



# Dutch MBS XIX

Securitisation of Dutch Prime Residential Mortgage Loans

November 2018

# Disclaimer

This presentation was prepared by NIBC Bank N.V. ("**NIBC**" or the "**Company**") and may contain marketing materials. In connection with the proposed transaction the Company has retained Coöperatieve Rabobank U.A., ING Bank N.V. and Société Générale, acting through its corporate and investment banking department as managers (the "**Managers**"). Although the information in this presentation has been obtained from sources which the Company believes to be reliable, the Company and the Managers do not represent or warrant its accuracy, completeness or correctness, and such information may be incomplete or condensed. The Company and the Managers will not be responsible for the consequences of reliance upon any opinion or statement contained herein or for any omission.

No action has been taken by the Company or any Manager that would permit an offer of the securities (the "**Securities**") as referred to in the presentation or the possession or distribution of this presentation or any other offering or publicity material relating to such Securities in any jurisdiction where action for that purpose is required. The release, publication or distribution of this presentation in certain jurisdictions may be restricted by law and therefore persons in such jurisdictions into which they are released, published or distributed, should inform themselves about, and observe, such restrictions.

The Securities are complex financial instruments and are not a suitable or appropriate investment for all investors. The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (EEA). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the Insurance Mediation Directive), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "**Prospectus Directive**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

In preparing this presentation, the Company has relied upon and assumed, without independent verification, the accuracy and completeness of all information available from various sources. This presentation may be subject to variation to the extent that any assumptions contained herein prove to be incorrect, or in light of future information or developments relating to the transaction or following discussions with relevant transaction parties. No assurance can be or is given that the assumptions on which the information is made will prove correct. Information of this kind must be viewed with caution and should not be treated as giving investment advice.

The information in this presentation reflects currently prevailing conditions and views, which are subject to change. Any historical information is not indicative of future performance. Opinions and estimates may be changed without notice and involve a number of assumptions which may not prove valid. Average lives of and potential yields on any securities cannot be predicted as the actual rate of repayment as well as other relevant factors cannot be determined precisely. No assurance can be or is given that the assumptions on which such information is made will prove correct. Information of this kind must be viewed with caution.

The Company and the Managers assume no obligation to notify or inform the recipient of any developments or changes occurring after the date of this presentation that might render its contents untrue or inaccurate in whole or in part. In addition, no representation or warranty, expressly or implied, is or will be made in relation to, no reliance should be placed on and no responsibility is or will be accepted by the Company, any Manager or its respective affiliates, agents, directors, officers, partners, employees or advisers, as to the accuracy and completeness of the information contained in this presentation and nothing in this presentation shall be deemed to constitute such a representation or warranty or to constitute a recommendation to any person to acquire securities.

The recipient of this information acknowledges that the Company and the Managers do not owe or assume any duty of care or responsibility to the recipient. The recipient of this presentation cannot derive any rights from any estimates, outlooks, highlights, overviews etc. included in this document. The Company and the Managers and their respective affiliates, agents, directors, officers, partners, employees and advisers accept no liability whatsoever for any loss or damage howsoever arising from any use of this presentation or its contents or otherwise arising in connection therewith and any and all such liability is expressly disclaimed.

This presentation contains "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the Company's control that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company and the Managers accept no obligation to update the forward-looking statements contained herein to reflect actual results, changes in assumptions, or changes in factors affecting these statements.

This presentation is provided for discussion purposes only and does not constitute an offer or invitation for the sale, purchase, exchange or transfer of any securities or a recommendation to enter into transactions hereby contemplated and it does not constitute a prospectus or offering document in whole or in part.

## Disclaimer

No representation, warranty or undertaking, express or implied, is made as to and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. This presentation is not to be relied upon in any manner as legal, tax, regulatory, accounting or any other advice and shall not be used in substitution for the exercise of independent judgment and each person made aware of the information set-forth hereof shall be responsible for conducting its own investigation and analysis of the information contained herein.

The information contained herein is confidential and is intended for use only by the intended recipient and does not carry any right of publication or disclosure. This presentation is not intended for U.S. investors nor U.S. persons. The presentation nor any copy of it may be taken or transmitted into the United States of America, its territories or possessions (collectively, the "United States") directly or indirectly. Any failure to comply with these restrictions may constitute a violation of U.S. or other securities laws, as applicable.

No action has been or will be taken by the Company and the Managers in any country or jurisdiction that would, or is intended to, permit a public offering of securities in any country or jurisdiction where action for that purpose is required. In particular, no Securities have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or with any securities regulatory authority of any state or other jurisdiction of the United States and securities may not be offered, sold or delivered within the United States or to US persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws and may only be sold outside of the United States to persons who are not US persons in reliance on Regulation S under the Securities Act and otherwise in compliance with all applicable laws and regulations in each country or jurisdiction in which any such offer, sale or delivery of securities is made. The Company does not intend to register or to conduct a public offering of any securities in the United States or any other jurisdiction. This presentation and its contents may not be viewed by persons within the United States (within the meaning of Regulation S under the Securities Act).

The securities may not be purchased by, or for the account or benefit of, any "U.S. person" as defined in the U.S. Risk Retention Rules ("**Risk Retention U.S. Person**"). Prospective investors should note that the definition of "U.S. person" in the U.S. Risk Retention Rules is different from the definition of "U.S. person" in Regulation S under the Securities Act. Each purchaser of the securities or a beneficial interest therein acquired in the initial distribution of the securities, by its acquisition of the securities or a beneficial interest therein, will be deemed to, and in certain circumstances will be required to, represent and agree that it (1) is not a Risk Retention U.S. Person, (2) is acquiring such Note or a beneficial interest therein for its own account and not with a view to distribute such security, and (3) is not acquiring such security or a beneficial interest therein as part of a scheme to evade the requirements of the U.S. Risk Retention Rules (including acquiring such security through a non-Risk Retention U.S. Person, rather than a Risk Retention U.S. person, as part of a scheme to evade the 10per cent. Risk Retention U.S. Person limitation in the exemption provided for in section 246.20 of the U.S. Risk Retention Rules).

In the European Economic Area (the "**EEA**"), the securities are only directed at persons who are "Qualified Investors" within the meaning of Article 2(1)(e) of the EU Directive 2003/71/EC, as amended (the "EU Prospectus Directive"). If you have received this presentation in the EEA, by not immediately returning and deleting it you are confirming that you are a Qualified Investor. This presentation must not be acted upon in any member state of the EEA by persons who are not Qualified Investors. Any investment or investment activity to which this presentation relates in the EEA is available to, and will be engaged only with, Qualified Investors.

This presentation and its contents is for distribution in or from the United Kingdom only to persons who are authorised persons within the meaning of the Financial Services and Markets Act 2000 of the United Kingdom or who are investment professionals within the meaning of Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (all such persons together being referred to as "relevant persons"). This presentation is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons.

The information contained herein may not be reproduced or redistributed (in whole or in part) in any format without the express written approval of the Company and the Managers.

NIBC is supervised by the Dutch Central Bank and the Authority for the Financial Markets in the Netherlands. By attending the presentation to which this document relates, you will be deemed to have represented, warranted and agreed that you have read and will comply with the contents of this notice.

The information in this presentation has not been verified, approved or endorsed, or independently verified by the Managers or by any independent third party. The Managers make no representation or warranty, express or implied, as to the accuracy or completeness of such information. None of the Managers or any of their directors, officers, employees, affiliates or agents will be responsible or liable for the consequences of reliance upon any statement, opinion or information contained herein or any omission therefrom. The Managers therefore disclaim any and all liability relating to this presentation including, without limitation, any express or implied representations or warranties for statements contained in, and omissions from, the information herein. None of the Managers nor any of their respective employees, directors, subsidiaries or affiliates and any of their respective employees, directors, officers, advisers, agents or subcontractors accept any liability or responsibility whatsoever to any person or entity, directly or indirectly, in respect of the information herein and/or any omission, condition or other circumstances within or outside the control of the Managers. The Managers shall not be liable for any direct or consequential damage, loss, cost, charge, expense or other liability which may result from, be caused by or alleged to be caused by or in connection with the use or reliance by you, or others, upon such information. The information contained herein is subject to change without notice, and is qualified in its entirety by the information in the relevant final prospectus.

## Disclaimer

*This does not comprise a prospectus, for the purpose of the EU Prospectus Directive (or any relevant implementing measures in (The Netherlands) or otherwise. There has been no independent verification of the contents of this document and it does not constitute or contain investment advice. Information contained in this document prepared for information purposes, is indicative and a summary only and is subject to change, finalisation and amendment without notice, and is qualified and superseded in its entirety by reference to the offering circulars to be issued, once approved, in respect of the transaction (the "Offering Circular"). Investors should not subscribe for any securities referred to herein except on the basis of information contained in the Offering Circular. When available, the Offering Circular will be made public in accordance with the EU Prospectus Directive and/or relevant implementing measures in The Netherlands and investors may obtain a copy on [www.assetbacked.nl](http://www.assetbacked.nl)*

*Any investment decisions on the securities should not be based on this document and should be based solely on the Offering Circular. In addition, investors should pay particular attention to any sections of the Offering Circular describing any special investor considerations or risk factors. Prospective investors are solely responsible for their own independent appraisal of, and investigations into the products, investments and transactions referred to in this document and should not rely on any information in this document as constituting investment advice. Before entering into any transaction, prospective investors should ensure that they fully understand the potential risks and rewards of that transaction and that they independently determine that the transaction is appropriate for them given their objectives, experience, financial and operational resources, and other relevant circumstances. No consideration has been given to the particular investment objectives, financial situation or particular needs of any recipient.*

*No person is authorised to give any information or to make any representation not contained in and not consistent with this document or the Offering Circular and, if given or made, such information or representation must not be relied upon as having been authorised by or on behalf of Dutch MBS XIX B.V. (the "Issuer") or NIBC.*

*Rabobank is the trading name used by Coöperatieve Rabobank U.A. incorporated in the Netherlands. Rabobank is authorised by De Nederlandsche Bank and regulated by the Netherlands Authority for the Financial Markets.*

*ING Bank N.V. is incorporated in The Netherlands with limited liability. ING's registered office is at Bijlmerplein 888, 1102 MG, Amsterdam. ING is regulated by De Nederlandsche Bank (Dutch Central Bank) and the Autoriteit Financiële Markten (Financial Markets Authority, for more information see [www.afm.nl](http://www.afm.nl)).*

*Société Générale Corporate & Investment Banking (SG CIB) is a marketing name for corporate and investment banking businesses of SG and its subsidiaries worldwide. SG is a French credit institution (bank) that is authorised and supervised by the European Central Bank ("ECB") and the Autorité de Contrôle Prudentiel et de Résolution ("**ACPR**") (the French Prudential Control and Resolution Authority) and regulated by the Autorité des marchés financiers (the French financial markets regulator) ("**AMF**"). Société Générale London Branch is authorised by the ECB, the ACPR and the Prudential Regulation Authority ("**PRA**") and subject to limited regulation by the Financial Conduct Authority ("**FCA**") and the PRA. Details about the extent of our authorization, supervision and regulation by the above mentioned authorities are available from us on request.*

*The Société Générale Book Building Allocation Policy setting out the process for developing allocation recommendations is available at: [https://cib.societegenerale.com/fileadmin/user\\_upload/SGCIB/pdf/SGCIB\\_Bookbuilding\\_Summary.pdf](https://cib.societegenerale.com/fileadmin/user_upload/SGCIB/pdf/SGCIB_Bookbuilding_Summary.pdf)*

# Executive Summary

## NIBC

- Focused mid-market corporate and retail franchise with differentiated approach
- Return-on-equity of 10.5%
- Cost-to-income ratio of 47%
- Fully loaded CET I ratio of 16.4%, Total Capital ratio of 19.7%
- BBB (positive outlook) rated by S&P and BBB (stable outlook) by Fitch
- Total residential mortgage book of EUR 8.6bn<sup>1</sup>

## Dutch MBS Programme

- NIBC has issued 17 deals under its Dutch MBS Programme between 1997 and 2013
- All Dutch MBS transactions have been called on FORD
- NIBC's last RMBS (Dutch XVIII) was called on February 2<sup>nd</sup>, 2018

## Dutch MBS XIX

- Offered EUR [447.3]m Class A Notes, WAL: [3.9] years<sup>2</sup>, amortising
- The Class A Notes have a total CE of [7.1]% through subordination [6.1]% and a prefunded reserve account 1%. In addition, investors benefit from guaranteed excess spread of 50bps.
- Transaction is structured with a balance-guaranteed swap with ING Bank N.V (A+/Aa3/A+, resp. S&P/Moody's/Fitch)
- Transaction complies with DSA's RMBS standard, PCS label is confirmed for the Class A Notes, intended to be ECB-eligible. Dutch MBS XIX is structured to comply with the STS framework based on the information publicly available at the date of the announcement

## Collateral

- Pool consists of Dutch mortgages:
  - Linear, annuity, investment and interest only mortgage loans
  - NHG part is 33%
  - No arrears at cut-off date
  - No mortgage loan with a CLTIMV of more than 100%, WA CLTIMV is 69.5%
- WA interest rate is 3.19% and WA seasoning 5.5 years

Note: Financials for NIBC Holding as of H1 2018

1. Excludes buy-to-let exposure of EUR 0.6 billion and excludes EUR 1.6bn for Originate-to-Manage
2. Expected WAL based on 8% CPR assuming no defaults, delinquencies and call exercised at FORD

## Table of Contents

|              |  |           |
|--------------|--|-----------|
| <b>1</b>     | <b>Transaction Highlights</b>              | <b>6</b>  |
| <b>2</b>     | <b>NIBC</b>                                | <b>9</b>  |
| <b>3</b>     | <b>NIBC Mortgage Loan Business</b>         | <b>17</b> |
| <b>4</b>     | <b>Dutch MBS XIX</b>                       | <b>25</b> |
| <b>5</b>     | <b>Pool Characteristics</b>                | <b>33</b> |
| Appendix I   | Dutch Housing and Mortgage Loan Market     | 38        |
| Appendix II  | Main Underwriting Criteria                 | 42        |
| Appendix III | Key Figures and Balance Sheet NIBC Holding | 45        |
| Appendix IV  | Contact Information                        | 49        |

