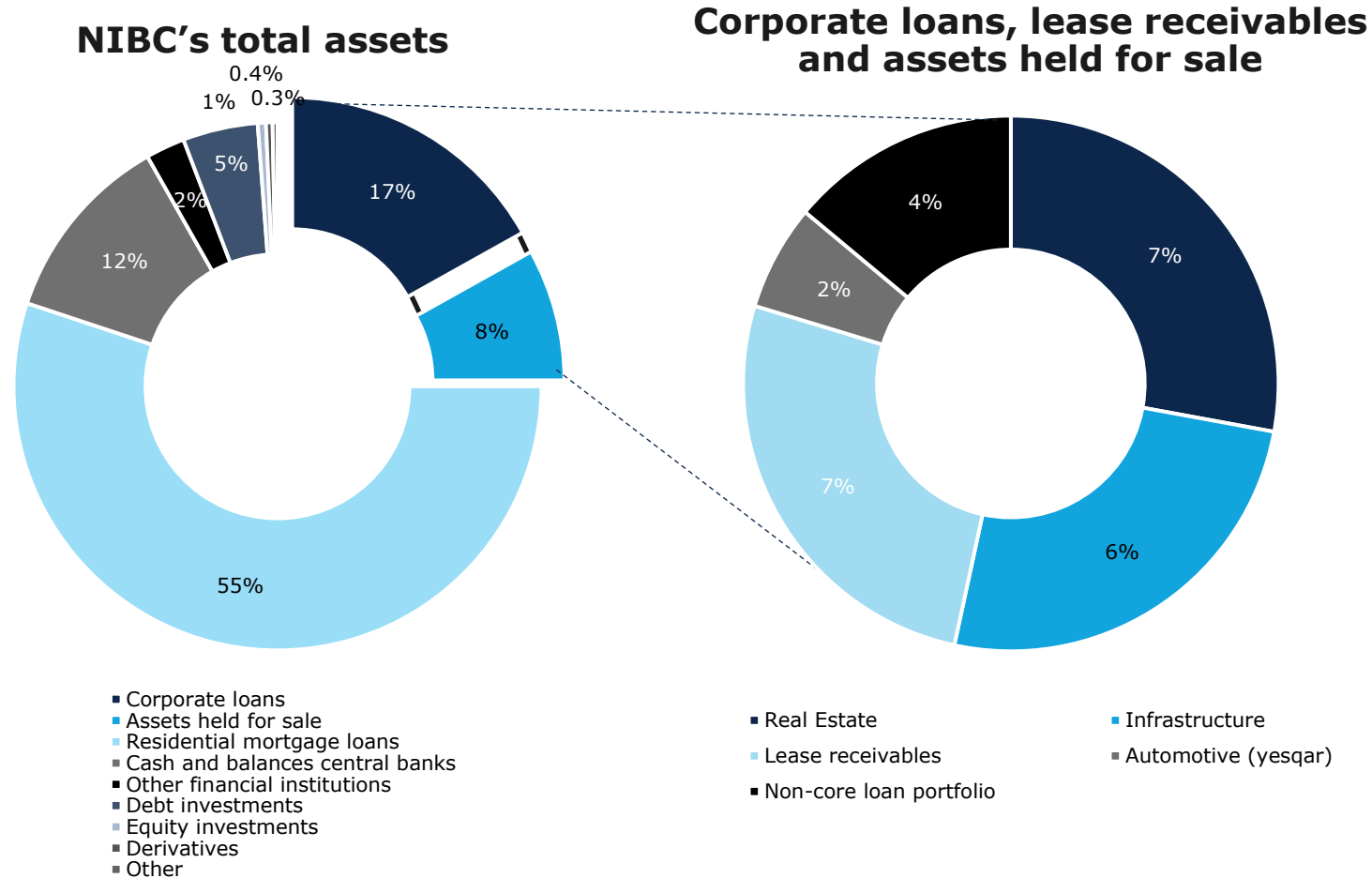
## OTHER

- Net promoter score corporate lending<sup>2</sup>: +87%
- NIBC mortgages customer survey score<sup>2</sup>: 8.3
- NIBC savings customer survey score<sup>2</sup>: 8.0
- Male/female ratio stable at 64%/36%
- Gender balance in Managing Board

1. Reported ratings are based on NIBC's senior preferred debt ratings. Moody's rating is unsolicited  
2. Non-financial figures based on external surveys may not have been updated. In that case, the last available result is reported.



# Composition of NIBC's total assets on balance



- Total assets of EUR 23.4bn at H1 2024
- The current composition is reflecting the execution of our focused strategy
- Cash and banks remains at a solid level, reflecting NIBC's prudent approach to liquidity management
- Lease receivables (Beequip) and Automotive (yesqar) are held-for-sale assets

Percentages rounded to nearest percentage.

## 2. **FINANCIAL RESULTS H1 2024**

# P&L NIBC

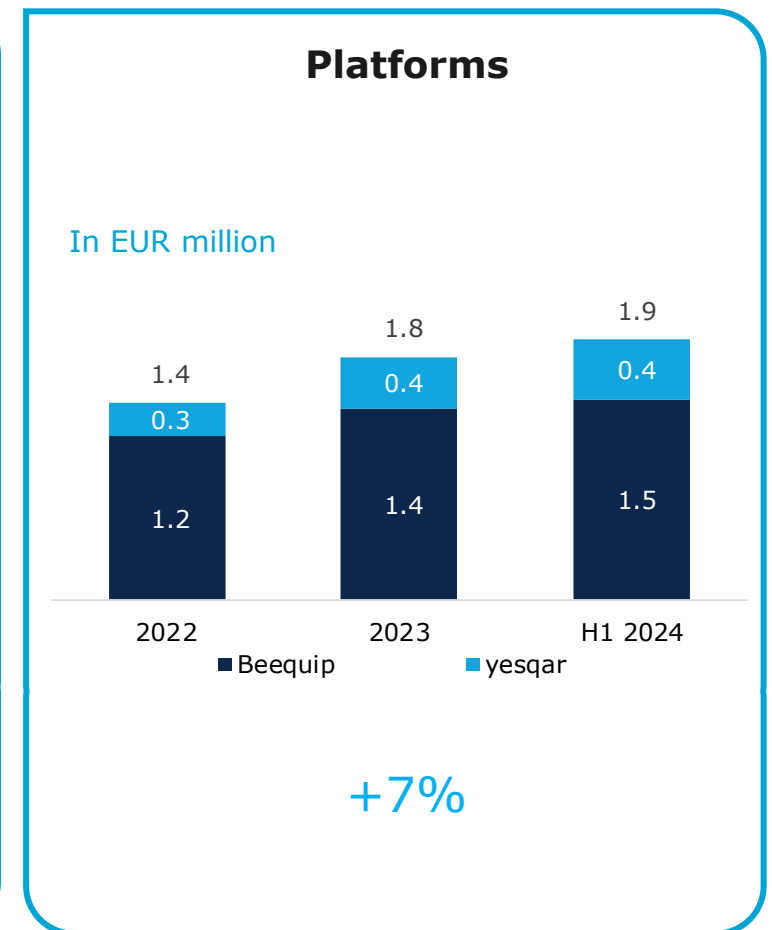
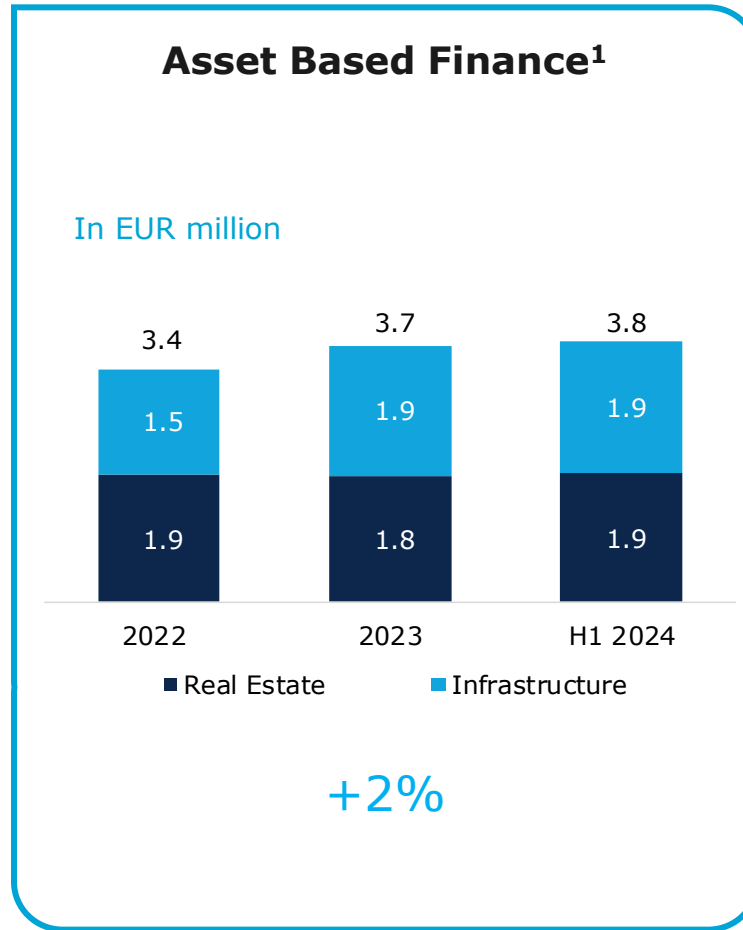
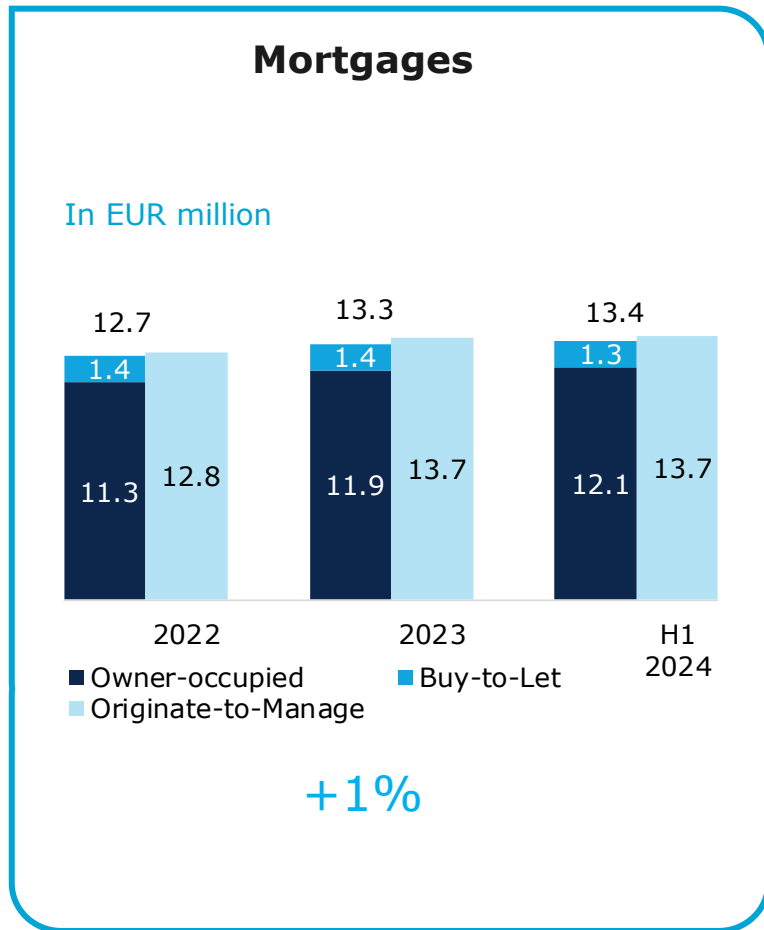
Strong performance H1 2024, driven by increased operating income and lower credit losses