# I. Transaction Highlights (1/2)

## Terms & Conditions of Notes

| Class        | Amount (EUR mln) | Amount (% of total) | CE <sup>1</sup> (%) | Interest rate until FORD <sup>2</sup> | Interest rate after FORD <sup>2</sup> | Ratings (Fitch / Moody's) | Expected WAL <sup>3</sup> (years) | FORD     | Final Maturity | Status   | Price |
|--------------|------------------|---------------------|---------------------|---------------------------------------|---------------------------------------|---------------------------|-----------------------------------|----------|----------------|----------|-------|
| A            | [447.3]          | [93.9]%             | [7.1]%              | 3m€ + [0.40]%                         | 3m€ + [0.80]%                         | ['AAA' sf / 'Aaa (sf)']   | [3.9]                             | Nov-2023 | 2050           | Offered  | [•]%  |
| B            | [8.1]            | [1.7]%              | [5.4]%              | 3m€ + [0.80]%                         | 3m€ + [0%]                            | ['A+' sf / 'Aa1 (sf)']    | [5.0]                             | Nov-2023 | 2050           | Retained | 100%  |
| C            | [9.9]            | [2.1]%              | [3.3]%              | 3m€ + [1.50]%                         | 3m€ + [0%]                            | ['A+' sf / 'Aa1 (sf)']    | [5.0]                             | Nov-2023 | 2050           | Retained | 100%  |
| D            | [10.9]           | [2.3]%              | [1.0]%              | 3m€ + [1.75]%                         | 3m€ + [0%]                            | ['A-' sf / 'A1 (sf)']     | [5.0]                             | Nov-2023 | 2050           | Retained | 100%  |
| <b>Total</b> |                  | <b>[100%]</b>       |                     |                                       |                                       |                           |                                   |          |                |          |       |
| E            | [4.7]            | [1.0]%              | [0.0]%              | 3m€ + [2.00]%                         | 3m€ + [0%]                            | NR                        | -                                 | Nov-2023 | 2050           | Retained | 100%  |

### Transparency

- Only Class A Notes will be offered to investors
- Class A Notes have a total CE of [7.1]% excluding excess spread of 50 bps p.a., through subordination [6.1]% and a reserve account 1%
- First Optional Redemption Date (FORD) is after 5 years
- After FORD, the Class A Notes margin will step-up with 40 bps to a total margin of 80 bps
- A balance guaranteed swap is in place with ING Bank N.V., mitigating interest rate risk
- An expected WAL of [3.9] years<sup>1</sup>
- A Bankruptcy Remote Collection Foundation (CBC) collects and distributes all mortgage payments, eliminating commingling risk

- Class A Notes may price above par
- Class A Notes are intended to be ECB eligible
- Dutch MBS XIX complies with the RMBS standard of the DSA
- PCS label is confirmed for Class A Notes
- Dutch MBS XIX is structured to comply with the STS framework, based on the information publicly available at the date of the announcement

### Expected timeline



# I. Transaction Highlights (2/2)

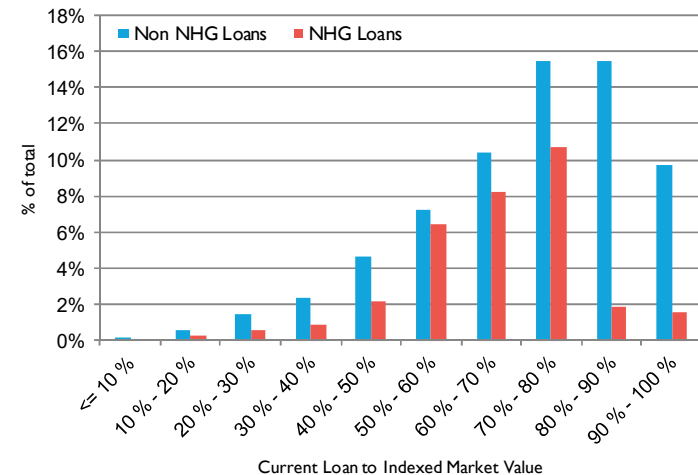
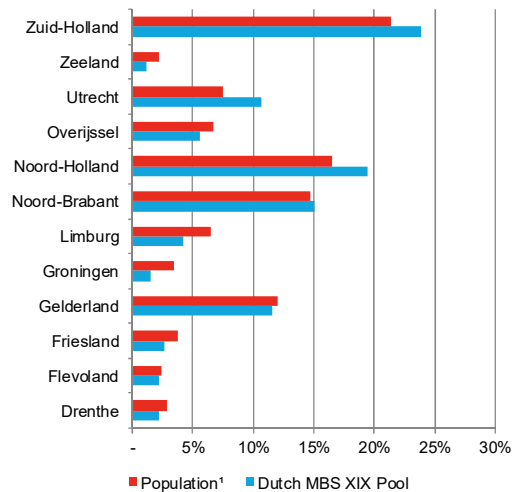
## Dutch MBS XIX Pool

### Pool criteria

- First, or first and consecutive, ranking mortgage rights
- Properties are located in the Netherlands
- Properties are owner occupied
- Only borrowers with certified income
- No arrears at the cut-off day
- Mortgage loans are of the type:
  - Linear
  - Annuity
  - Investment
  - Interest only
- All payments made by direct debit, with at least one payment received prior to closing.

### Pool characteristics

|                                      |              |
|--------------------------------------|--------------|
| Cut-off date                         | 01-Oct-18    |
| Principal amount                     | €476,199,989 |
| Value of savings deposits            | -            |
| Construction Deposits                | €1,413,083   |
| Number of loans                      | 2502         |
| Number of loan parts                 | 4241         |
| Average principal balance (borrower) | €190,328     |
| WA current interest rate             | 3.19%        |
| WA maturity (in years)               | 24.2         |
| WA seasoning (in years)              | 5.5          |
| WA CLTOMV                            | 79.7%        |
| WA CLTIMV                            | 69.5%        |
| WA CLTIFV                            | 81.1%        |
| WA OLTOMV                            | 85.5%        |
| NHG part of principal amount         | 32.6%        |



I. Source: CBS, 2017 EoY data

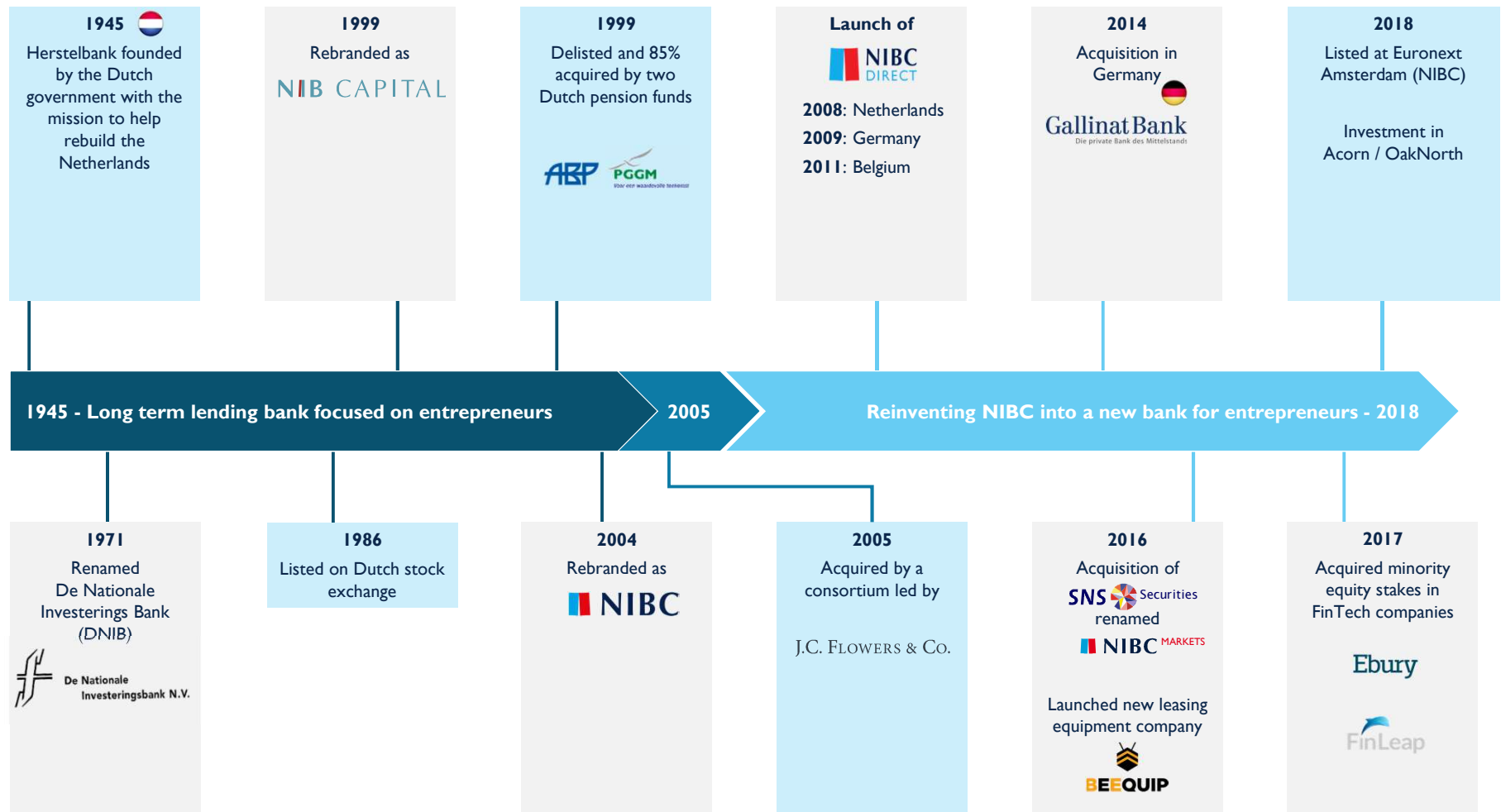


|          |                                    |           |
|----------|------------------------------------|-----------|
| <b>1</b> | <b>Transaction Highlights</b>      | <b>6</b>  |
| <b>2</b> | <b>NIBC</b>                        | <b>9</b>  |
| <b>3</b> | <b>NIBC Mortgage Loan Business</b> | <b>17</b> |
| <b>4</b> | <b>Dutch MBS XIX</b>               | <b>25</b> |
| <b>5</b> | <b>Pool Characteristics</b>        | <b>33</b> |

|              |  |    |
|--------------|--|----|
| Appendix I   | Dutch Housing and Mortgage Loan Market     | 38 |
| Appendix II  | Main Underwriting Criteria                 | 42 |
| Appendix III | Key Figures and Balance Sheet NIBC Holding | 45 |
| Appendix IV  | Contact Information                        | 49 |

## 2. NIBC (1/7)

### Where do we come from Building upon an entrepreneurial DNA



## 2. NIBC (2/7)

### Focused mid-market corporate and retail franchise with differentiated approach

#### Our business model

| Corporate client offering   | Retail client offering   |
|---|--|
| <ul style="list-style-type: none"><li>Focus on mid-market corporate clients</li><li>Focus on specific products across broad spectrum from advising, structuring, and financing to co-investing across debt and equity</li></ul> | <ul style="list-style-type: none"><li>Mortgages ranging from owner-occupied to buy-to-let</li><li>Focus on entrepreneurs and small businesses</li><li>Online savings</li></ul> |
| €10.0bn client exposure   | €9.2bn client exposure   |
| Typical ticket size: €10-50m  | Typical ticket size: €100k-2.5m  |

#### Key indicators

|         |                      |
|---------|----------------------|
| €21.8bn | Total assets         |
| €84m    | Net profit           |
| 686     | FTE                  |
| +72%    | NPS <sup>1</sup>     |
| 47%     | Cost-to-income ratio |

#### Our differentiated approach

- Client oriented franchise present at **clients' decisive moments**
- No flow business**
- No current accounts** offered and **no branch network**
- Focus on **profitable products in client-led (sub)sectors**
- Corporate portfolio size** and **limited number of clients** allow **complete insight and overview**
- Efficient, entrepreneurial** and **agile** culture, driven by **THINK YES** approach

## 2. NIBC (3/7)

### Agile and entrepreneurial culture – Continuous evolution of client franchise, expertise and propositions

#### Our purpose

Making a difference  
at decisive moments

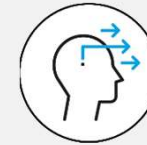
**THINK YES**

#### Our values



##### Professional

- In-depth sector knowledge
- Expert financial solutions
- Tailored risk and portfolio management



##### Entrepreneurial

- Sound, enterprising bank
- Decisive moments in clients' business and life
- Agile execution



##### Inventive

- Bespoke solutions
- Think creatively to meet clients' financial needs
- Structuring DNA

#### General corporate sectors

€4.0bn

- Comprises of FAR&H, I&M, TMT&S<sup>1</sup>
- Broad balance sheet product suite of Corporate Lending, Leveraged Finance, Receivables Finance and Mezzanine & Equity solutions

#### Commercial Real Estate

€1.3bn

- Focus on value added non-standard solutions in Dutch market with smaller ticket sizes
- Successful run-off and sale of legacy files

#### Infrastructure & Renewables

€1.4bn

- Transition to shorter term financing of digital infrastructure assets and renewable projects

#### Shipping & Intermodal

€1.4bn

- Moderate portfolio size allows for close monitoring of e.g. dry bulk exposure
- New focus on short sea shipping

#### Offshore Energy

€0.9bn

- Focus on smaller, collateralised deals with shorter term underlying cash flows
- Shifting focus to broader energy mix

#### Mortgages (incl. buy-to-let)

€9.2bn

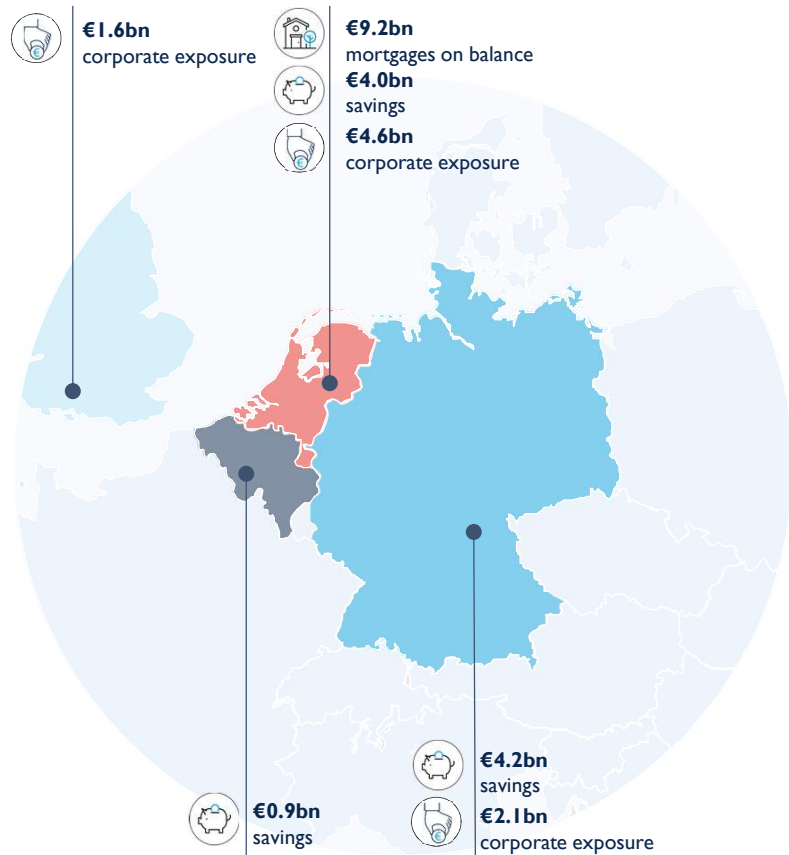
- Shift from bias to main stream NHG (State guaranteed) backed mortgages to non-NHG mortgages and niches such as buy-to-let