in EUR millions	H1 2024	ex. non-recurring H1 2024	Change H1 2024 vs H1 2023	H1 2023	ex. non-recurring H1 2023
Net interest income	236	229	4%	227	227
Fee income	19	19	-6%	20	20
Investment income	-2	-2	-1	3	3
Other income	20	13	18%	17	16
Operating income	273	260	2%	268	267
Operating expenses	119	113	1%	118	118
Net operating income	154	146	3%	149	149
Credit loss expense	8	14	-33%	12	13
Gains or (losses) on disposal of assets	0	0	-100%	8	0
Income tax	41	37	12%	37	34
Profit after tax	105	96	-4%	109	102
Profit attributable to non-controlling shareholders	6	6	0%	6	6
Profit after tax attributable to shareholders of the company	99	90	-4%	103	96
Return on equity	11.0%	10.0%		10.9%	10.2%
Cost/income ratio	44%	44%		44%	44%
Net interest margin	2.07%	2.04%		1.96%	1.96%
Common Equity Tier 1 ratio	19.7%	19.7%		18.6%	18.6%

The non-recurring items for H1 2024 consist of the one-off results related to the sale of the Shipping portfolio as well as the incurred costs to date related to the assets held for sale, which relate to the equipment leasing and automotive financing activities, and costs related to the planned legal merger as per 1 January 2025 between NIBC Bank N.V. (as acquiring entity) and NIBC Holding N.V. (as disappearing entity).

# Growth in all operating segments

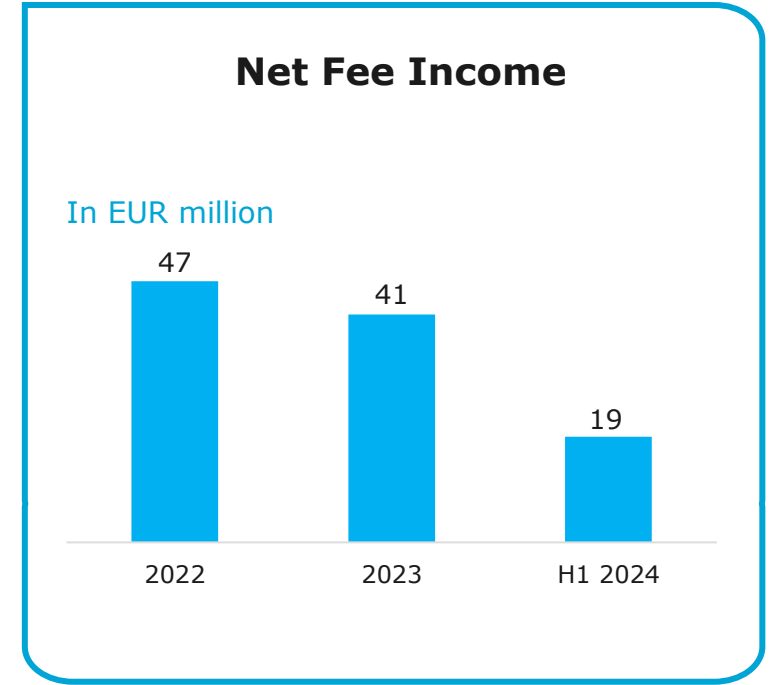
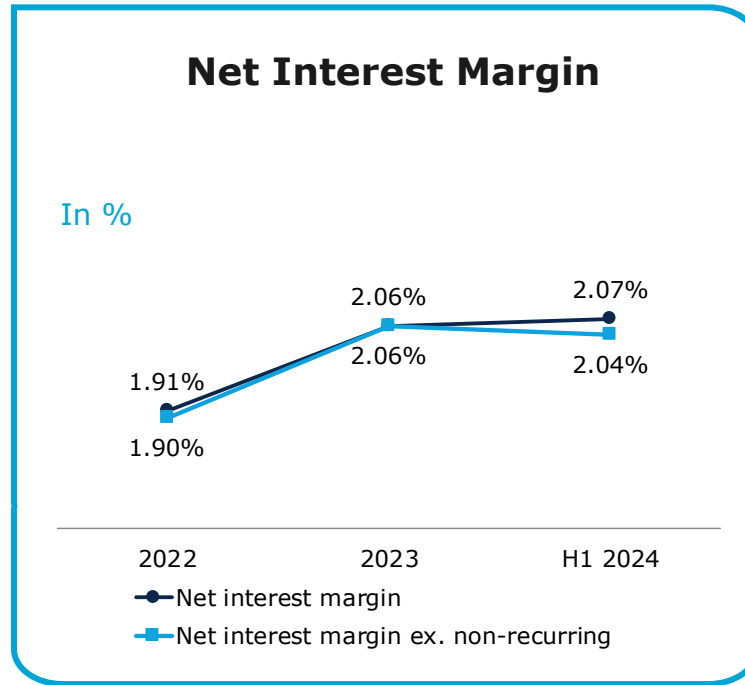
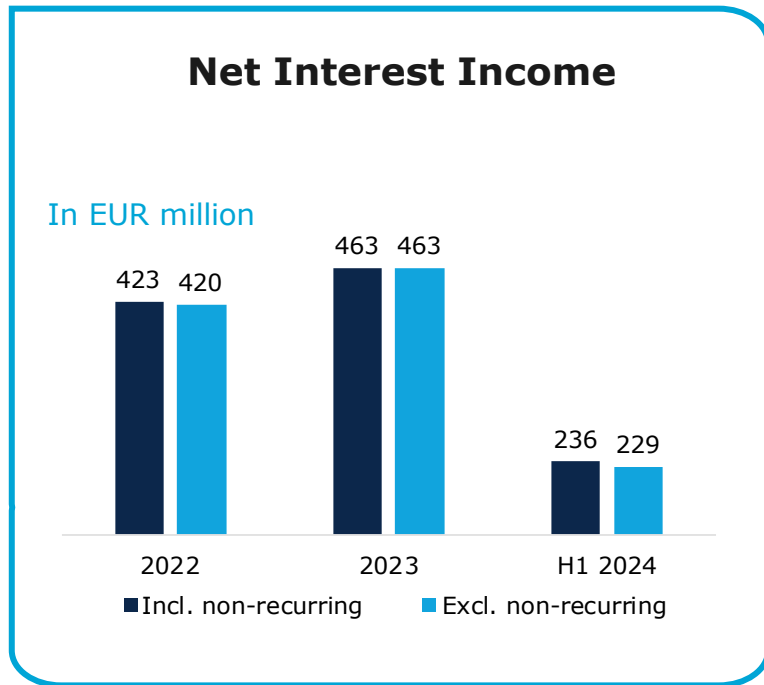
Focused strategy is paying off



1. Asset Based Finance is excluding the Shipping portfolio which has been sold in H1 2024

# Improved base for future income generation

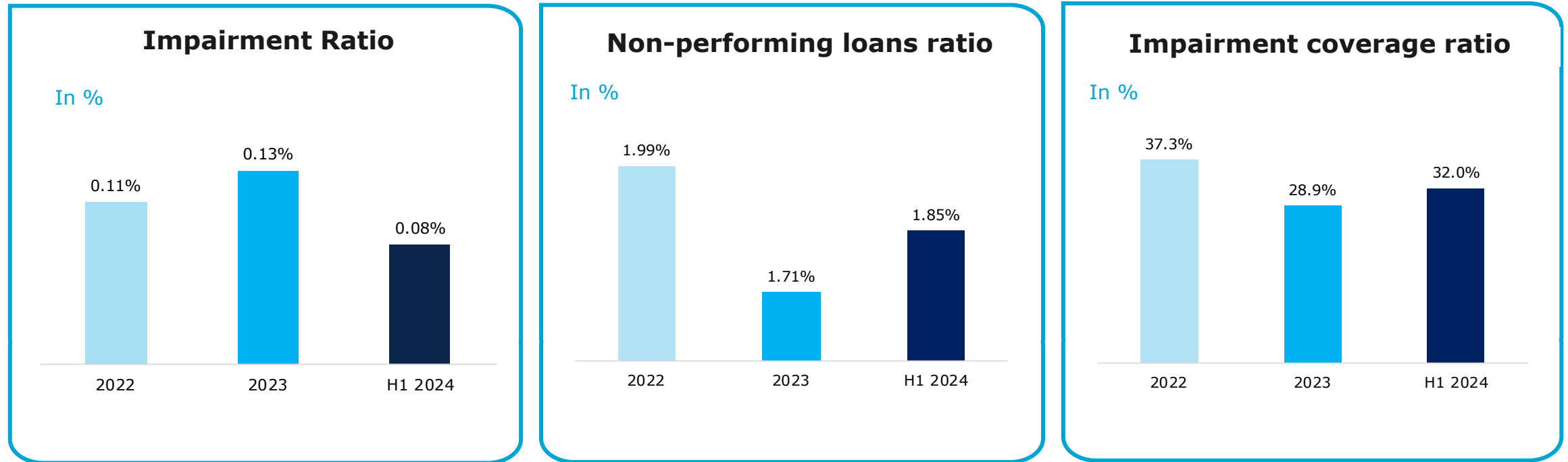
Continued growth in core asset classes and stable profitability with a NIM of 207bps



- Net Interest Income H1 2024 increased by EUR 8 million to EUR 236 million, 3% up compared to H1 2023, mainly driven by the strong performance in our core asset classes and positive developments in funding costs
- Net Fee & Commission income remained stable at EUR 19 million in H1 2024 where lower origination fee for OTM mortgages was compensated by higher servicing fee for OTM mortgages

# De-risking reflected in low impairments

Credit losses also remain moderate in H1 2024 at EUR 8 million (H1 2023 EUR 12 million)



Credit losses remain moderate also in H1 2024 at EUR 8 million:

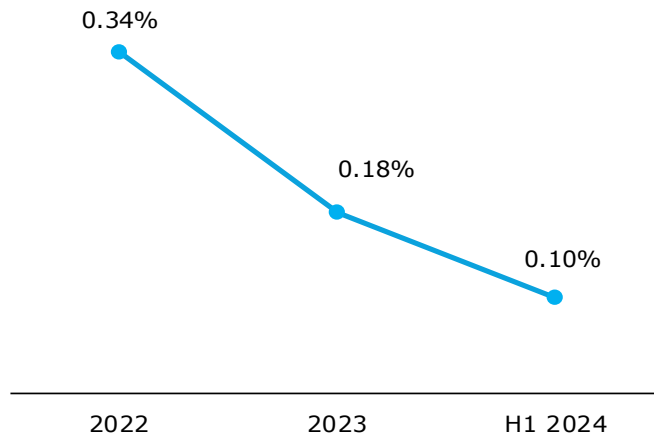
- Impairments Asset Based Finance at EUR -4 million including a release of EUR 6 million driven by the sale of the Shipping portfolio.
- Impairment Mortgages at EUR -2 million due to recoveries.
- Impairments non-core amounts to EUR 6 million largely driven by individual impairments on non-performing clients.
- Impairments Platforms amounts to EUR 8 million.

# Liquidity management

Funding spread further declined mainly due to a lower spread in retail savings

## Funding spread development

In %



## Key ratios

**Liquidity Coverage Ratio**

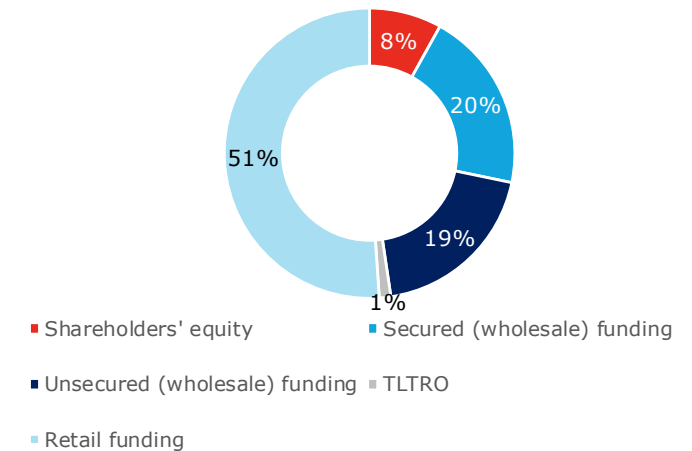
306%

**Net Stable Funding Ratio**

138%

## Funding composition

In %



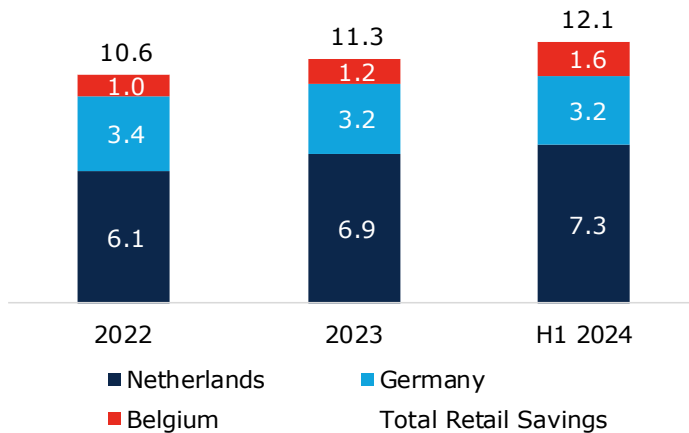
- During H1 2024 the funding spread further declined from 18bps to 10bps driven by an improved funding composition. The difference between the actual interest rate and the retail funding spread leads to an additional benefit in interest income
- Strong key liquidity ratios with an LCR of 306% and a NSFR of 138%. Both ratios increased compared to previous period through continued prudent approach in these volatile markets
- Retail funding has grown to over 50% of the total funding and is now at EUR 12.1 billion (+ 7% compared to FY 2023). Unsecured wholesale funding decreased by 10%

# Retail Savings

Total volume retail savings increasing driven by higher volumes in the Netherlands and Belgium

## Development Retail Savings

In EUR billion



## Loan-to-Deposit ratio

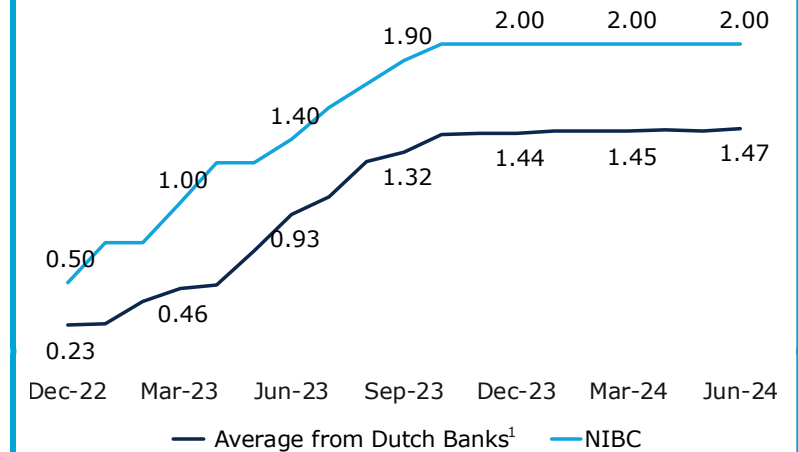
Growth of the retail savings volume in combination with the sale of the Shipping portfolio improved the Loan-to-Deposit ratio to 148% (2023: 163%)

## Savings on demand NL

**2.00%**

## Development on demand Interest rate NL

YTD 2024 in %



1. Source: ECB published data via Eurostat. Specific column used: Bank interest rates - deposits redeemable at notice of up to three months - Netherlands (MIR.M.NL.B.L23.D.R.A.2250.EUR.N)