**New origination: more granular and shorter tenor allowing intimate portfolio monitoring**

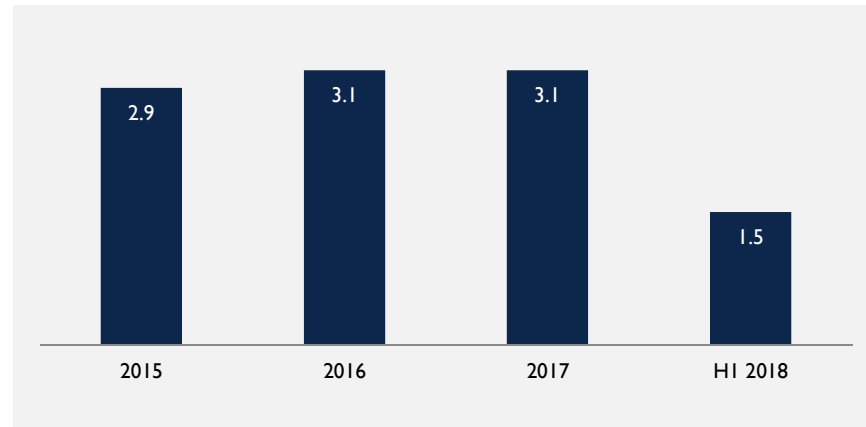
## 2. NIBC Bank N.V. (4/7)

Dutch bank operating in solid Northwestern European markets

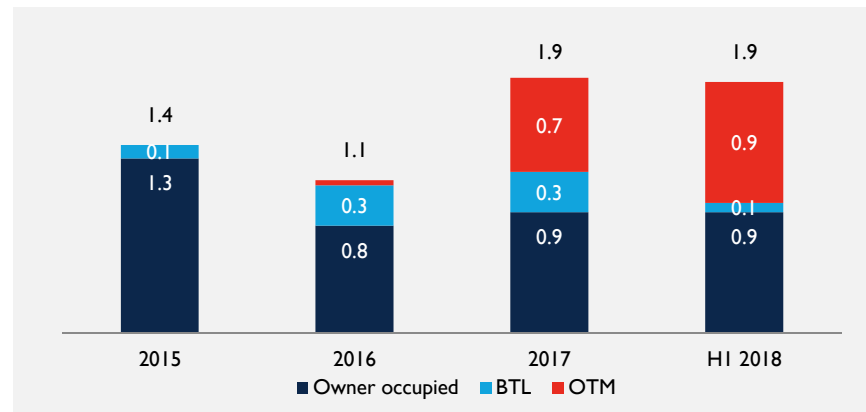
### Focus on Northwestern Europe



### Corporate loan origination (EUR bln)



### Mortgage origination (EUR bln)



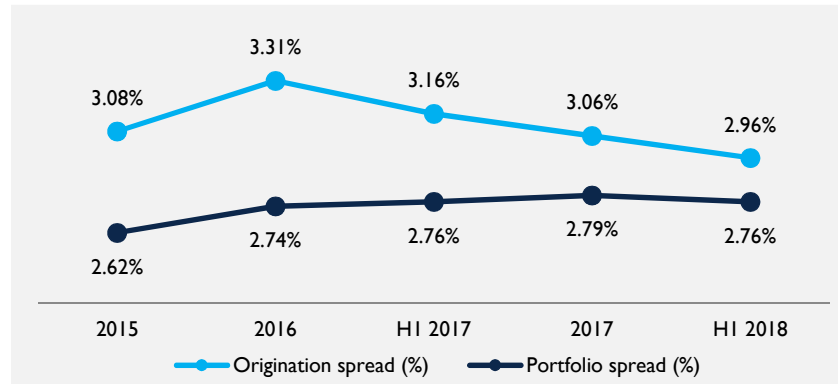
Note: Financials for NIBC Holding as of HI 2018

## 2. NIBC (5/7)

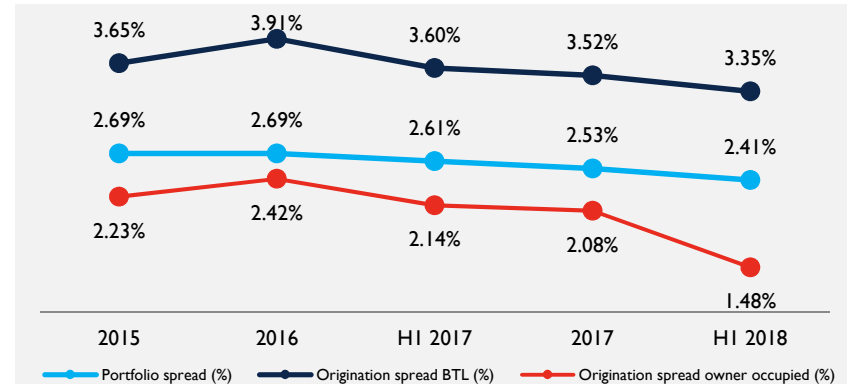
### Portfolio and funding spreads

Continued tightening of spreads for both assets and funding in HI 2018

#### Corporate loan portfolio spreads



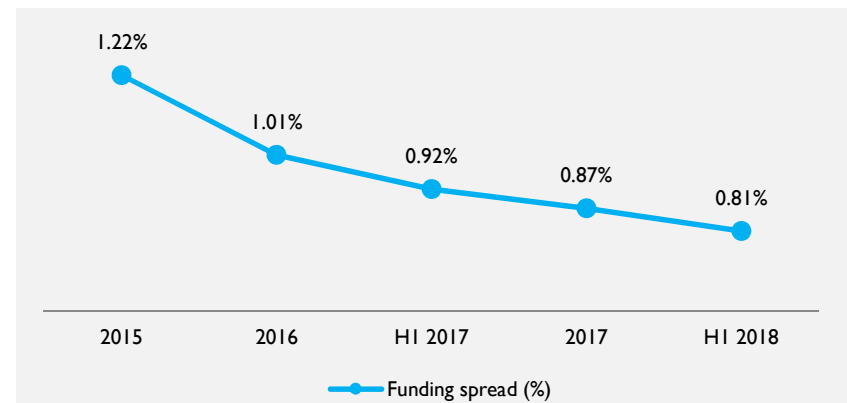
#### Retail assets spreads



#### Comments

- Spreads on corporate loans and especially in the mortgage market are under pressure, displaying origination spreads in HI 2018 at lower levels than in 2017
- Markets are therefore more challenging, with - in our view - certain risks not always being correctly priced into the current yield curves
- We continued to decrease the average funding rate in HI 2018, driving a further increase of net interest income and margin
- We also benefited from favorable market circumstances to further increase the average maturity in our wholesale funding

#### Funding spread

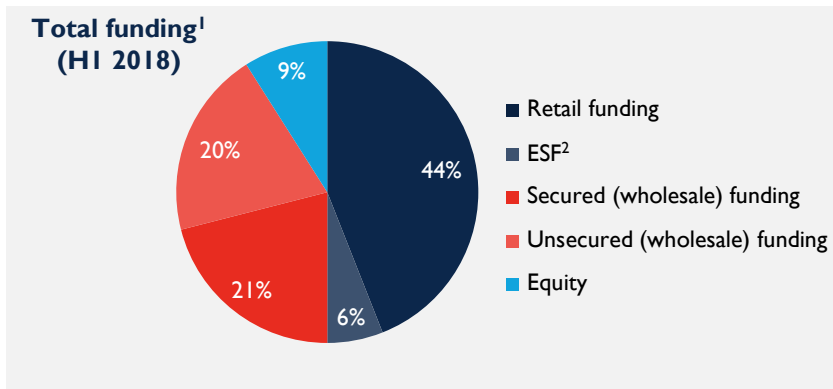


Note: Financials for NIBC Holding; 2017 NIBC Holding figures exclude Vijlma. Spreads reflect spreads above the 3 month euribor base rate

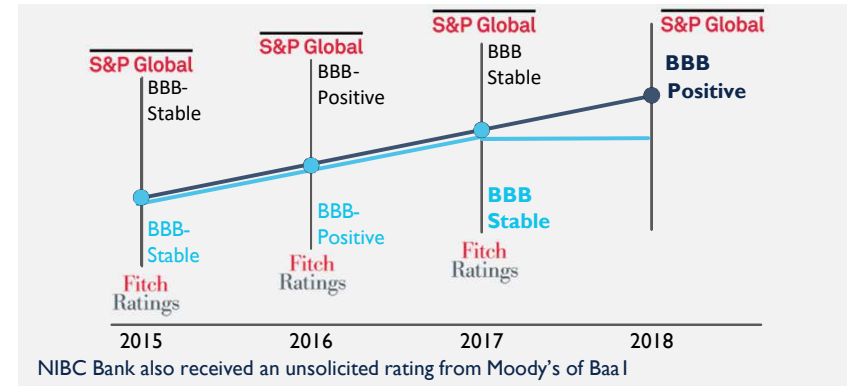
## 2. NIBC (6/7)

### Simple balance sheet and diversified funding

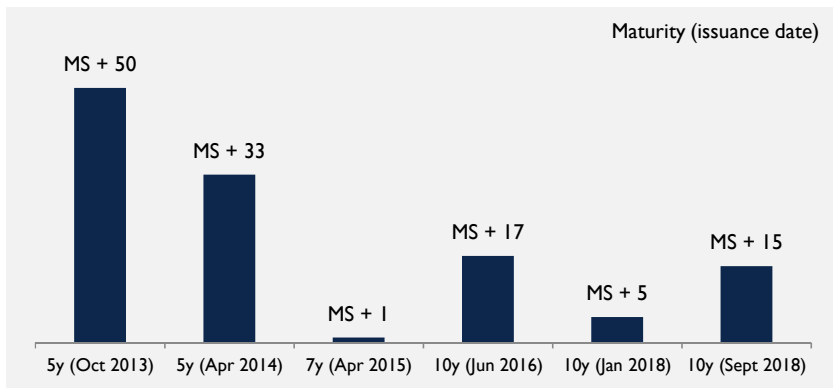
#### Solid and diversified funding base



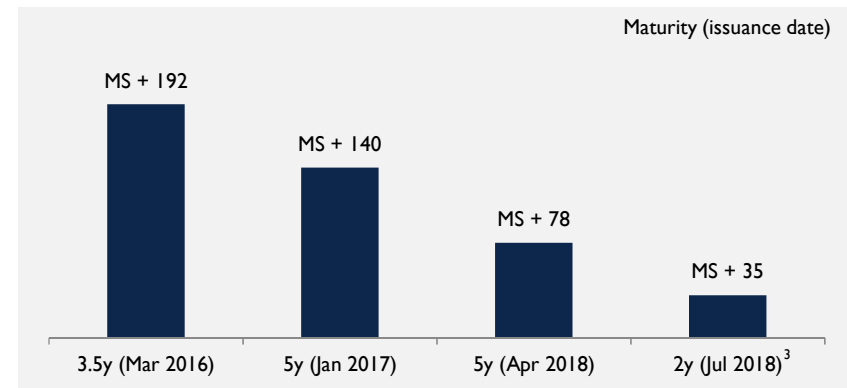
#### Positive rating developments (NIBC Bank)



#### New issue spread development covered bond



#### New issue spread development senior unsecured



## 2. NIBC (7/7)

### Medium-term objectives

First half of 2018: delivering as promised

| Metrics                                     |   | Medium-term objectives <sup>1</sup> | HI 2018 |
|---|---|-------------------------------------|---------|
| <b>Return on Equity</b><br><i>(Holding)</i> | ▶ | 10 - 12%                            | 10.5%   |
| <b>Cost-to-income</b><br><i>(Holding)</i>   | ▶ | <45%                                | 47%     |
| <b>CETI</b><br><i>(Holding)</i>             | ▶ | >14%                                | 16.4%   |
| <b>Dividend pay-out</b><br><i>(Holding)</i> | ▶ | >50%                                | 44%     |
| <b>Rating</b><br><i>(Bank)</i>              | ▶ | BBB+                                | BBB     |

Note: Financials for NIBC Holding as of HI 2018, unless otherwise stated.

1. Medium-term objectives as announced on 8 February 2018 at the publication of FY2017 results, except for cost-to-income ratio (Bank)



|          |                                    |           |
|----------|------------------------------------|-----------|
| <b>1</b> | <b>Transaction Highlights</b>      | <b>6</b>  |
| <b>2</b> | <b>NIBC</b>                        | <b>9</b>  |
| <b>3</b> | <b>NIBC Mortgage Loan Business</b> | <b>17</b> |
| <b>4</b> | <b>Dutch MBS XIX</b>               | <b>25</b> |
| <b>5</b> | <b>Pool Characteristics</b>        | <b>33</b> |

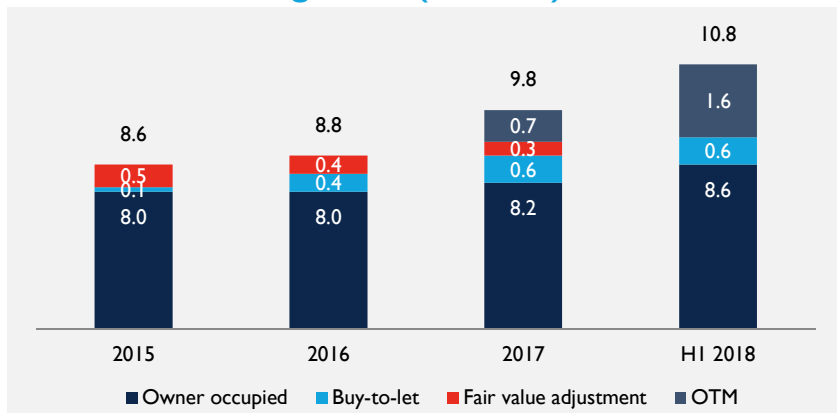
|              |  |    |
|--------------|--|----|
| Appendix I   | Dutch Housing and Mortgage Loan Market     | 38 |
| Appendix II  | Main Underwriting Criteria                 | 42 |
| Appendix III | Key Figures and Balance Sheet NIBC Holding | 45 |
| Appendix IV  | Contact Information                        | 49 |

### 3. NIBC Mortgage Loan Business (1/7)

#### NIBC mortgage loan business

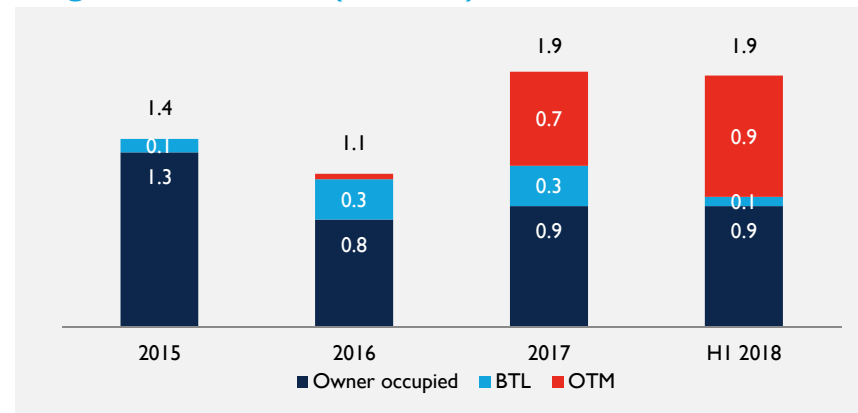
- NIBC Bank has originated residential mortgage loans in the Netherlands since 1997
- Mortgage loans are offered from NIBC's own balance sheet as well as from Originate-to-Manage (OTM) mandates from institutional investors NIBC partners with
- This dual-track strategy enables NIBC to offer a full product range, from short to long maturities, NHG and non-NHG as well as target underserved segments such as Buy-to-Let (BTL) for own balance sheet
- NIBC does not maintain a retail branch network. Mortgage loans are sold through partnerships with intermediaries, where NIBC sets all underwriting criteria

#### Retail client offering assets (EUR bln)



- OTM Mandate increased to EUR 3.3bn, of which EUR 1.6bn already executed
  - fee generating initiative leading to income diversification
  - flexibility to switch between on-balance sheet origination and OTM depending on market pricing
  - strengthens client franchise with 7,500 customers (+14%)
- NIBC's mortgage loan portfolio displays a solid performance with almost nil credit losses in HI 2018

#### Origination volumes (EUR bln)



- Total mortgage loan origination nearly doubled in HI 2018 reaching EUR 1.9bn of which EUR 1.0bn for own book and EUR 0.9bn for Originate-to-Manage (OTM) mandate
- Origination of Buy-to-Let loans slowed as competition increased
- Competition in the Dutch mortgage loan market is putting pressure on spreads for mainstream mortgage loans

# 3. NIBC Mortgage Loan Business (2/7)

## NIBC mortgage loan business model

- NIBC has outsourced its origination to business partners and its standard servicing activities to Stater and Quion. This has created a highly standardised and efficient business model
- Special servicing is performed in-house to ensure tailor-made solutions to optimise recoveries
- NIBC Bank has a dedicated team to manage the relationship with the servicers and to monitor the quality of their servicing. A major emphasis is put on quality control and on ensuring that all processes remain ISAE 3402<sup>1</sup> compliant

### Outsourced standard activities

- Origination is done via independent and regulated mortgage advisors throughout The Netherlands
- Highly standardised and digitised underwriting process (with hard coded underwriting criteria in the systems of the servicers)
- Business partners can only originate mortgages that fall within the underwriting criteria
- Standard servicing activities are outsourced to specialised mortgage servicers STATER and Quion:
  - Payments, administration and first contact point for clients

### In-house activities

- NIBC Bank sets the standardised underwriting criteria
  - Deviations from underwriting criteria can only be made when accepted by NIBC Bank<sup>2</sup>
- Arrears management is performed in-house to ensure tailor-made solutions to optimise recoveries

Specialised mortgage servicers take care of mid- & back office services:



Distribution and origination via selected independent and regulated advisors:



Average loan size



Average seasoning



Average CLTIMV



# of loans

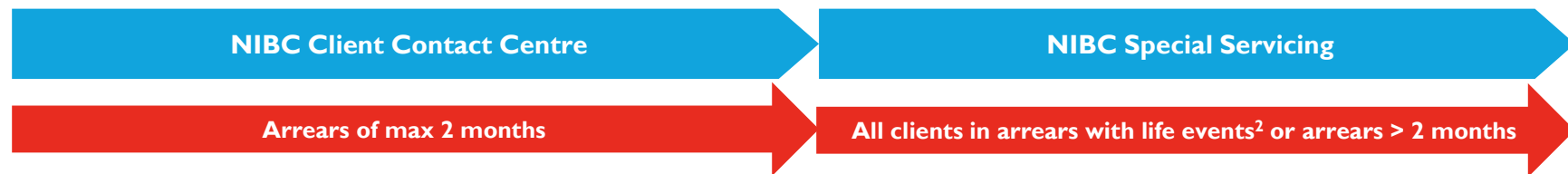
1. International Standard on Assurance Engagements  
 2. To be signed off by two senior employees  
 3. Source: NIBC Bank as of HI 2018. German mortgage portfolio of €38m (closed book) excluded, including NHG guaranteed loans.

### 3. NIBC Mortgage Loan Business (3/7)

#### Arrears Management

##### Basic principles arrears management

- In 2006 NIBC Bank decided to take the arrears and foreclosure management in-house<sup>1</sup> to ensure tailor-made solutions to optimise recoveries
- NIBC Bank uses the Salesforce CRM system with a focus on the client's specific situation. Performance is closely monitored through reporting and dashboards on a daily basis.
- Our Client Contact Center (CCC) will 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.



##### Client Contact Centre

- Outbound calls within 6 days after first arrear is determined
- During the 1st month arrears clients receive (if necessary) up to 4 letters and 5 calls
- 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 and social media).
- Determine nature of problems (e.g. life events)<sup>2</sup>
- When arrears are indicated as incidental by the CCC the client can do a payment at once or a simple arrangement is setup with the client.
- When a client faces (temporary) financial hardship the client is transferred to the SSM team

##### Special Servicing Mortgages

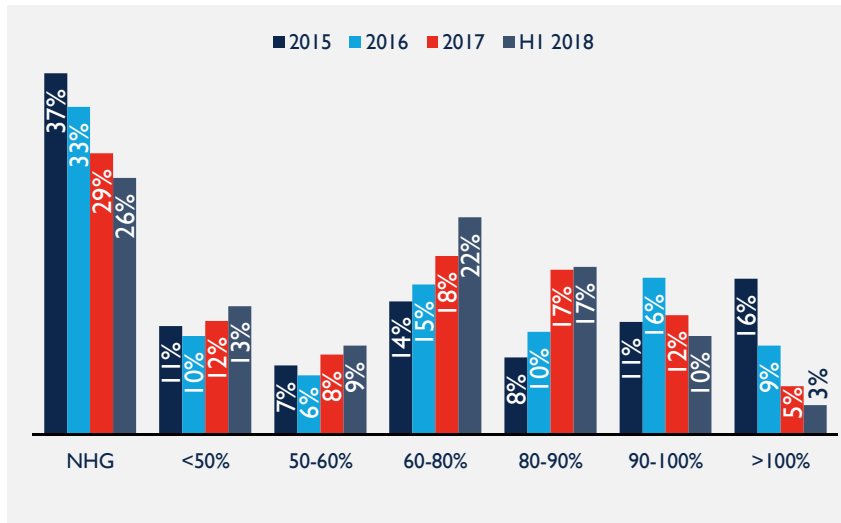
- Arrears management is performed in-house to ensure tailor-made structural solutions to optimise recoveries
- Solutions for temporary problems can consist of help from an account manager or coach
- For structural problems, a loan can be restructured for a client who wants to solve problems and wishes to keep the house
- In case there is no prospect of structural improvement of the situation, termination of the loan is the only solution:
  - Striving for private sale of the collateral, as far as possible in collaboration with the client
  - If there is no other way, the collateral is sold by public auction

1. Starting with the files from STATER and in 2009 for Quion serviced loans  
2. Life events: divorce, deceased, unemployment (because of incapacity)

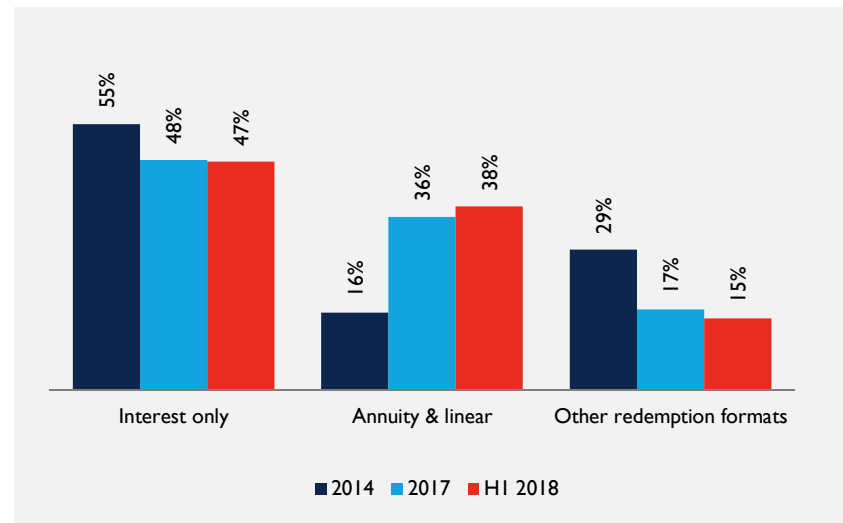
### 3. NIBC Mortgage Loan Business (4/7)

#### Performance of NIBC's Mortgage Loan Portfolio

#### Indexed Loan-to-Market Value<sup>1</sup>



#### Mortgage book composition



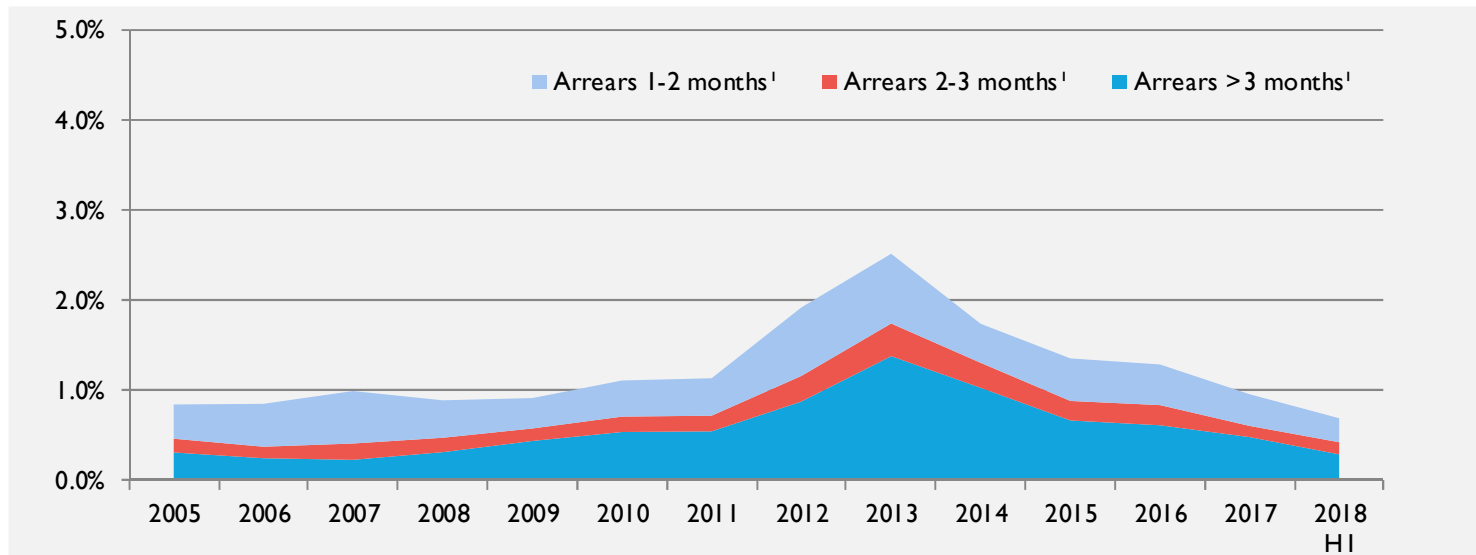
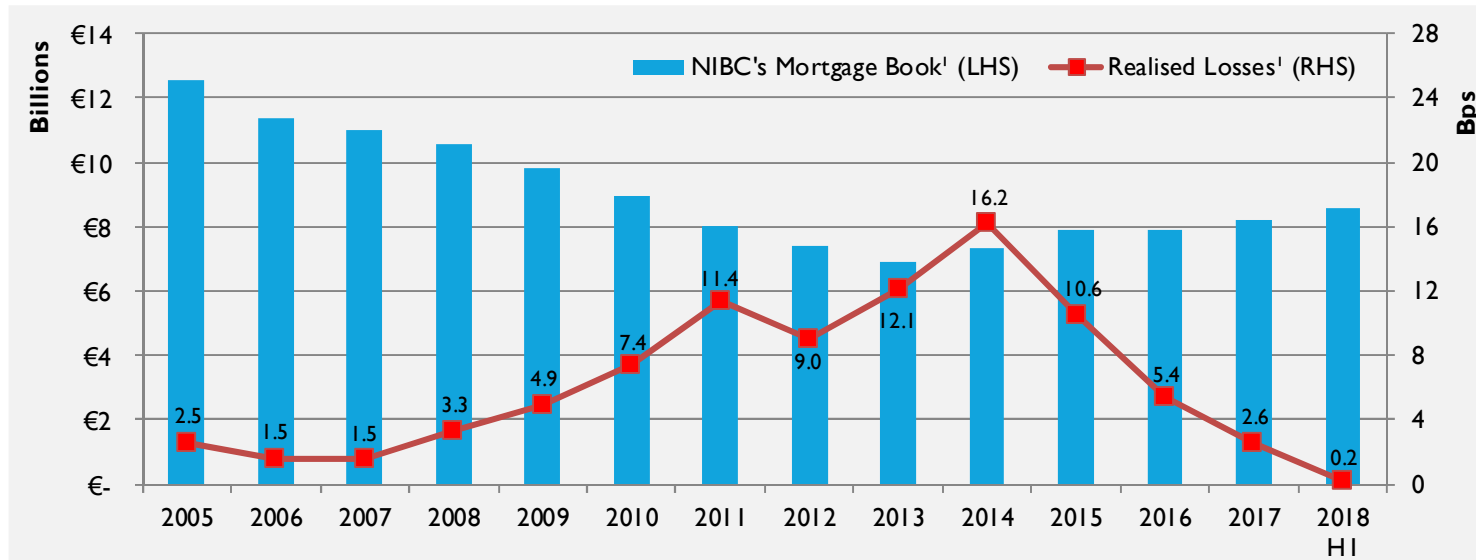
#### Healthy portfolio

- Granular portfolio
- Mortgage book composition shows a trend towards an increasing proportion of amortising loans
- Decreasing average loan-to-market value due to re- and prepayments and improving housing market. Especially the subset above 100% shows a strong decrease
- Mortgage loan arrears, impairments and credit losses down substantially, see next page

<sup>1</sup> Dutch residential mortgage portfolio.

### 3. NIBC Mortgage Loan Business (5/7)

#### Realised Losses & Arrears in NIBC's Dutch Residential Owner Occupied Mortgage Loan Portfolio



I. Figures include only owner occupied mortgage loans located in The Netherlands, excluding NIBC's buy-to-let-, German- and OTM mortgage loans.