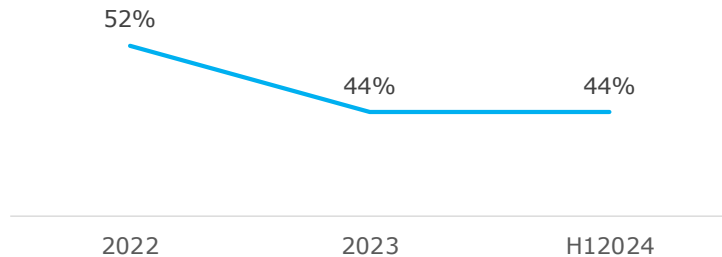


# Stable operating expenses

Stable operating expenses and Cost/Income ratio despite inflationary environment

## Cost/Income Ratio

Including regulatory charges



## Operating Expenses

EUR 119 million

H1 2023: 118 million

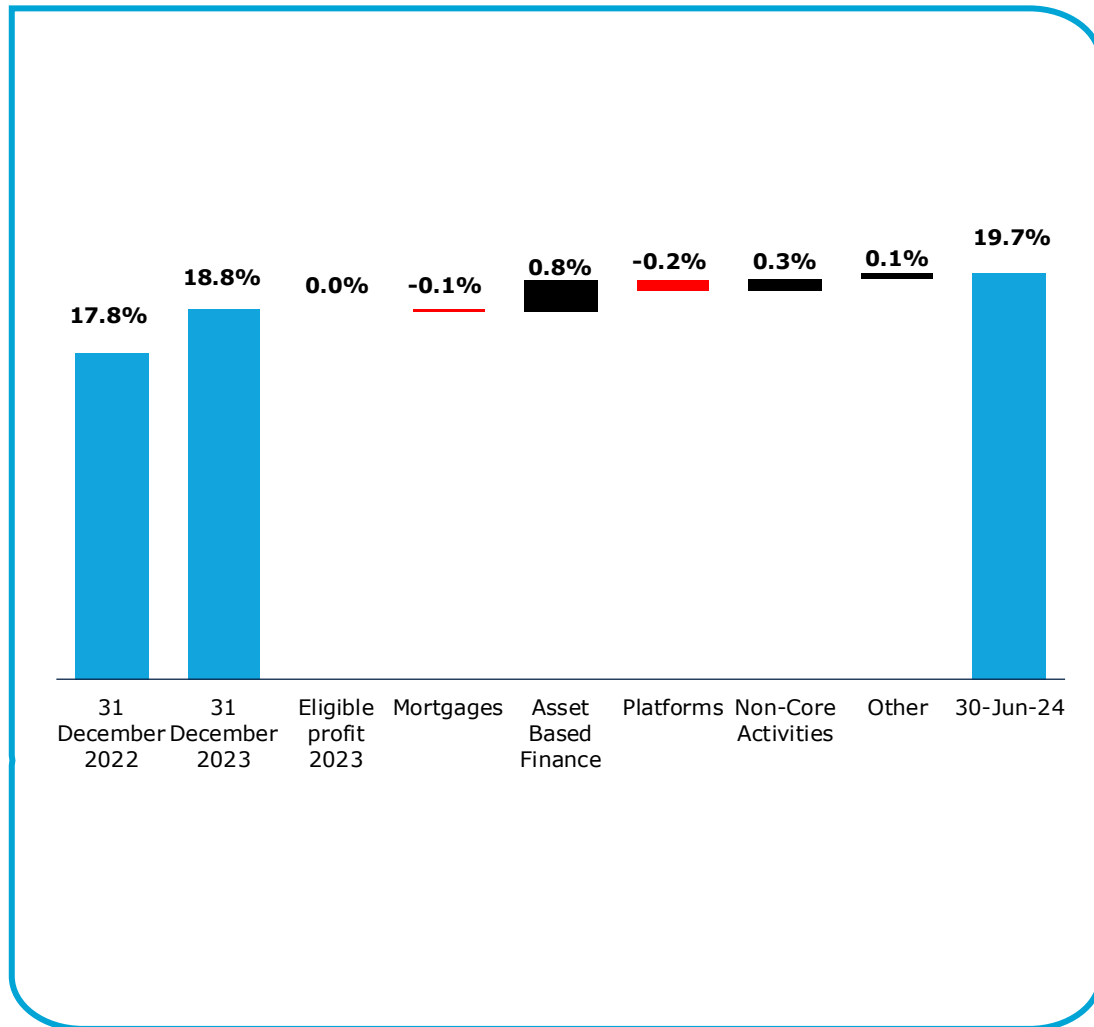
+1%  
vs H1 2023

## Observations

- Cost/Income ratio is within target, with our medium-term objective bandwidth set at 40%-45%
- Stable operating expenses where higher expenses on consultants and projects offset by lower regulatory charges and levies and lower process outsourcing costs for the mortgage loan portfolio
- The lower regulatory charges are driven by the European resolution fund reaching its targeted level by the end of 2023 resulting in no resolution levies for 2024

# Improved capital position






CET 1 ratio has improved due to reduction non-core portfolio and the sale of the Shipping portfolio



- NIBC has a strong capital position reflected in the CET 1 ratio of 19.7%.
- The improvement of the CET1 ratio by 0.8% from Asset Based Finance is mainly related to the sale of the Shipping portfolio
- NIBC proposes to declare dividend as follows:
  - An interim dividend of EUR 54 million (pay-out ratio 55%)
  - An additional dividend of EUR 116 million in relation to the capital release from the sale of the Shipping portfolio in June 2024. The additional dividend will decrease the CET1 ratio NIBC Holding from 19.7% to 18.4%.
- Forward looking: the CET 1 ratio is expected to decrease in 2025 with 1.8%-2.6% net for 2 changes:
  - implementation internal model corporate exposures (increase RWA with 25%-30%)
  - implementation Basel 4 (decrease RWA 10%-15%)
- NIBC is planning to execute a legal merger between NIBC Bank N.V. as acquiring entity and NIBC Holding N.V. as disappearing company per 1 January 2025. The estimated impact of the simplification of its group structure, compared to 30 June 2024, equals an increase of 0.9%-point on NIBC's Tier 1 ratio and 0.8%-point on NIBC's fully loaded Total capital ratio.

# Medium-Term Objectives

Based on our strong financial performance, we meet all medium-term objectives

	Target		H1 2024
Return on target CET 1 capital	≥ 15%		<b>16.3%</b>
Cost Income Ratio	40-45%		<b>44%</b>
Common Equity Tier 1 ratio	≥ 13%		<b>19.7%</b>
Rating Bank <sup>1</sup>	BBB+		<b>BBB+</b>
Dividend pay-out ratio <sup>2</sup>	≥ 50%		<b>55%</b>

1. Reported rating is based on the average of the senior preferred debt rating as issued by the different rating agencies (current rating: Fitch: A- Stable, Moody's: A2 Stable, S&P: BBB Stable)

2. Excluding proposed additional dividend

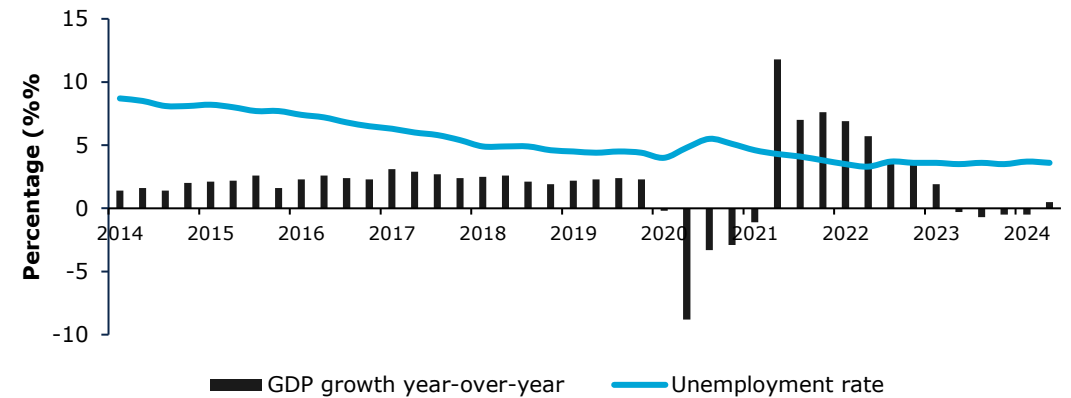
### **3. DUTCH HOUSING AND MORTGAGE MARKET**

# Dutch housing and mortgage market

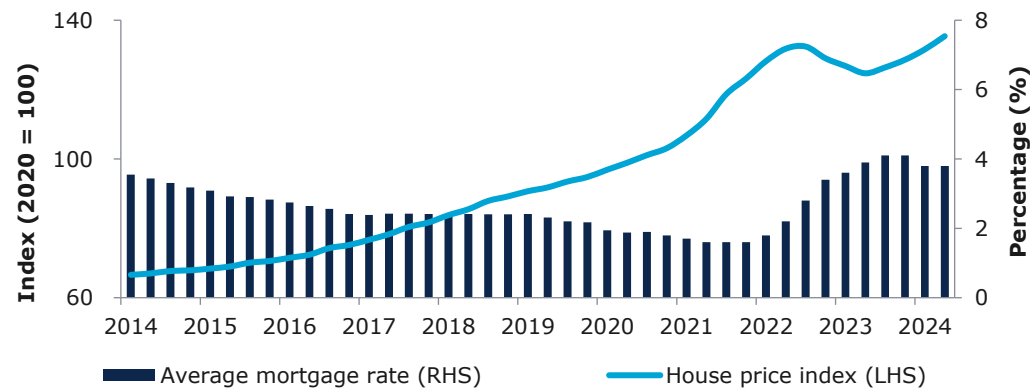
## DUTCH HOUSING AND MORTGAGE MARKET

- The Netherlands contains 8.2 million dwellings, of which 4.6 million are owner occupied
- Confidence in the housing market is at a level of 90 in June 2024, having reached its low in December 2012 at 51 and a peak in November 2016 at 121<sup>1</sup>
- The Dutch housing market remains tight, as a result of a structural housing shortage and lagging supply of new development
- Proven resilience during the credit crisis
  - Flexible labor market and strong social safety net
  - High payment morale, supported by central credit registration system (BKR) and efficient legal system

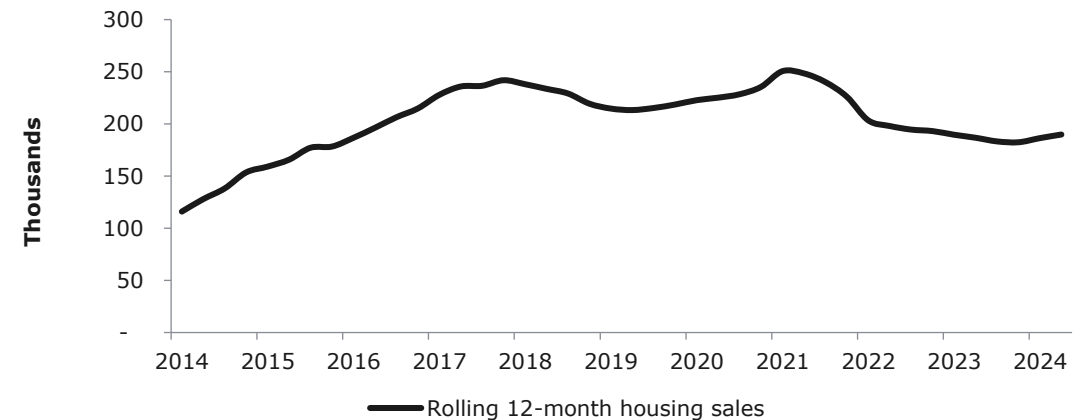
## ECONOMIC GROWTH AND UNEMPLOYMENT IN THE NETHERLANDS