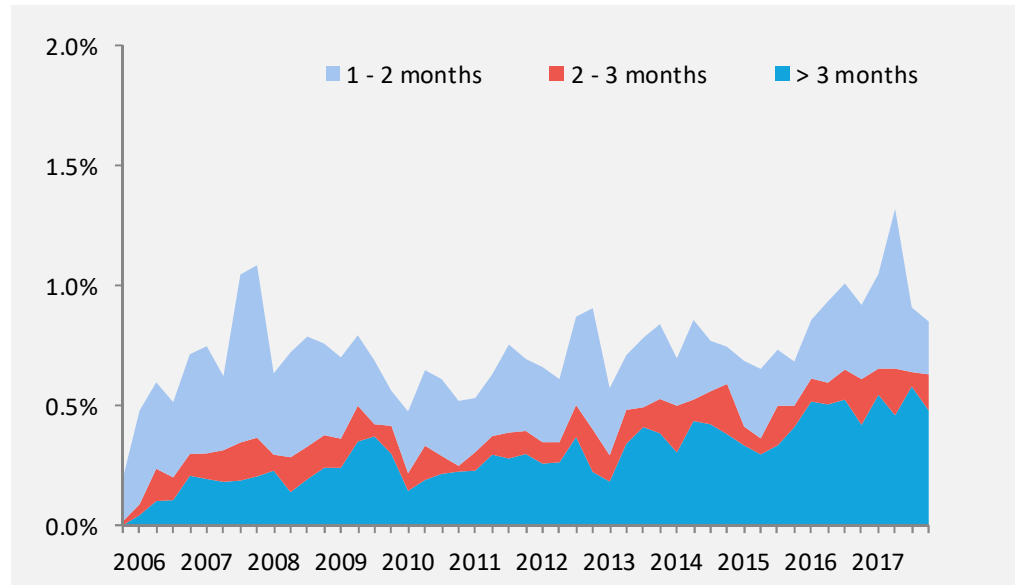
# 3. NIBC Mortgage Loan Business (6/7)

## Historical Highlights of NIBC's Dutch MBS Programme

### History of Dutch MBS programme

- Longstanding programme (since 1997) with a total issue size of over €10bn
- NIBC Bank has called and redeemed all Dutch MBS transactions on their FORD<sup>1</sup>
- The Dutch MBS programme consists of only prime Dutch mortgages<sup>2</sup>
- The Dutch MBS programme has a track record of low losses and arrears<sup>3</sup>
- Dutch MBS transactions are structured by NIBC's in-house structuring team

### Arrears in Dutch MBS transactions<sup>3</sup>



| Issue            | Date     | Closing Balance | Status         |
|------------------|----------|-----------------|----------------|
| Dutch MBS 97-I   | Oct 1997 | €181,602,078    | Matured        |
| Dutch MBS 97-II  | Dec 1997 | €272,327,717    | Matured        |
| Dutch MBS 98-I   | Oct 1998 | €272,279,250    | Called on FORD |
| Dutch MBS 99-I   | Mar 1999 | €290,003,645    | Called on FORD |
| Dutch MBS 99-II  | Oct 1999 | €300,105,895    | Called on FORD |
| Dutch MBS 99-III | Nov 1999 | €300,032,231    | Called on FORD |
| Dutch MBS 00-I   | May 2000 | €800,004,266    | Called on FORD |
| Dutch MBS 01-I   | Apr 2001 | €750,000,000    | Called on FORD |
| Dutch MBS IX     | Jul 2001 | €900,000,000    | Called on FORD |
| Dutch MBS X      | Mar 2003 | €1,000,000,000  | Called on FORD |
| Dutch MBS XI     | Nov 2003 | €1,000,149,640  | Called on FORD |
| Dutch MBS XII    | Apr 2005 | €1,500,000,000  | Called on FORD |
| Dutch MBS XIV    | Nov 2005 | €1,500,000,000  | Called on FORD |
| Dutch MBS XV     | Mar 2010 | €750,000,000    | Called on FORD |
| Dutch MBS XVI    | Jun 2011 | €750,000,000    | Called on FORD |
| Dutch MBS XVII   | Oct 2012 | €526,500,000    | Called on FORD |
| Dutch MBS XVIII  | Feb 2013 | €529,200,000    | Called on FORD |

### 3. NIBC Mortgage Loan Business (7/7)

Net Loss and Recovery in NIBC's Dutch MBS Programme

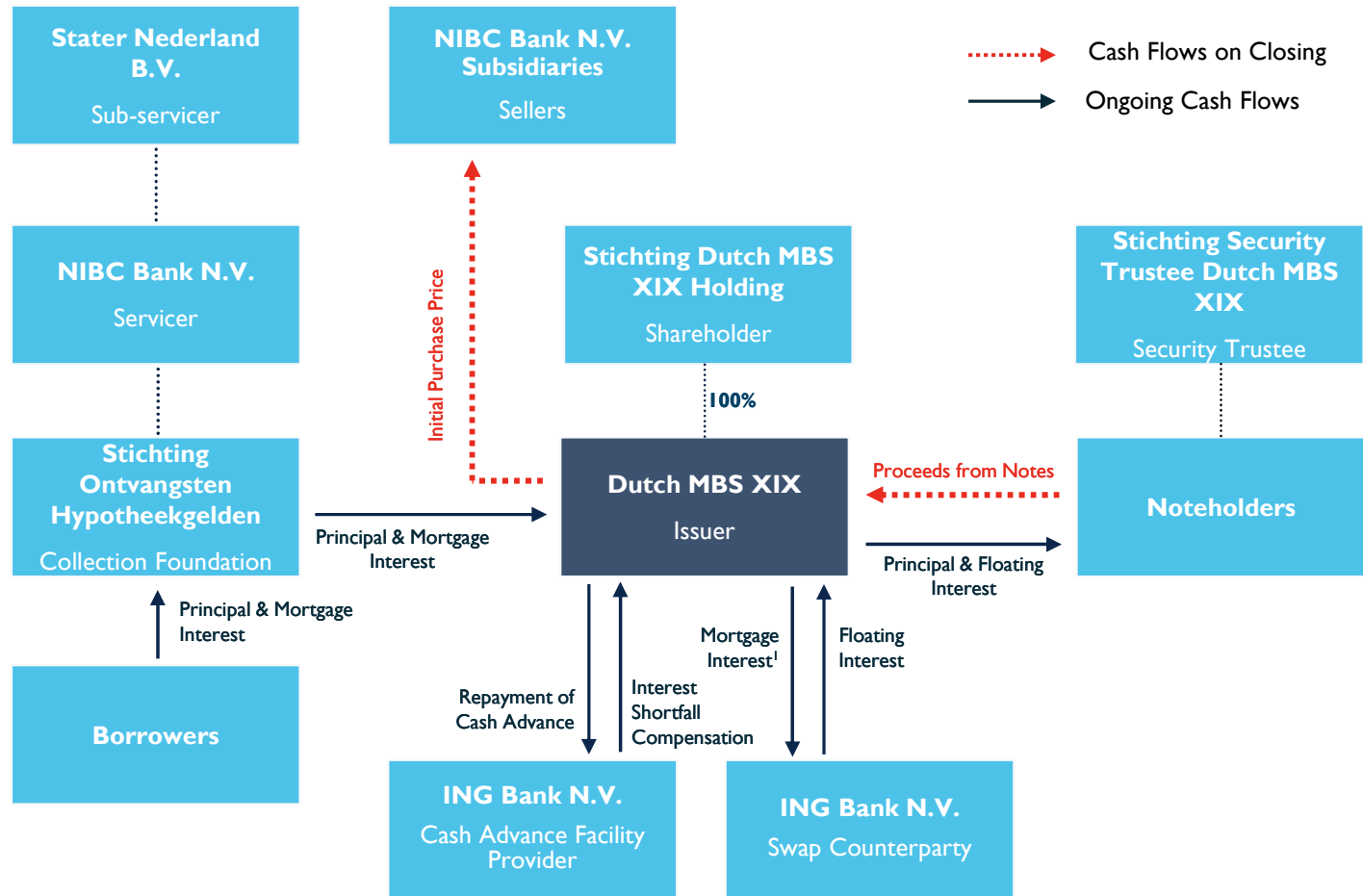
|                                     | DUTCH<br>XVIII | DUTCH<br>XVII | DUTCH<br>XVI | DUTCH<br>XV | DUTCH<br>XIV |
|-------------------------------------|----------------|---------------|--------------|-------------|--------------|
| Opening balance (EUR mln)           | 540            | 526           | 760          | 746         | 1,500        |
| Cumulative foreclosure (EUR mln)    | 4.33           | 2.02          | 6.65         | 8.04        | 7.68         |
| Proceeds from foreclosure (EUR mln) | 3.31           | 1.62          | 4.66         | 5.32        | 5.57         |
| Cumulative loss (EUR mln)           | 1.02           | 0.40          | 2.00         | 2.72        | 2.11         |
| Late recovery (EUR mln)             | 0.26           | 0.09          | 0.18         | 0.12        | 0.32         |
| Loss after late recovery (EUR mln)  | 0.76           | 0.31          | 1.81         | 2.60        | 1.79         |
| Loss after late recovery (bps)      | 14.1           | 5.9           | 23.9         | 34.8        | 11.9         |
| Average loss p.a. (bps)             | 2.9            | 1.2           | 4.9          | 7.1         | 1.7          |
| Average recovery rate (%)           | 82             | 85            | 73           | 68          | 77           |



|          |                                    |           |
|----------|------------------------------------|-----------|
| <b>1</b> | <b>Transaction Highlights</b>      | <b>6</b>  |
| <b>2</b> | <b>NIBC</b>                        | <b>9</b>  |
| <b>3</b> | <b>NIBC Mortgage Loan Business</b> | <b>17</b> |
| <b>4</b> | <b>Dutch MBS XIX</b>               | <b>25</b> |
| <b>5</b> | <b>Pool Characteristics</b>        | <b>33</b> |

|              |  |    |
|--------------|--|----|
| Appendix I   | Dutch Housing and Mortgage Loan Market     | 38 |
| Appendix II  | Main Underwriting Criteria                 | 42 |
| Appendix III | Key Figures and Balance Sheet NIBC Holding | 45 |
| Appendix IV  | Contact Information                        | 49 |

## 4. Dutch MBS XIX (1/7) Transaction Diagram



### Transaction features:

- Bankruptcy Remote Collection Foundation
- Balance Guaranteed Swap with ING Bank N.V.
- Cash Advance Facility

## 4. Dutch MBS XIX (2/7)

### Main Transaction Features

a)

A **Bankruptcy Remote Collection Foundation** collects and distributes all mortgage payments

- Borrowers make their monthly mortgage payments via a bankruptcy-remote foundation that subsequently transfers the receipts to the Issuer.
- The mortgage payments do not touch the balance sheet of NIBC Bank
- The collection procedure of NIBC Bank's mortgage business eliminates commingling risk

b)

A **Balance Guaranteed Swap with ING Bank N.V** rated **A+ (S&P) / Aa3 (Moody's) / A+ (Fitch)**

Under the Interest Rate Swap Agreement, the Issuer pays the Interest Rate Swap Provider:

- + Mortgage interest scheduled to be received
- + Interest received on the Collection and the Reserve Account
- + Interest and prepayment penalties received
- Excess spread of 50bps per annum over outstanding principal amount of mortgage receivables
- Senior expenses

In exchange, the Interest Rate Swap Provider pays the interest due on the Notes.

c)

A **Cash Advance Facility** will be provided by ING Bank with an amount corresponding to 1.5% of the principal amount outstanding of the Class A Notes, with a floor of 0.75% of the principal amount of the Class A Notes at closing

- The Cash Advance Facility will cover cash flow timing differences and can be used to pay senior expenses and interest on the Class A Notes
- A standby drawing of the full Cash Advance Facility will be made in case the Cash Advance Facility Provider does not meet the Requisite Credit Rating or in case the Cash Advance Facility Provider does not comply with an extension request from the Issuer
- In case drawn for interest payments on the senior Notes, the Cash Advance Facility will be repaid with available principal proceeds

## 4. Dutch MBS XIX (3/7)

### Terms & Conditions of the Notes Offered

#### Terms of the Class A Notes

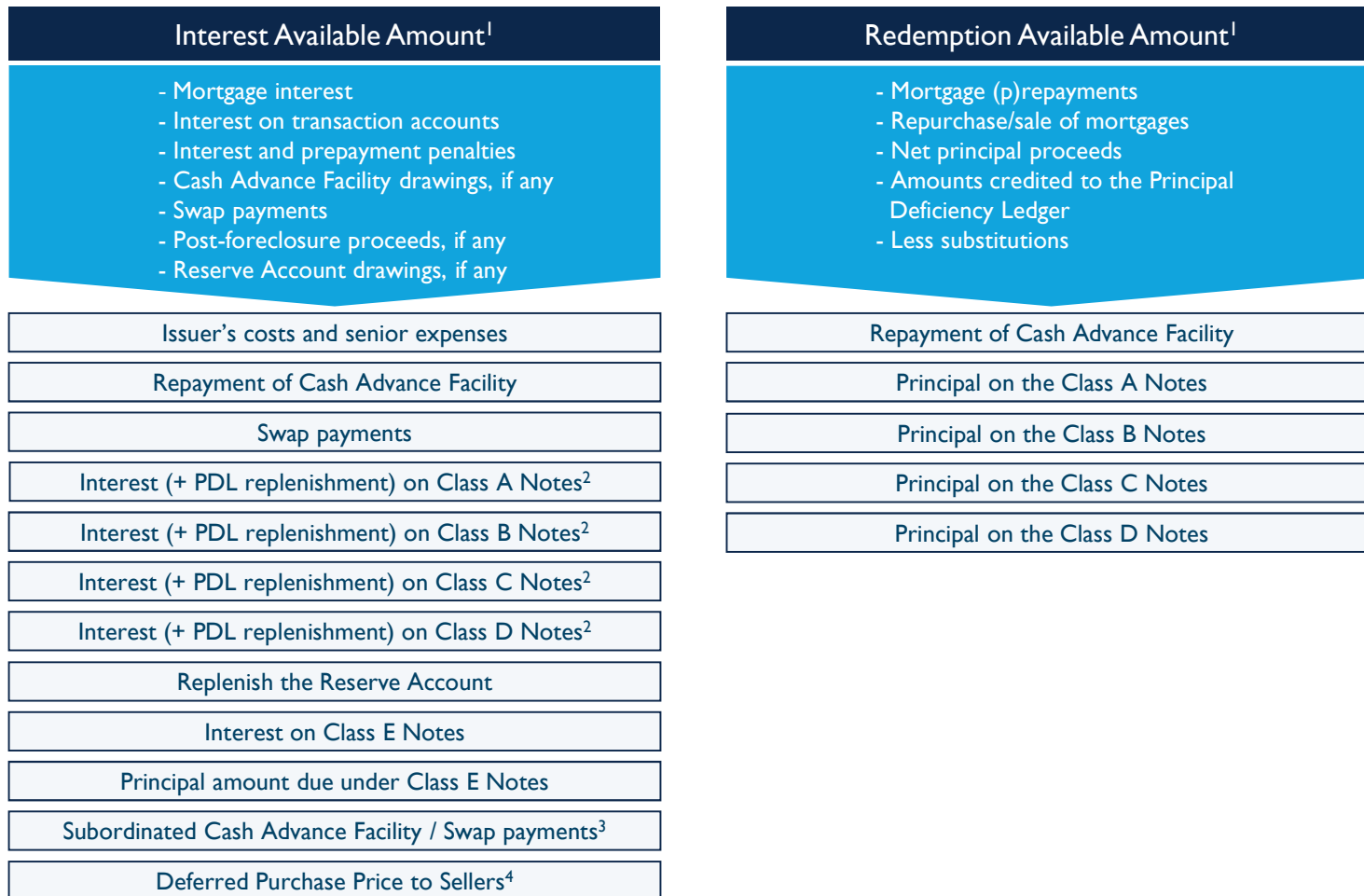
|                          |   |
|--------------------------|---|
| <b>Notional amount</b>   | €447,300,000  |
| <b>Exp Rating Notes</b>  | Aaa(sf)/AAAsf (Moody's/Fitch)   |
| <b>Issue price</b>       | [•]   |
| <b>Redemption</b>        | Sequential pass-through   |
| <b>Denomination</b>      | €100,000  |
| <b>Coupon</b>            | 3m Euribor + [0.40%] payable quarterly in arrears on the [...] day of the quarter |
| <b>First coupon date</b> | [•] February 2019   |
| <b>FORD</b>              | [•] November 2023   |
| <b>Step-up Spread</b>    | [0.80%]   |
| <b>Clean-up call</b>     | [10]%   |
| <b>Replenishment</b>     | No  |
| <b>Substitution</b>      | Mandatory repurchase  |