## AVERAGE MORTGAGE RATE<sup>3</sup> AND HOUSE PRICE INDEX<sup>4</sup>

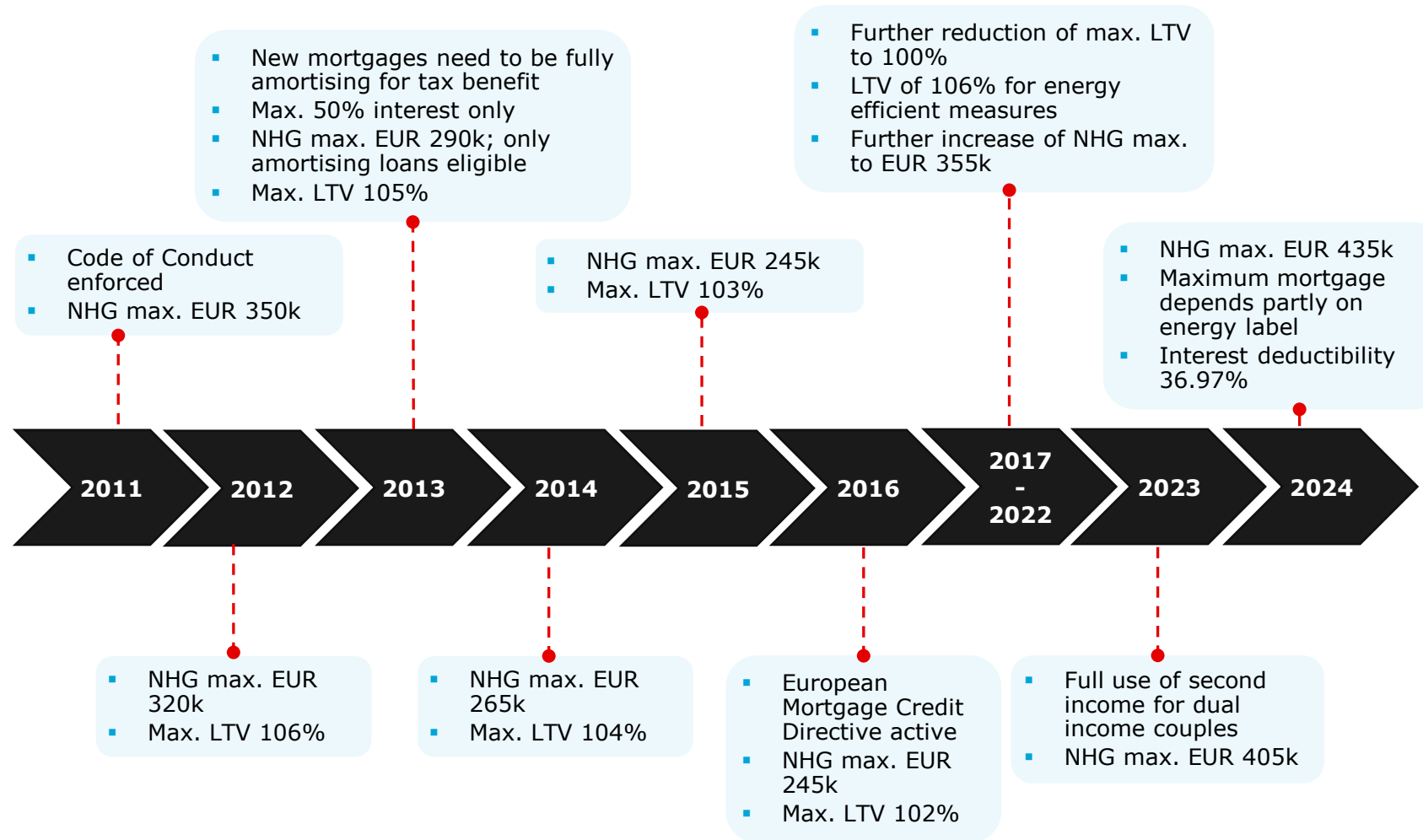


## HOUSE SALE DEVELOPMENT



1: Source: Vereniging Eigen Huis. Monthly measurement of the Dutch homeowners association for the consumer confidence related to the housing market  
 2: Source: Statistics Netherlands (CBS), seasonally corrected figures  
 3: Source: Dutch Central Bank. Total weighted average interest rate of new residential mortgage contracts  
 4: Source: The Netherlands' Cadastre, Land registry and Mapping Agency

# Evolution of Dutch mortgage lending standards



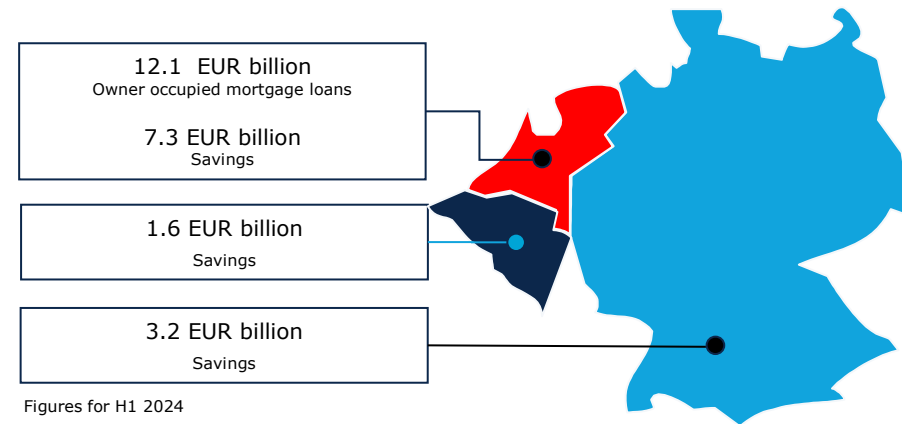
## **4. RETAIL CLIENT OFFERING AND ASSET QUALITY**

# Retail client offering

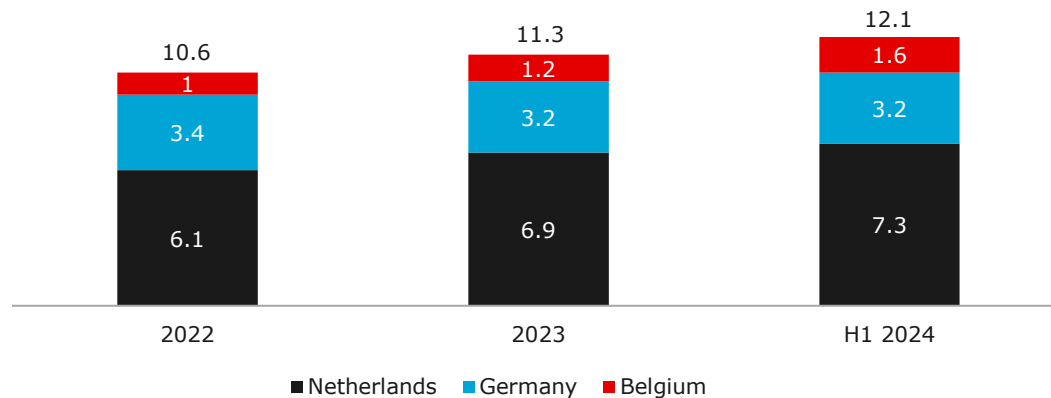
## INTRODUCTION

- Strong franchise across the Netherlands, Germany and Belgium
- Mortgages are sold through partnerships with intermediaries, where NIBC sets all underwriting criteria
- Multi-track approach: mortgages for our own balance sheet as well as for multiple originate-to-manage mandates from institutional investors
- Non-value adding activities are outsourced (mid- and back-office services) to specialized mortgage servicing companies, such as Stater and Quion
- Arrears and foreclosure management performed in-house at NIBC