#### Principal parties

|                                       |   |
|---------------------------------------|---|
| <b>Issuer</b>                         | Dutch MBS XIX B.V.  |
| <b>Arranger</b>                       | NIBC Bank N.V. (Sole)   |
| <b>Bookrunners</b>                    | ING Bank, NIBC, Rabobank, SG CIB  |
| <b>Sellers</b>                        | NIBC Bank N.V., via: <ul style="list-style-type: none"><li>• <i>Hypinvest B.V.</i></li><li>• <i>NIBC Direct Hypotheken B.V.</i></li></ul> |
| <b>Issuer Administrator</b>           | NIBC Bank N.V.  |
| <b>Shareholder</b>                    | Stichting Dutch MBS XIX Holding   |
| <b>Security Trustee</b>               | Stichting Security Trustee Dutch MBS XIX  |
| <b>Issuer Administrator</b>           | NIBC Bank N.V.  |
| <b>Issuer Account Bank</b>            | Société Générale S.A, Amsterdam Branch  |
| <b>Cash Advance Facility Provider</b> | ING Bank N.V.   |
| <b>Swap Counterparty</b>              | ING Bank N.V.   |
| <b>Servicer</b>                       | NIBC Bank N.V.  |
| <b>Sub-servicer</b>                   | Stater Nederland B.V.   |
| <b>Paying Agent</b>                   | Citibank N.A. London Branch   |
| <b>Collection Foundation</b>          | Stichting Ontvangsten Hypotheekgelden   |
| <b>Foundation Account Provider</b>    | ABN AMRO Bank N.V.  |
| <b>Common Safekeeper</b>              | Euroclear/Clearstream   |
| <b>Listing</b>                        | Euronext Amsterdam  |

## 4. Dutch MBS XIX (4/7)

### Pre-Enforcement Priority of Payments

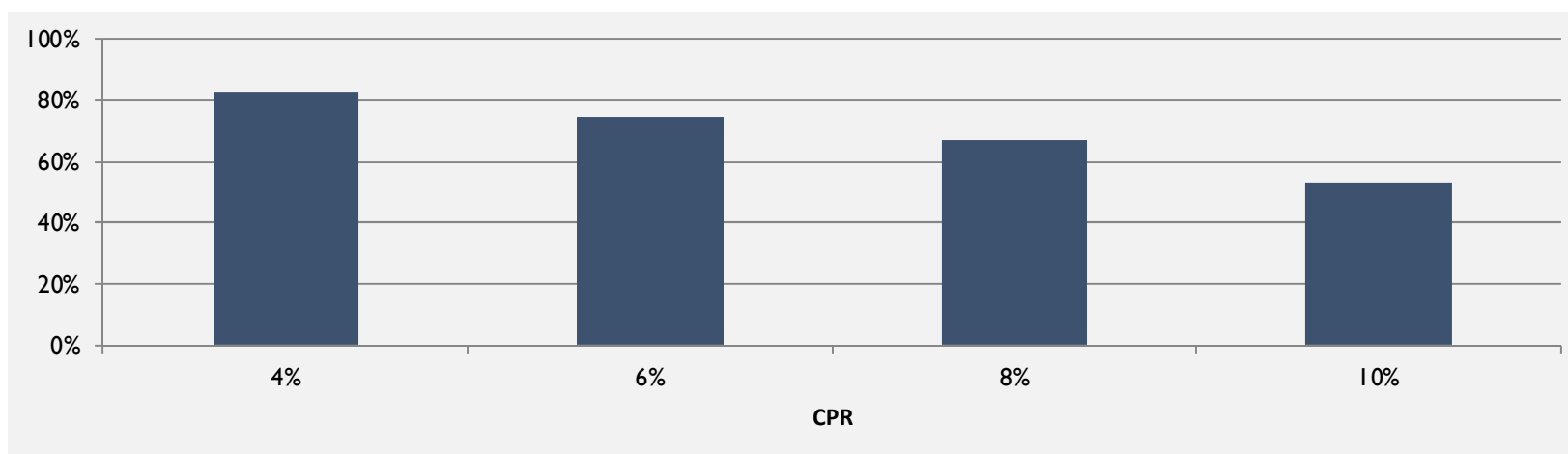


1. This is a simplified overview, the prospectus should be consulted for all details
2. First, the interest payments on the notes are made, thereafter the PDL is replenished
3. First, the subordinated Cash Advance Facility payments are made, thereafter subordinated swap payments are made
4. After FORD, excess spread will be added to the redemption available amount

## 4. Dutch MBS XIX (5/7)

### WAL, Issue Price and Amortisation Sensitivity to CPR

#### Class A factor at FORD<sup>1</sup>



#### WAL/Issue price sensitivity<sup>2</sup>

| CPR                  | 4%     | 6%     | 8%     | 10%    |
|----------------------|--------|--------|--------|--------|
| WAL (years)          | 4.3    | 4.1    | 3.9    | 3.7    |
| Discount Margin, bps |        |        |        |        |
| 25                   | 100.66 | 100.63 | 100.60 | 100.57 |
| 30                   | 100.44 | 100.42 | 100.40 | 100.38 |
| 35                   | 100.22 | 100.21 | 100.20 | 100.19 |
| 40                   | 100.00 | 100.00 | 100.00 | 100.00 |

1. Assuming no defaults

2. Assuming no defaults and call at FORD, constant EURIBOR of -0.318%; at the pricing date, the constant discount rate of that date will be used, which could lead to slight differences. For reference purposes only

## 4. Dutch MBS XIX (6/7)

### Reporting & Transparency

#### NIBC's Investor Services

- NIBC's Investor Services (7 FTE) is the central operation unit for third party investments, including Dutch MBS XIX
- Investor Services fulfills **reporting** and **monitoring** of NIBC's securitisations.

#### Investor and regulatory reporting standards

- The Dutch MBS programme complies with the loan-level requirements by reporting all mandatory fields prescribed by the ECB from the start of the transaction, using European Datawarehouse
- Dutch MBS XIX adheres to the documentation and reporting standards of the Dutch Securitisation Association (DSA), facilitating standardisation and transparency
- NIBC Bank is a member of the DSA board of directors outlining its commitment toward a healthy and well functioning Dutch securitisation market
- The PCS label is confirmed for the Class A Notes, providing transparency through documentation and investor reporting standards
- The investor reports will be published on [www.dutchsecuritisation.nl](http://www.dutchsecuritisation.nl) and [www.assetbacked.nl](http://www.assetbacked.nl), the dedicated investor portal for Dutch MBS programme transactions
- Dutch MBS XIX cash flow model is available on Intex and Bloomberg to enable investors to perform transaction-specific modelling
- Dutch MBS XIX is structured to comply with the simple, transparent and standardised (STS) framework, based on the information publicly available at the date of the announcement



## 4. Dutch MBS XIX (7/7)

### Comparison with Other Recent Dutch RMBS Transactions

|                               | <b>DUTCH MBS XIX</b> | <b>SEACURE 16</b> | <b>STORM 2018-2</b> | <b>STORM 2018-1</b> | <b>STORM 2017-II</b> |
|-------------------------------|----------------------|-------------------|---------------------|---------------------|----------------------|
| Issue date                    | 01-Nov-18            | 01-Nov-18         | 01-Sep-18           | 01-Jan-18           | 01-Jun-17            |
| Total size of notes (EUR mln) | 481                  | 950               | 931                 | 2268                | 1738                 |
| Credit enhancement            | 7.0%                 | 8.0%              | 7.0%                | 7.5%                | 8.0%                 |
| % of Class A                  | 93.9%                | 93.0%             | 93.1%               | 93.6%               | 93.0%                |
| WA CLTOMV                     | 79.7%                | 80.6%             | 73.9%               | 80.3%               | 80.6%                |
| WA CLTIMV                     | 69.5%                | 75.2%             | 67.8%               | 77.7%               | 81.2%                |
| WA interest rate              | 3.2%                 | 3.3%              | 3.1%                | 3.3%                | 3.7%                 |
| WA seasoning (months)         | 66.0                 | 38.6              | 76.1                | 88.0                | 85.8                 |
| WAL                           | 3.9y                 | 4.1y              | 5.0y                | 5.0y                | 4.9y                 |
| Rating agencies               | F/M                  | F/S               | F/M/S               | F/M/S               | F/M/S                |
| Revolving structure           | No                   | No                | Yes                 | Yes                 | Yes                  |
| Hedging                       | Swap                 | Cap               | Swap                | Swap                | Swap                 |



|          |                                    |           |
|----------|------------------------------------|-----------|
| <b>1</b> | <b>Transaction Highlights</b>      | <b>6</b>  |
| <b>2</b> | <b>NIBC</b>                        | <b>9</b>  |
| <b>3</b> | <b>NIBC Mortgage Loan Business</b> | <b>17</b> |
| <b>4</b> | <b>Dutch MBS XIX</b>               | <b>25</b> |
| <b>5</b> | <b>Pool Characteristics</b>        | <b>33</b> |

|              |  |    |
|--------------|--|----|
| Appendix I   | Dutch Housing and Mortgage Loan Market     | 38 |
| Appendix II  | Main Underwriting Criteria                 | 42 |
| Appendix III | Key Figures and Balance Sheet NIBC Holding | 45 |
| Appendix IV  | Contact Information                        | 49 |

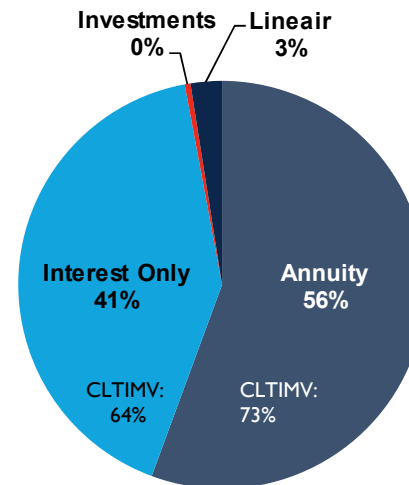
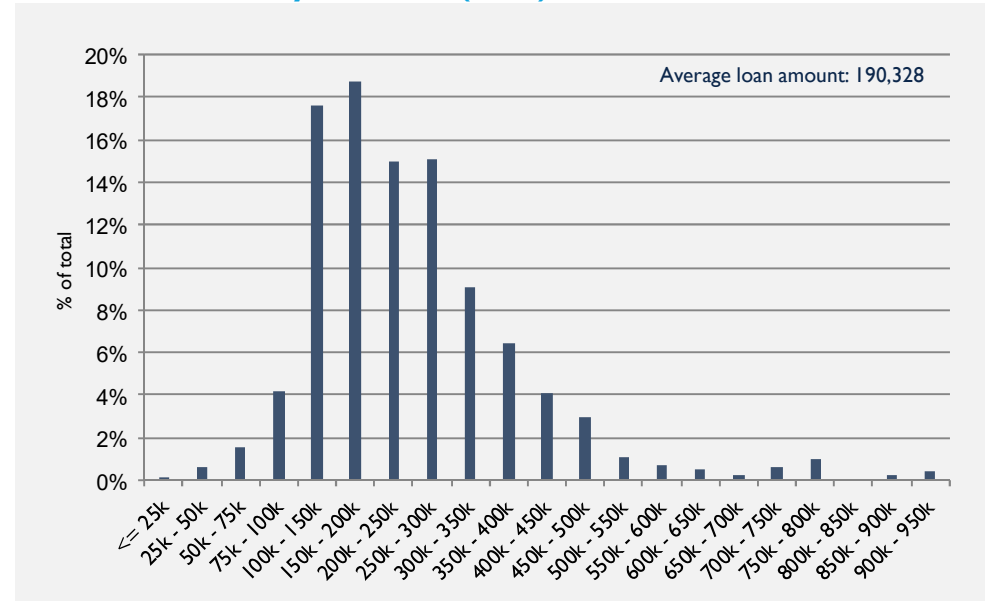
# 5. Pool Characteristics (1/4)

## Main characteristics

|  |              |
|--|--------------|
| Cut-off date   | 01-Oct-18    |
| Principal amount   | €476,199,989 |
| Value of savings deposits                                    | -            |
| Construction deposits  | €1,413,083   |
| Net principal balance excl. Construction and saving deposits | €474,786,906 |
| Number of loans  | 2502         |
| Number of loan parts   | 4241         |
| Average principal balance (borrower)                         | €190,328     |
| WA current interest rate                                     | 3.19%        |
| WA maturity (in years)                                       | 24.2         |
| WA seasoning (in years)                                      | 5.5          |
| WA CLTOMV  | 79.7%        |
| WA CLTIMV  | 69.5%        |
| Maximum CLTIMV   | <100%        |
| WA CLTIFV  | 81.1%        |
| WA OLTOMV  | 85.5%        |
| NHG part <sup>1</sup>  | 32.6%        |
| Apartments part <sup>1</sup>                                 | 14.1%        |
| Fixed rate part <sup>1</sup>                                 | 99.2%        |