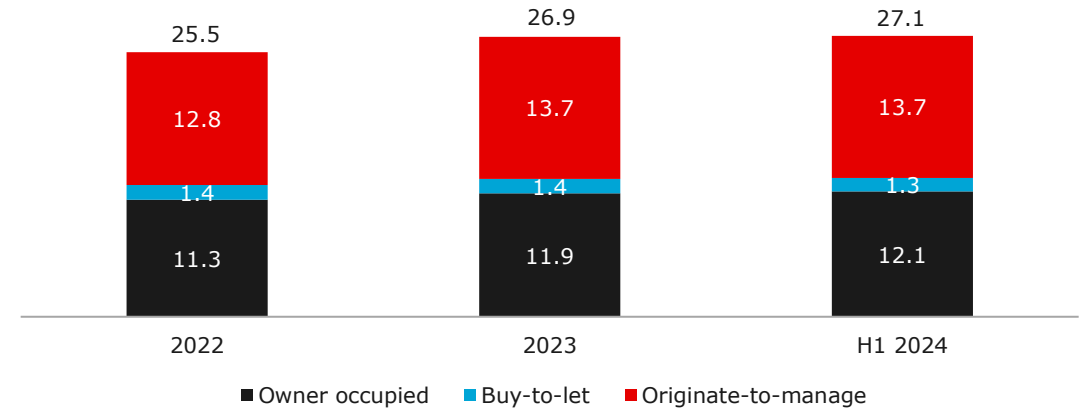
## GEOGRAPHIES



## SAVINGS BALANCE NIBC DIRECT (EUR BLN)



## RETAIL CLIENT OFFERING ASSETS (EUR BLN)



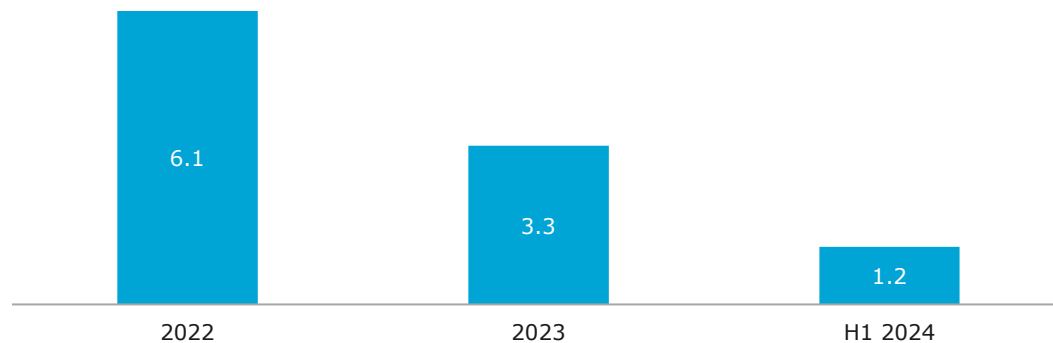


# Retail client offering

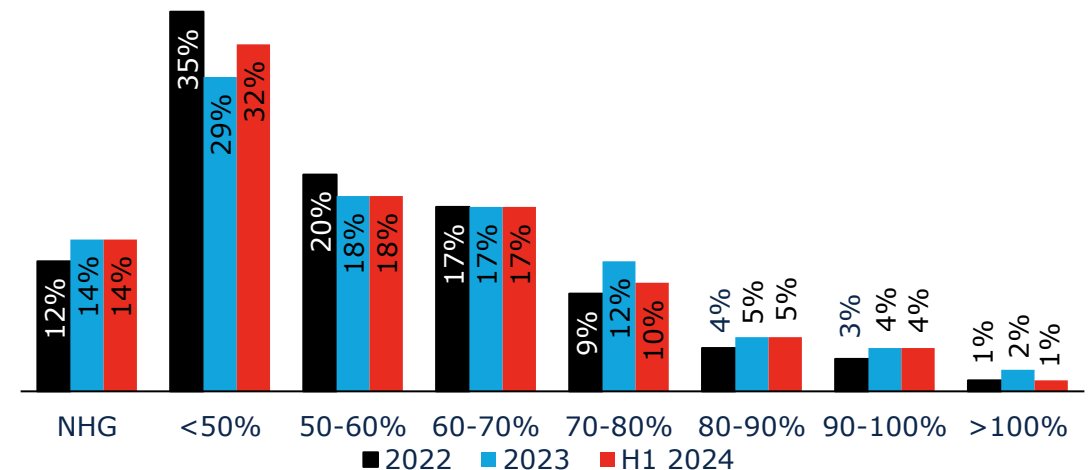
## MORTGAGE LOANS

- Total mortgage origination reached EUR 1.2bn in H1 2024
- Our on-balance portfolio increased EUR 0.1bn to EUR 13.4bn<sup>1</sup> and the OTM portfolios grew by EUR 0.1bn in H1 2024
- the total OTM portfolio reached EUR 13.7bn at H1 2024
  - fee generating initiative leading to income diversification
  - strengthening our client franchise, as it enables NIBC to be active across maturities and sub-segments
- Stable buy-to-let portfolio totaling EUR 1.3bn at H1 2024
- The mortgage loan portfolio displays a solid performance with credit loss expenses of negative EUR 2 million in H1 2024
- Exposure of residential mortgage loans in arrears >90 days is 0.1%
- Indexed loan-to-value Dutch residential mortgage loans 57%

## MORTGAGE ORIGINATION<sup>2</sup> (EUR BLN)



## INDEXED LOAN-TO-MARKET VALUE



1: Includes EUR 1.3bn buy-to-let mortgages

2: Includes off-balance sheet origination for third-party investors (OTM)

**5. SOFT BULLET COVERED BOND PROGRAMME**

# Soft Bullet Covered Bond Programme

## SUMMARY OF THE SOFT BULLET COVERED BOND PROGRAMME

<b>Issuer</b>	NIBC Bank N.V.
<b>Programme size</b>	EUR 10 billion
<b>Format</b>	Soft Bullet (SB)
<b>Extension Period</b>	Maximum of 1 year
<b>Governing Law</b>	Dutch
<b>Guarantor</b>	Bankruptcy remote Covered Bond Company (CBC)
<b>Ratings</b>	AAA (S&P)
<b>Collateral</b>	Prime Dutch residential mortgage loans <sup>1</sup>
<b>Over Collateralisation</b>	<ul style="list-style-type: none"> <li>✓ Regulatory OC of 5%</li> <li>✓ Asset Percentage 79.5%</li> </ul>
<b>Hedging</b>	<ul style="list-style-type: none"> <li>✓ Swaps are optional to the Programme</li> <li>✓ No hedging instrument included at closing</li> </ul>

## KEY BENEFITS

<b>Dual recourse</b>	<ul style="list-style-type: none"> <li>✓ Obligation for NIBC Bank N.V. to redeem the bond on the (scheduled) Maturity Date</li> <li>✓ Recourse to the CBC in case of default NIBC Bank N.V.</li> </ul>
<b>Favorable Regulatory Treatment</b>	<ul style="list-style-type: none"> <li>✓ Dutch law and Dutch Central Bank registered</li> <li>✓ LCR eligible (level 1)</li> <li>✓ Solvency II eligible</li> <li>✓ UCITS and CRD compliant</li> <li>✓ ECB repo eligible</li> <li>✓ European Covered Bond (Premium) label</li> </ul>
<b>Transparency</b>	<ul style="list-style-type: none"> <li>✓ National Transparency Template (NTT) and Harmonised Transparency Template (HTT) to be made available on corporate website and dedicated portal</li> <li>✓ Member of Dutch Association of Covered Bond Issuers (DACB)</li> <li>✓ ECBC Covered Bond Label and HTT Reporting from ECBC</li> </ul>

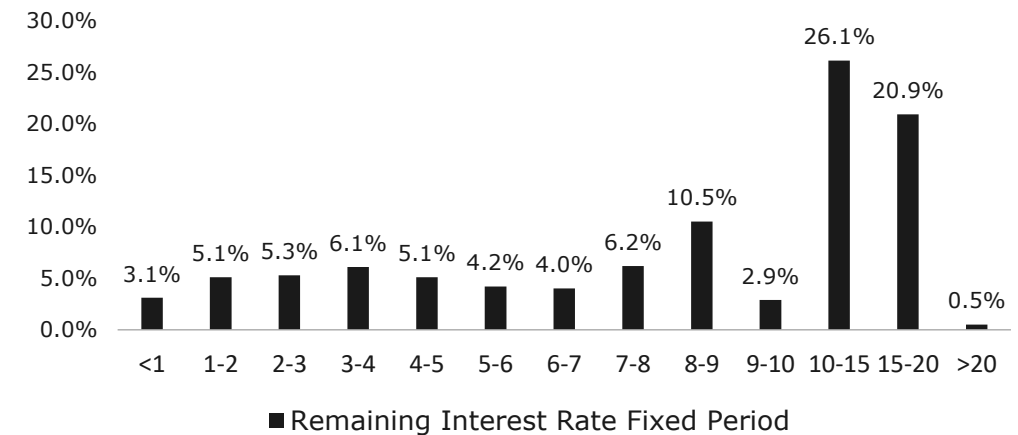
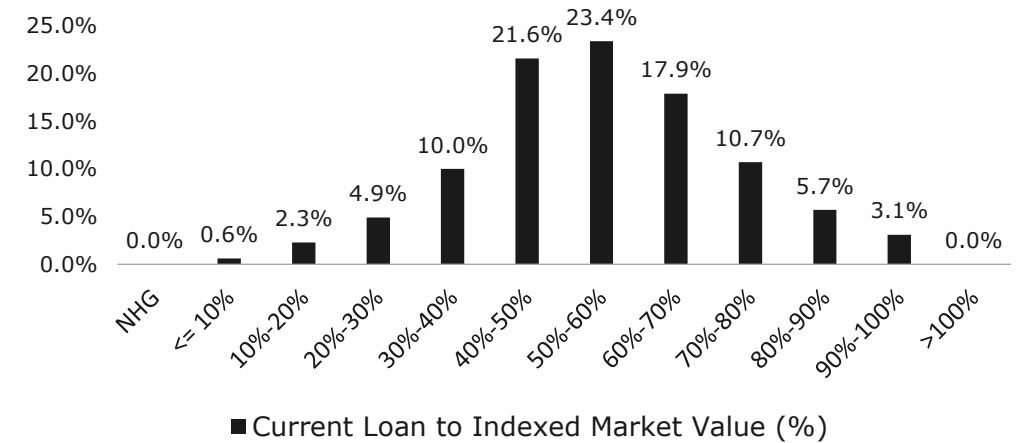
For more information, please visit our website: <https://nibc.com/nl/investor-relations/debt-investors/soft-bullet-covered-bonds>

1: Owner-occupied residential mortgages only; buy-to-let mortgages are not eligible collateral for the cover pool