- All owner occupied mortgages
- Properties are located in The Netherlands
- No self certified Borrowers
- No arrears at cut-off date
- All payments made by direct debt, with at least one payment received prior to cut-off date

## Distribution loan by amounts (EUR)

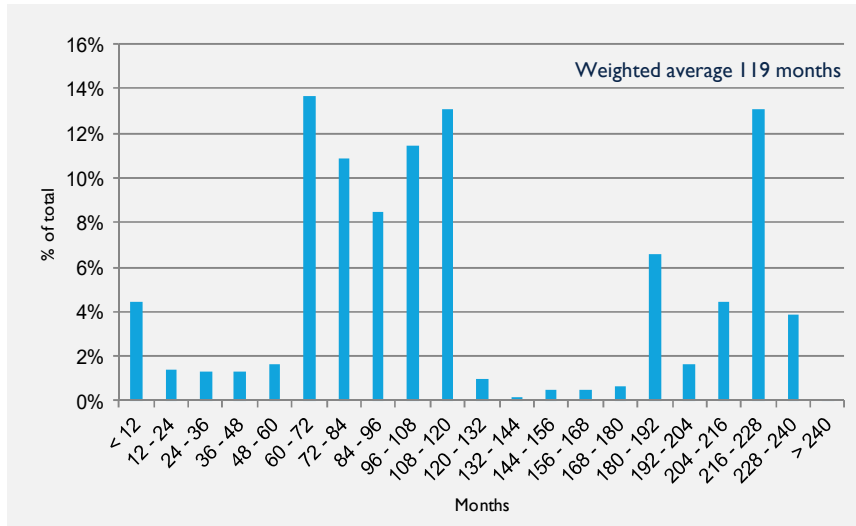


Redemption types

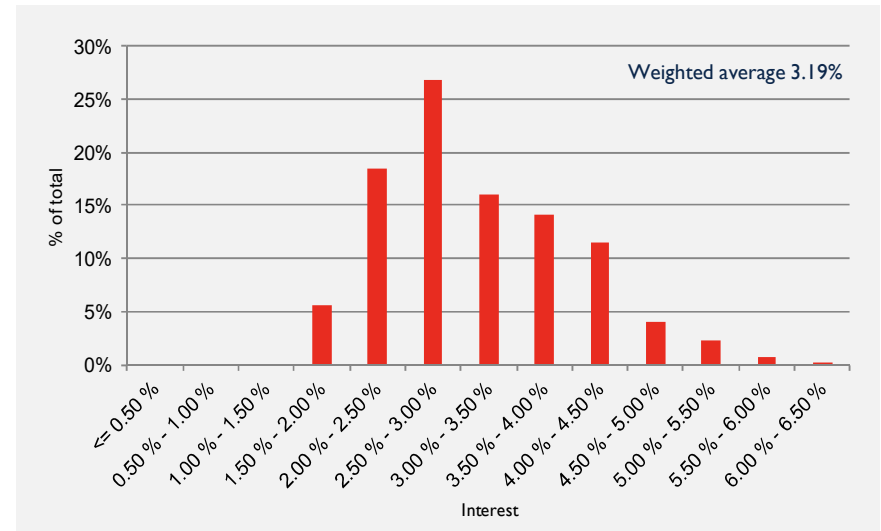
1. Percentage of principal amount

# 5. Pool Characteristics (2/4)

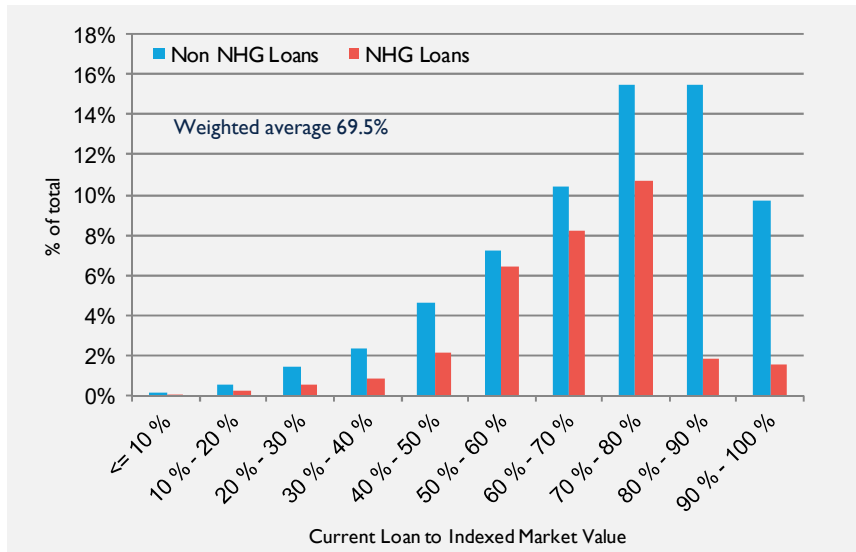
## Remaining interest rate fixed period



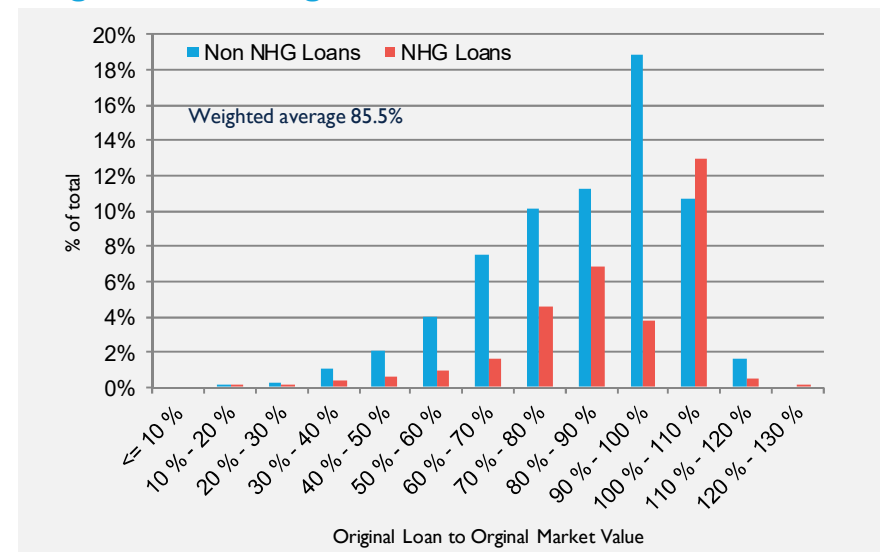
## Loan part coupon (interest rate buckets)



## Current loan to indexed market value



## Original loan to original market value

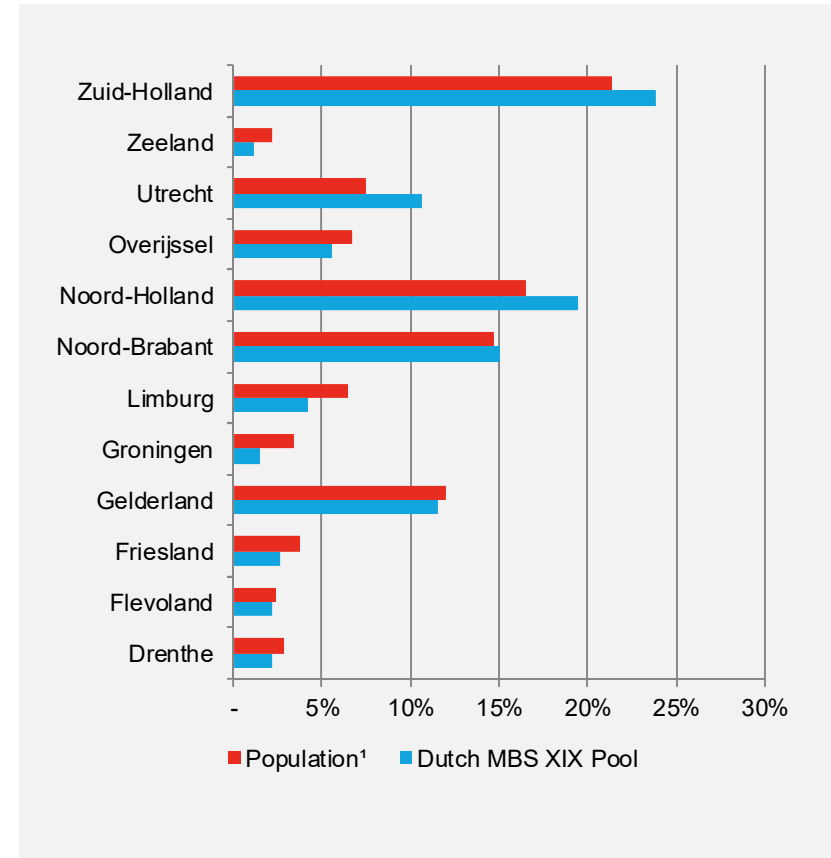


## 5. Pool Characteristics (3/4)

### Geographical distribution



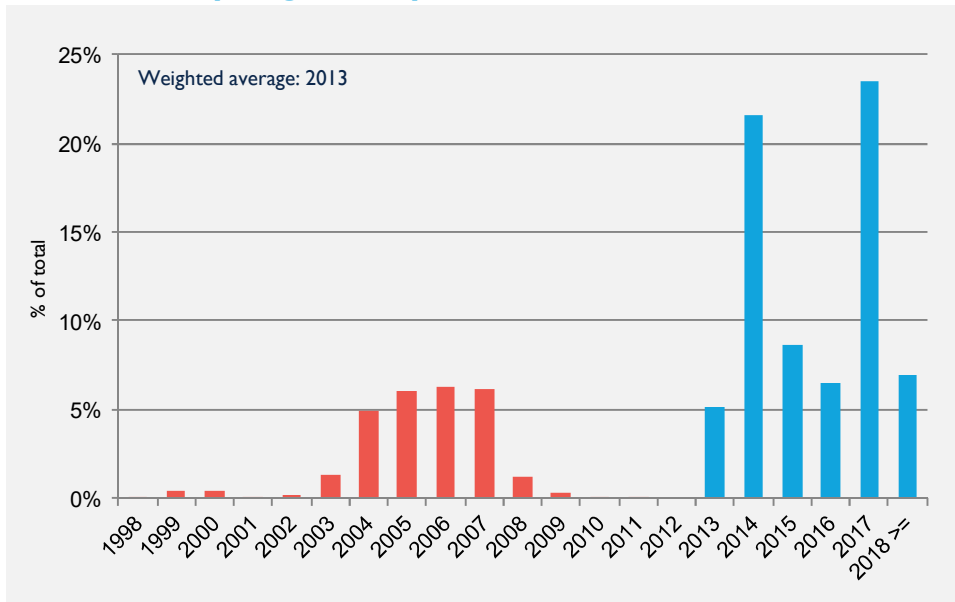
### Distribution vs. population size



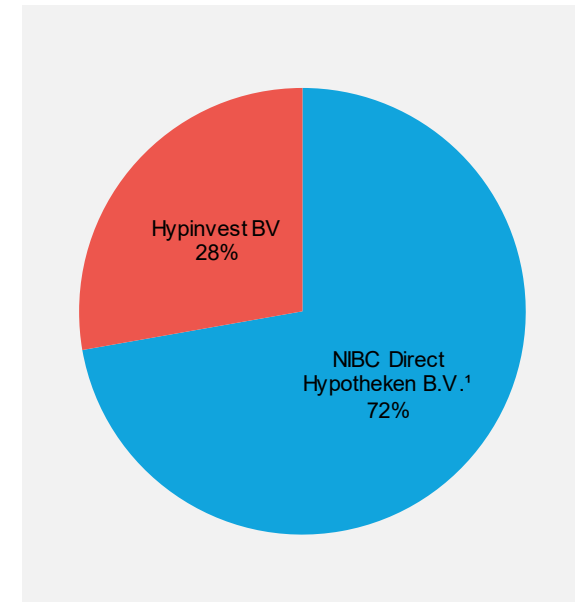
I. Source: CBS, 2017 EoY data

## 5. Pool Characteristics (4/4)

### Distribution by origination year



### Originator



I. NIBC started in 2012 with NIBC Direct Hypotheken B.V.

# Appendix I

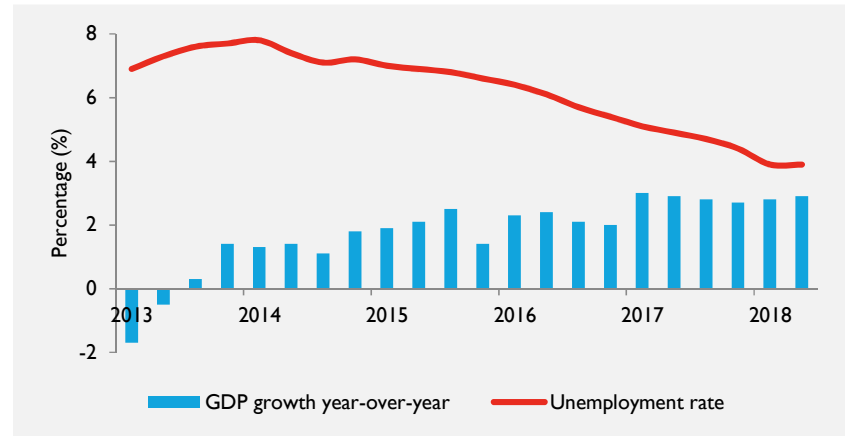
## Dutch Housing and Mortgage Loan Market

# Appendix I: Dutch Housing and Mortgage Loan Market (1/3)

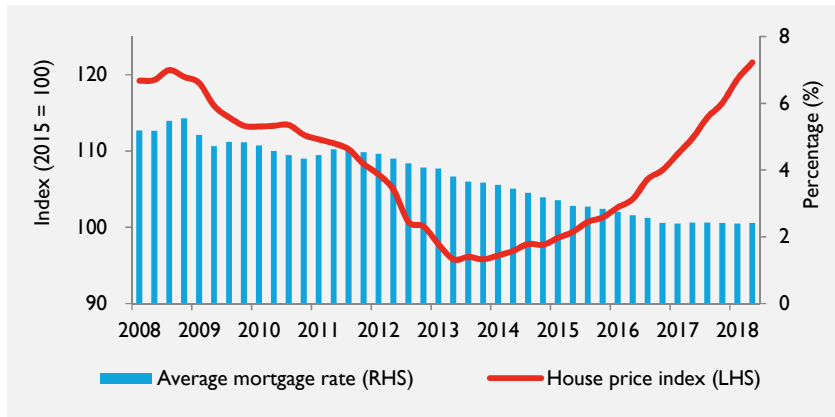
## Dutch households and mortgage market

- The Netherlands contains 7.7 million dwellings
  - 4.3 millions dwellings are owner occupied
- Confidence in the housing market is at a level of 104 in June 2018, from 51 in March 2013<sup>1</sup>
- Household debt offset by high pensions and savings
  - Household gross mortgage debt: 94% of GDP
  - Pension funds assets: 205% of GDP
  - Household savings: 48% of GDP
- Despite the rising prices, current low interest rates keep housing costs for homeowners at relatively low levels