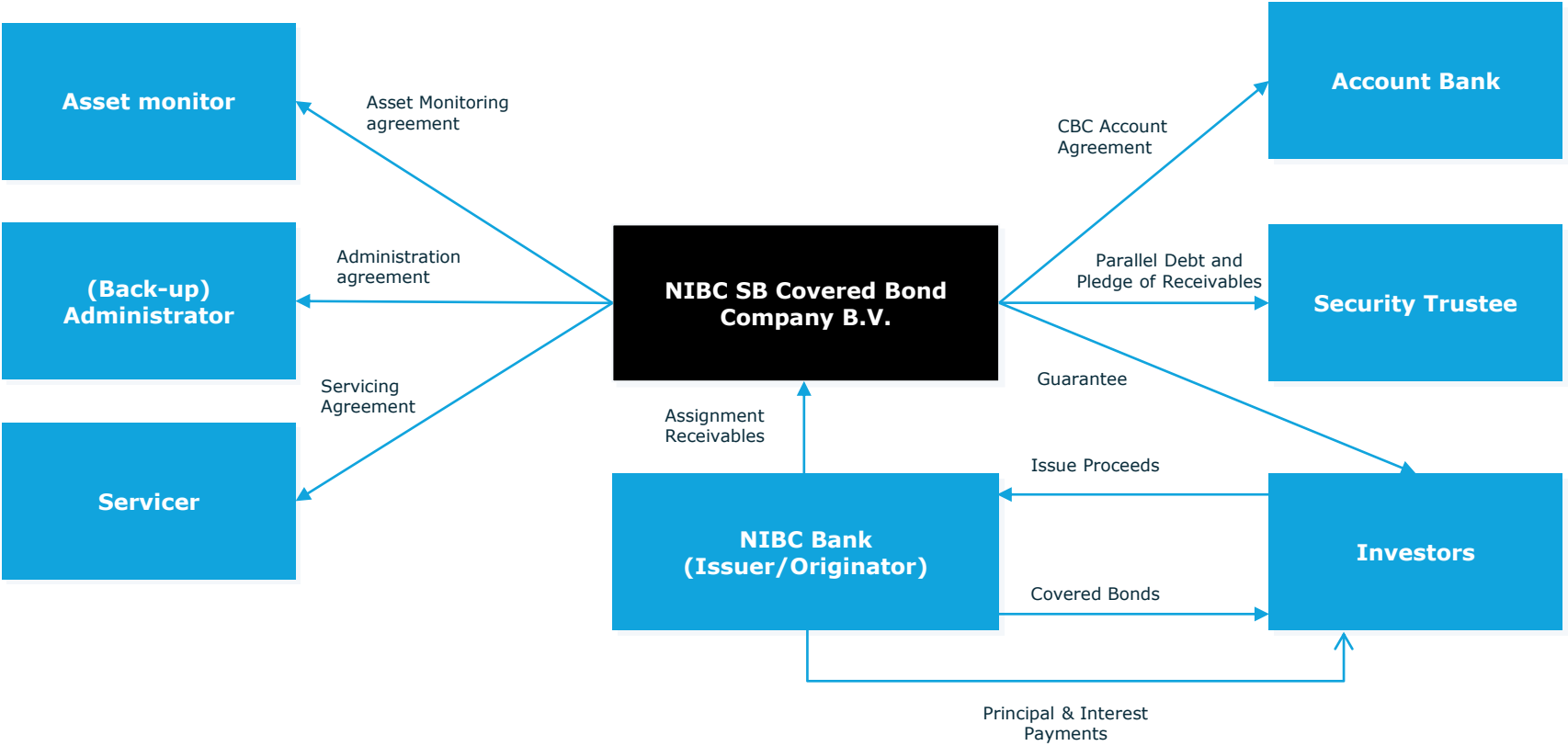
# Soft Bullet Covered Bond Programme

## COVER POOL HIGHLIGHTS

<b>Cut-off Date</b>	31 July 2024
<b>Number of Loans</b>	5,530
<b>Average principal balance (borrower)</b>	EUR 261,277
<b>w.a. current interest rate</b>	2.642%
<b>w.a. maturity</b>	22.53 years
<b>w.a. remaining fixed rate period</b>	9.67 years
<b>w.a. seasoning</b>	5.58 years
<b>w.a. CLTOMV</b>	69.0%
<b>w.a. CLTIMV</b>	55.0%

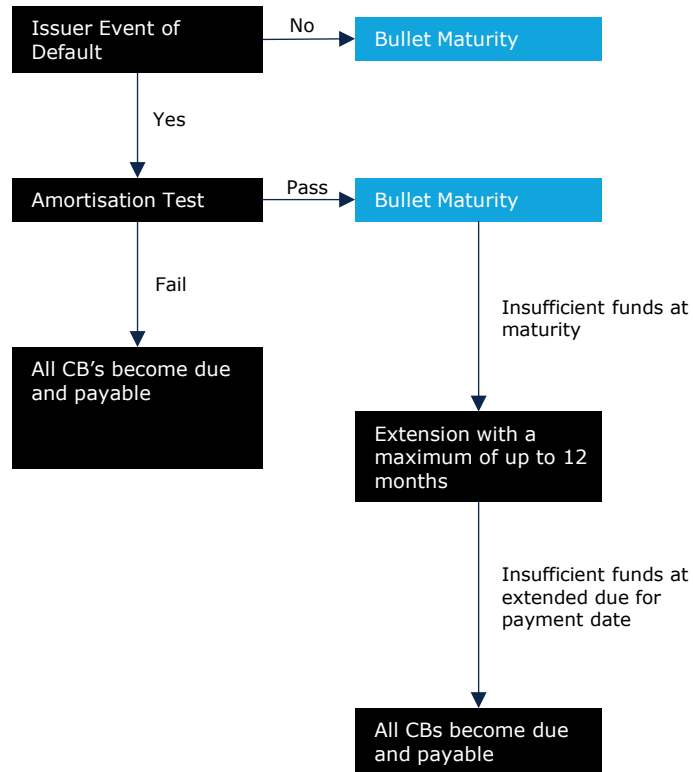


# Covered bond programme: transaction structure



# Soft bullet mechanism

## SOFT BULLET MECHANICS



## GOING CONCERN

- The Covered Bonds (CBs) are due on the (scheduled) Maturity Date. Coupon and principal payments take place as scheduled
- The Asset Cover Test safeguards that the cover pool meets the minimum overcollateralisation requirements

## ISSUER EVENT OF DEFAULT

- The Asset Cover Test is replaced by the Amortisation Test
- If on the (scheduled) Maturity Date of the CB an Issuer Event of Default takes place, and the CBC has insufficient funds to redeem the CB, this does not trigger a CBC Event of Default; the Maturity Date is extended by a period of maximum 12 months
- During this extension period the administrator undertakes to (partially) sell the cover pool and to use the proceeds to (partially) repay the 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 also constitutes a CBC Event of Default and results in all CBs to become due and payable

# Asset cover test

## ASSET MONITORING AGREEMENT

- Adjusted Aggregate Asset Amount  $\geq$  outstanding Covered Bonds
- First Regulatory Current Balance Amount  $\geq$  105% of outstanding Covered Bonds
- Second Regulatory Current Balance Amount  $\geq$  100% of outstanding Covered Bonds

## ADJUSTED AGGREGATE ASSET AMOUNT



## ADJUSTED AGGREGATE ASSET AMOUNT

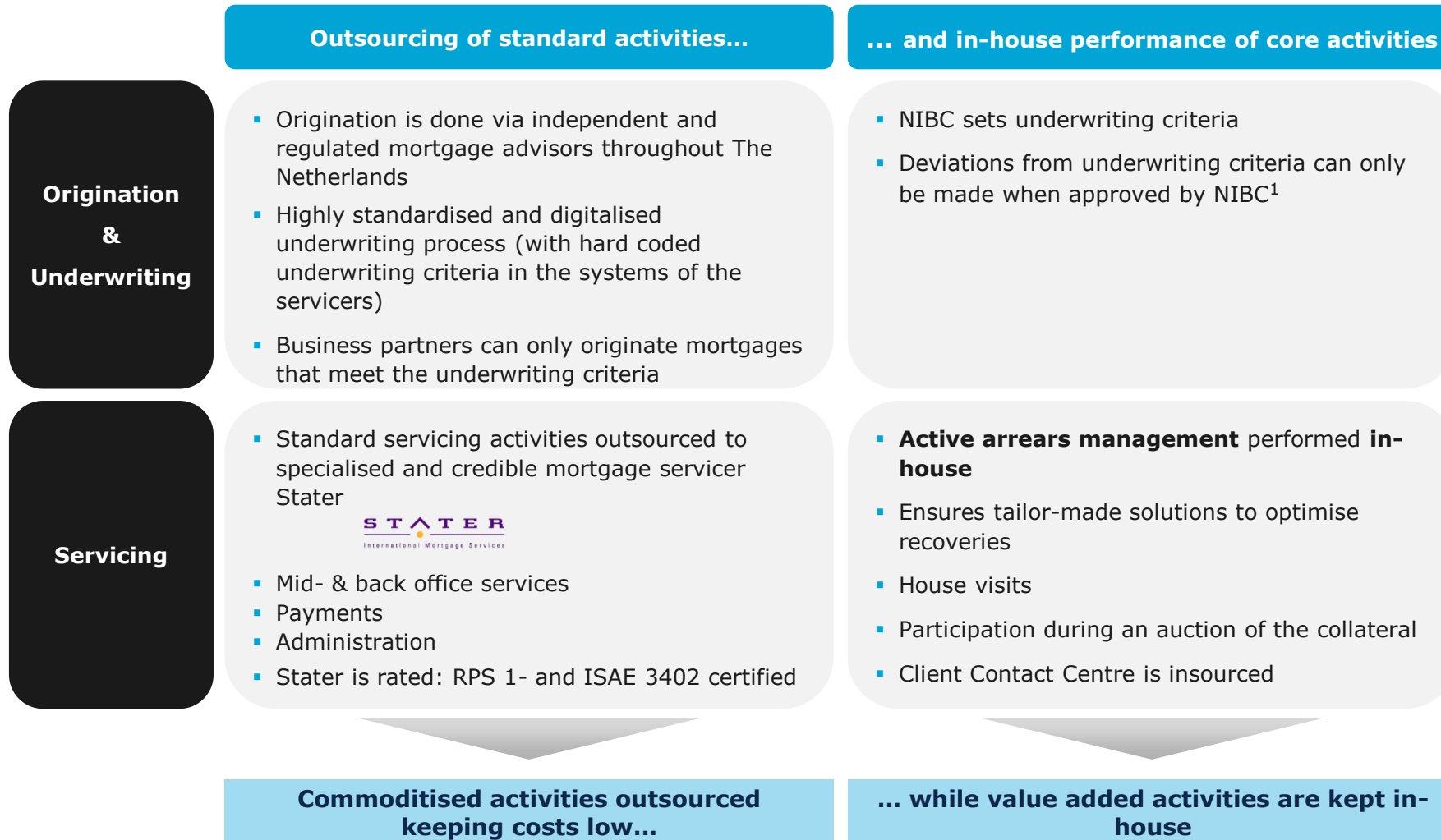
- 'A' includes:
  - 79.5% Asset Percentage
  - 80% indexed LTV Cut-Off
  - Deduction for relevant loan parts for which the interest rate  $< 1.0\%$
  - Deduction of arrears and defaulted receivables
  - Deduction of construction deposits
  - Deduction of savings deposits if issuer trigger is hit
- 'B' represents any unapplied principal receipts
- 'C' and 'D' represent cash (including Reserve Account) and substitution assets
- 'Z' represents the amount equal to the 'Interest Reserve Required Amount'

APPENDIX I

**MORTGAGE BUSINESS AT  
NIBC**



# Mortgage business at NIBC Bank



1: to be signed by two senior employees.

# Mortgage business at NIBC Bank

## BASIC PRINCIPLES ARREARS MANAGEMENT

- In 2006 NIBC Bank decided to take the arrears and foreclosure management in-house since NIBC Bank was confident that it could decrease arrears and losses via a result based approach.
- Employees have no insight into whether a loan has been securitized or transferred to the CBC or not.
- NIBC Bank uses the Salesforce CRM system in which the focus is on the client situation and performance is closely monitored through reporting and dashboards on a daily basis.
- Team Early (which is part of Special Servicing) tries to get in contact with the borrower to make a payment arrangement and indicates the financial situation. Special Servicing Mortgages (SSM) will follow up or step in depending on the situation.

### NIBC Early

Arrears of max 2 months

#### EARLY

- During the 1st month arrears clients receive (if necessary) up to 4 letters and 5 calls.
- Outbound calls within 6 days after first arrear is determined.
- Mandate is maximum of two payment arrangements.
- Over 90% of new arrears recover within the first 2 months.
- Track and trace to get in contact with the client through multiple channels (e.g. Chamber of Commerce, social media).
- Determine nature of problems.
- When arrear is indicated as incidental by Early the client can do a payment at once or a simple arrangement is setup with the client.
- When client faces (temporary) financial hardship the client is allocated to the SSM team

### NIBC Special Servicing

All clients in arrears with life events<sup>1</sup> or arrears > 2 months

#### SPECIAL SERVICING MORTGAGES

- Specialized team including 1 account manager with extensive experience in (mortgage) credit management. Educated in restructuring mortgage loans.
- Goal is to find the best structural solution; assess the situation and determine whether the problems are temporary or structural.
- Client retention: preventing credit losses and meeting our duty of care.
- Termination of the loan: when there is no prospect of structural improvement of the situation. Forced sales can only be made after approval of the Arrears Management Committee

1: Life events: divorce, deceased, unemployment (because of incapacity)

APPENDIX II

**MAIN UNDERWRITING  
CRITERIA**

# Main underwriting criteria

## LAWS AND REGULATIONS

- NIBC complies with:
- **“Wet op het Financieel toezicht”** (WFT). Dutch law
- **Code of Conduct** of Dutch Bankers Association (2020): this code concerns e.g., minimum requirements to the borrower.
- **Temporary Rule of Mortgages**: these guidelines concerns regulations to income and maximum loans and are yearly set by the government.
- **GDPR** (General Data Protection Regulation) European Law: NIBC and Stater are GDPR compliant.
- **EBA Guidelines** on loan origination and monitoring as per the 1st of July 2021.

## AFFORDABILITY

- **Steady income**: Income is derived from the salary slip and proof of employment. In case of self-employed borrowers an annual report made by an independent calculation expert appointed by NIBC, for a director-owner, an income statement by the accountant is necessary.
- **Comply or Explain**: a predetermined test is available (comply), but allows deviation if well-justified by the lender (explain). NIBC Direct origination only concerns COMPLY.
- **Actual interest rate** is taken into account unless the fixed rate term is less than 10 years. In that case pre-determined rate is used (Q1 2024 5%) or the loan must be totally repaid at the end of the fixed rate term (only by annuity or linear).
- **LTI/ DTI**: Loan-To-Income/ Debt-To-Income is maximized in line with the Code of Conduct. Calculations are based on guidelines from the NIBUD (An independent institute focused on household expenses)

# Main underwriting criteria

## LOAN AND COLLATERAL

- The **maximum loan amount**: EUR 1.000.000,-
- **Maximum loan-to-Value**: 100% and in case of energy saving facilities (EBV) 106%.
- **NHG hurdle**: EUR 435.000,- excl. EBV<sup>1</sup> or EUR 461.100 incl. EBV.
- The mortgage loan is secured by a first ranking mortgage right or a first and sequentially higher-ranking mortgage right(s) over real estate, an apartment right or a long lease (“erfpacht”) situated in the Netherlands.
- The property value is determined by a recent valuation report (<6 months old) from a certified appraiser. On top of that every valuation report is automatically validated by checking comparable transactions by an independent organization (NWWI).
- As of the 1st of July 2021, it is possible to use a desktop valuation with and without NHG up to 90% LTMV.

## CREDIT HISTORY AND FRAUD

- **Bureau for Credit Registration (BKR)**: Credit history is checked at BKR, ‘negative’ BKR-registrations which are allowed by NHG can be done without overrules. All the other ‘negative’ BKR registrations must be handed to overrules. The registration must be cured. Specific criteria and surcharges are used by the overrule desk.
- **Stichting Fraudebestrijding Hypotheken (SFH)**: Fraud is checked at SFH which is located at the BKR office and coordinated by the Dutch Banking Association.
- A check is performed to verify the borrower’s identity.
- **Kadaster (National Property Register)**: Additionally, a Kadaster check is performed to prevent illegitimate use of property.
- **Fraud Officer**: NIBC has dedicated fraud officers, handling fraud cases and prevention.
- A PEP- and sanction check is done for all borrowers

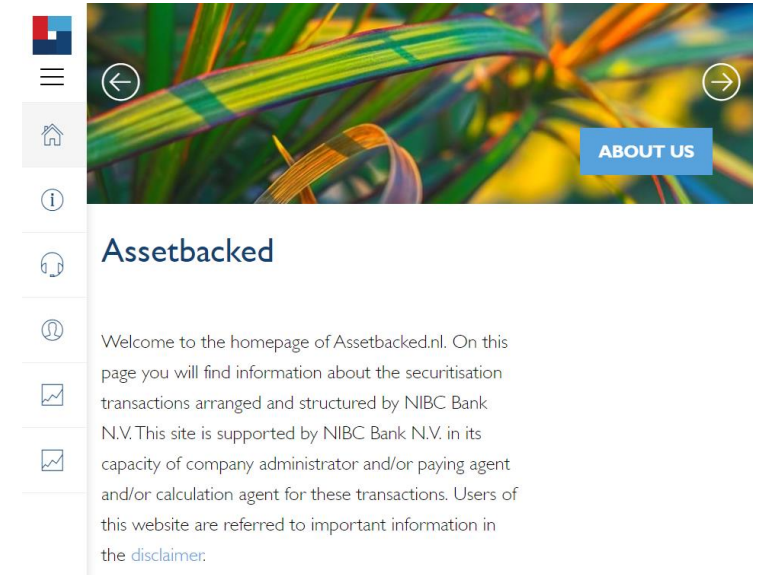
1: “Energiebesparende voorzieningen”, or energy savings measures

**APPENDIX III INVESTOR REPORTING AND  
LEGAL FRAMEWORK**

# Covered bond programme: investor reporting

## INVESTOR REPORTING FOR COVERED BONDS

- Reporting of NIBC originated and/or NIBC serviced transactions via [www.assetbacked.nl](http://www.assetbacked.nl)
- Following a European Covered Bond Council (ECBC) initiative, the Covered Bond Label was introduced in 2012
- NIBC covered bonds carry the Covered Bond Label and reporting is done according to the (Dutch) National Transparency Template and the (worldwide) Harmonised Transparency Template
- Free registration and optional subscription to automated e-mail service (new uploads are automatically sent to recipient's inbox)
- Investor queries via website and [investor.services@nibc.com](mailto:investor.services@nibc.com)
- Investor reports always timely available, including full performance information, portfolio split and bond information



# Dutch legal framework and DACB

## DUTCH LEGAL FRAMEWORK FOR COVERED BONDS

- NIBC, ING, ABN AMRO, Rabobank, De Volksbank, Van Lanschot, Achmea, Knab and Nationale Nederlanden have their Covered Bond programmes registered with the Dutch Central Bank
- The Covered Bond Directive and the Covered Bond Regulation aim to foster the development of covered bonds across the European Union. The Covered Bond Directive
  - provides a common definition of covered bonds, which will represent a consistent reference for prudential regulation purposes
  - defines the structural features of covered bonds
  - defines the tasks and responsibilities for the supervision of covered bonds
  - sets out the rules allowing the use of the 'European Covered Bonds' label.
- The new Dutch covered bonds legislation effective as of 8 July 2022 is set out in the covered bond directive implementation law (Implementatiewet richtlijn gedekte obligaties) dated 15 December 2021 and the covered bond directive implementation decree (Implementatiebesluit richtlijn gedekte obligaties) dated 24 May 2022 and is based on and implements the Covered Bond Directive in The Netherlands. The legislation replaces the former Dutch covered bonds legislation which was applicable as of 1 January 2015. The impact of the differences between the current legislation and the former Dutch covered bonds legislation is considered to be relatively limited for Dutch covered bond programmes.
- DNB publishes on its website a list including all Dutch banks that are authorized to issue covered bonds under a covered bond programme. This list includes the covered bonds eligible to use the 'European Covered Bond (Premium)' label.
- The issuance of a covered bond and the legal transfer of cover assets, like any other issuance of debt instruments and legal transfer of assets, are subject to the provisions of the Dutch Civil Code and the Dutch Bankruptcy Code (Faillissementswet).
- The legislation includes various requirements relating to issuers, dual recourse, asset segregation, owners of the asset pool, pool monitoring, eligible assets and the contractual arrangements made in respect of such assets. The legislation also requires sufficient cover assets to be available for holders of covered bonds and prescribe that the payment obligations under the covered bonds are not subject to automatic acceleration upon the insolvency of the relevant issuer.

## DACB

- As a result of the strong growth of the Dutch covered bond market, in January 2011 the Dutch issuers decided to establish the Dutch Association of Covered Bond issuers (DACB)
- Aim of the DACB is to strengthen the market and product offering of Dutch covered bonds through e.g. improving transparency, standardisation and general promotion
- The DACB was consulted in the making of the new regulations. More information can be found on [www.dacb.nl](http://www.dacb.nl)



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