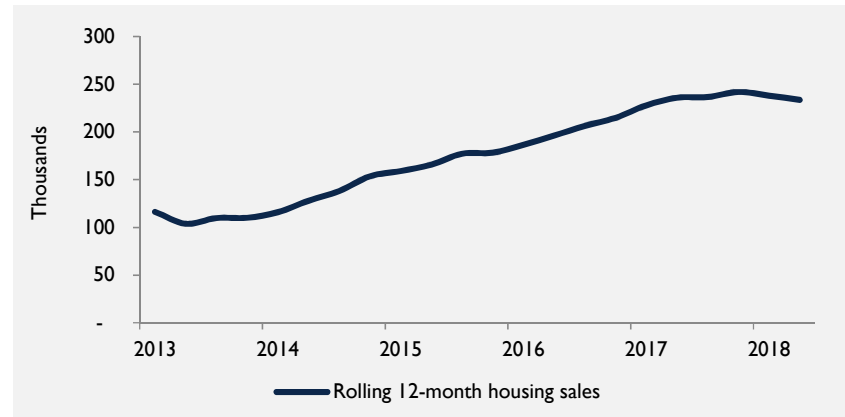
## Economic growth and unemployment in the Netherlands<sup>2</sup>



## Average mortgage rate<sup>3</sup> and house price index<sup>4</sup>



## House sales development<sup>4</sup>



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

# Appendix I: Dutch Housing and Mortgage Loan Market (2/3)

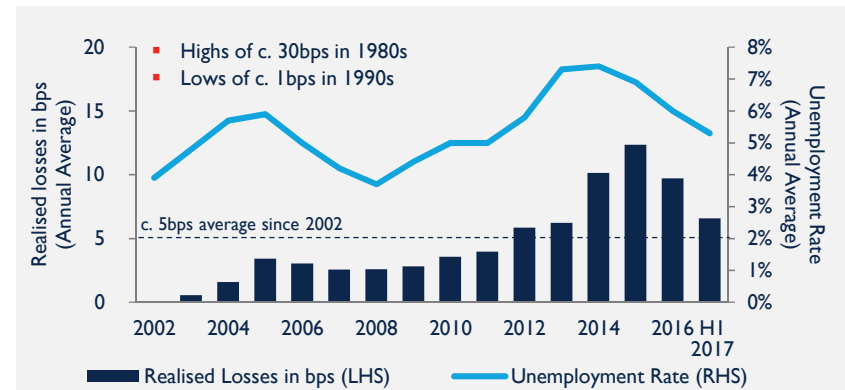
## Stable and highly regulated market

- **Market size:** €698bn<sup>1</sup> at the end of 2017 and €60bn<sup>2</sup> new mortgage origination in IH18
- **Highly regulated market**
  - ✓ Supervision by regulator      ✓ Underwriting criteria
  - ✓ Tax deductibility                  ✓ Duty of care
- **Typical mortgage lenders:** Banks (64% market share), insurance companies and pension funds (13%), and specialised labels for originate-to-manage (16%)<sup>3</sup>
- Typically **high LTVs** (capped at 100% in 2018)<sup>4</sup> as a result of tax deductibility; and **long fixed interest terms**
- Unique guarantee scheme in place in The Netherlands (**NHG**); guarantee provided to the mortgage lender by a government-backed foundation. c. 30% of outstanding mortgages is covered by NHG
- **Robust performance**
  - Flexible labour market and strong collective safety net
  - High payment morale supported by the Dutch Credit Registration Office (BKR) and highly efficient legal system
  - Proven resilience during the credit crisis.

## Recent developments

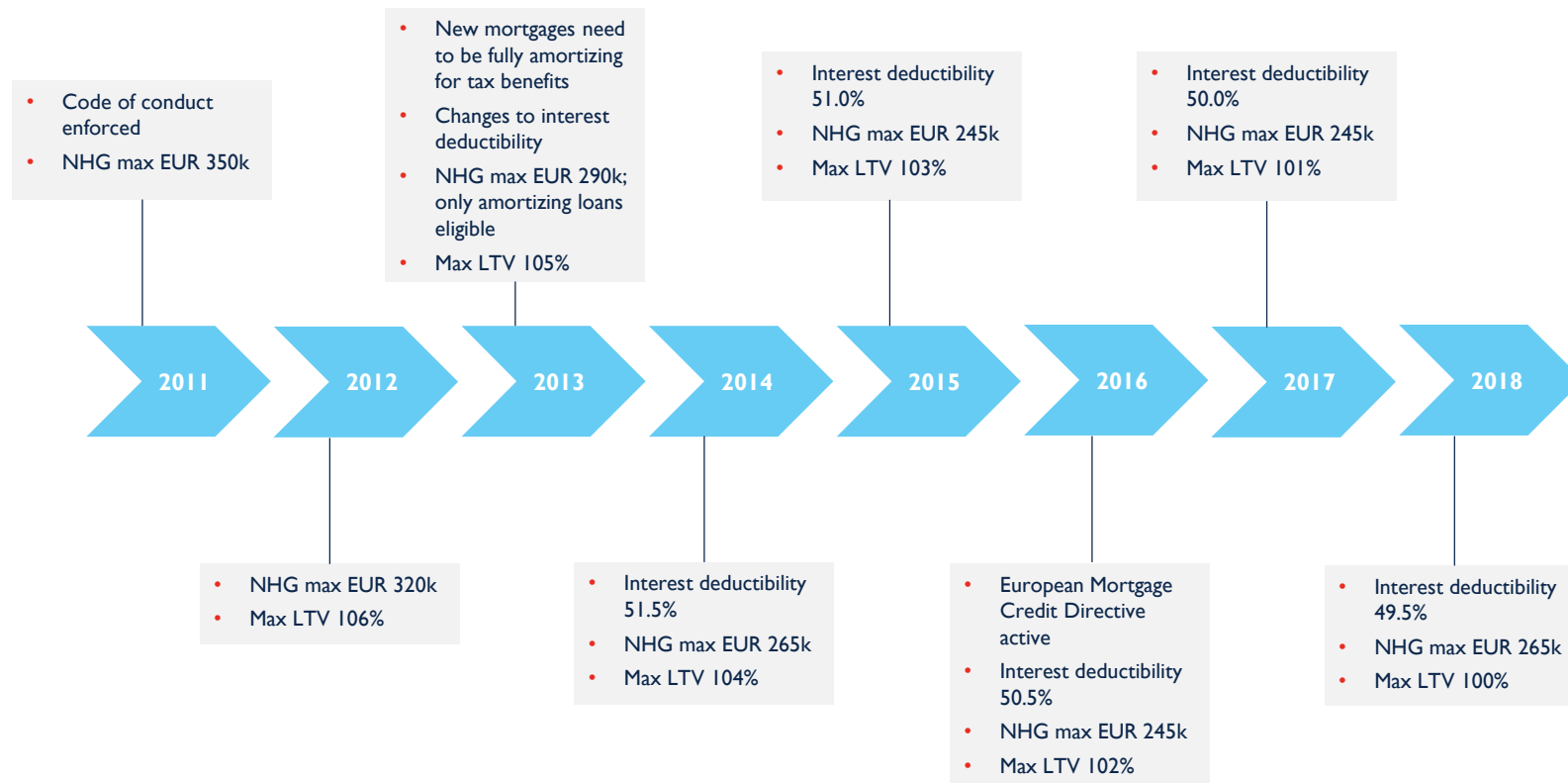
- |   |  |
|---|--|
| <b>Increase in mortgage volumes</b>     | ▪ The number of new mortgages declined slightly in IH 2018 (vs IH 2017) but the amount increased by 7% due to increasing loan amounts <sup>5</sup> |
| <b>Decrease in loan arrears</b>         | ▪ Loans in arrears continue to decrease, due to an improved economic environment, declining unemployment rate and improving housing market         |
| <b>Increase in fixed interest terms</b> | ▪ Currently high demand for longer fixed interest terms (10-20 and even 30 years) due to low interest rate environment                             |
| <b>New entrants</b>                     | ▪ New (non-bank) entrants put pressure on spreads  |

## Dutch residential mortgage loans loss history





# Appendix I: Dutch Housing and Mortgage Loan Market (3/3)



# Appendix II

## Main Underwriting Criteria

## Appendix II: Main Underwriting Criteria (1/2)

### Main Underwriting Criteria 1/2

- Code of Conduct
  - NIBC fully complies with the WFT “Wet op het Financieel Toezicht”
  - NIBC has signed the Code of Conduct (“Gedragscode”) of the Dutch Bankers Association. The Code of Conduct regulations concern e.g., minimum information requirements to the borrower, the maximum amount a borrower can borrow and how to cope with arrears. Since 1 January 2013 the Code of Conduct is regulated by law.
  - NIBC fully complies with the Temporary Rule Mortgages for 2018 (“Tijdelijke regeling hypothecair krediet 2018”) which was introduced by the government for the income criteria and the maximum LTV on 1 January 2018.
- Affordability
  - Income is derived from the salary slip and proof of employment and, in case of self-employed borrowers, the annual reports of the last 3 years, the tax declaration and, for a director-owner, an income statement by the accountant
  - In terms of affordability, the Temporary Rule has a predetermined test, but allows for deviation if well-justified by the lender (“comply or explain”). In NIBC Direct origination we do not have any “explain loans”
  - Comply: actual interest rate is taken into account unless the term is under 10 years, in which case a Code pre-determined interest is used (for example for Q4 2018 this is 5%)
  - Explain: affordability is tested using a higher income than the current income via the pre-determined test in accordance with the comply formula, only for borrowers with proven income growth, the debtors declare by signing the offer that they are aware of the explain approach
- LTI
  - The maximum LTI is in line with the Code of Conduct and the Temporary Rule Mortgages
- DTI
  - The maximum DTI is determined according to the Code of Conduct and the Temporary Rule Mortgages

## Appendix II: Main Underwriting Criteria (2/2)

### Main Underwriting Criteria 2/2

- BKR and Fraud Check
  - Credit history is checked at BKR ('Bureau for Credit Registration'), no '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
  - Fraud is checked at SFH ('Stichting Fraudebestrijding Hypotheken') which is located at the BKR office and coordinated by the Dutch Banking Association
  - A check is performed to verify the borrower's identity
  - Additionally, a Kadaster (National Property Register) check is performed to prevent illegitimate use of property
  - NIBC has dedicated fraud officers, handling fraud cases and prevention
- Loan
  - Maximum loan amount is €1,000,000; loans above €750,000 are treated as an overrule
  - Maximum loan is 100% of Market Value, in case of energy saving facilities (EBV) up to a maximum of 106% and in case of remaining debt up to a maximum of 115%.
  - The loan part above 80% of the Market Value has to be covered by mortality insurance that is pledged to NIBC
- Collateral
  - The mortgage loan is secured by a first ranking mortgage right or a first and sequentially lower 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 organisation (NWWI, TVI (Taxatie Validatie Instituut) or Taxateurs Unie)

# Appendix III

## Key Figures and Balance Sheet NIBC Holding

## Appendix III: Key Figures and Balance Sheet NIBC Holding (1/3)

### Earnings

| €m  | IAS 39<br>2015 | IAS 39<br>2016 | IAS 39<br>2017 | IFRS 9<br>HI 2018 |
|---|----------------|----------------|----------------|-------------------|
| <b>Earnings</b>                               |                |                |                |                   |
| Operating income                              | 354            | 398            | 559            | 254               |
| Operating expenses                            | 193            | 197            | 233            | 120               |
| Profit after tax                              | 70             | 104            | 216            | 90                |
| Profit after tax attributable to shareholders | 70             | 104            | 213            | 84                |
| Net interest margin <sup>1</sup>              | 1.34%          | 1.47%          | 1.60%          | 1.90%             |
| Cost/income ratio                             | 55%            | 49%            | 42%            | 47%               |
| Return on equity                              | 4.2%           | 6.0%           | 11.9%          | 10.5%             |
| Return on assets                              | 0.30%          | 0.45%          | 0.91%          | 0.76%             |
| Earnings per share basic – annualised         | 0.48           | 0.71           | 1.46           | 1.15              |
| Earnings per share diluted – annualised       | 0.48           | 0.71           | 1.46           | 1.15              |
| Dividend pay-out ratio <sup>2</sup>           | 0%             | 25%            | 45%            | 44%               |
| Dividend per share <sup>2</sup>               |                | 0.17           | 0.66           | 0.25              |
| Price/earnings ratio                          |                |                |                | 6.16              |
| Price/book ratio                              |                |                |                | 0.70              |

### Assets

| €m  | IAS 39<br>2015 | IAS 39<br>2016 | IAS 39<br>2017 | IFRS 9<br>HI 2018 |
|---|----------------|----------------|----------------|-------------------|
| <b>Corporate &amp; retail client offering</b>                   |                |                |                |                   |
| <b>Corporate client assets (drawn &amp; undrawn):</b>           |                |                |                |                   |
| Commercial Real Estate (CRE)                                    | 1,022          | 1,095          | 1,310          | 1,328             |
| Food, Agri, Retail & Health (FAR&H)                             | 896            | 1,149          | 1,216          | 1,281             |
| Industries & Manufacturing (I&M)                                | 1,266          | 1,364          | 1,430          | 1,508             |
| Infrastructure & Renewables (I&R)                               | 1,990          | 1,618          | 1,595          | 1,435             |
| Offshore Energy (OE)  | 1,282          | 1,233          | 934            | 949               |
| Shipping & Intermodal (S&I)                                     | 1,537          | 1,512          | 1,297          | 1,357             |
| Telecom, Media, Technology & Services (TMT&S)                   | 968            | 1,257          | 1,198          | 1,213             |
| <b>Total corporate loans (drawn &amp; undrawn)</b>              | <b>8,961</b>   | <b>9,227</b>   | <b>8,980</b>   | <b>9,071</b>      |
| Lease receivables   | 221            | 236            | 282            | 345               |
| Investment loans  | 161            | 246            | 220            | 218               |
| Equity investments  | 300            | 262            | 343            | 398               |
| Investment property   | 251            | 271            | 0              | 0                 |
| <b>Total corporate client assets (drawn &amp; undrawn)</b>      | <b>9,894</b>   | <b>10,243</b>  | <b>9,825</b>   | <b>10,032</b>     |
| <b>Corporate client assets (drawn &amp; undrawn) per region</b> |                |                |                |                   |
| Netherlands   | 3,304          | 3,856          | 4,312          | 4,555             |
| Germany   | 2,208          | 2,324          | 2,075          | 2,095             |
| United Kingdom  | 1,700          | 1,678          | 1,737          | 1,619             |
| Other   | 2,681          | 2,384          | 1,702          | 1,763             |
| <b>Total corporate client assets (drawn &amp; undrawn)</b>      | <b>9,894</b>   | <b>10,243</b>  | <b>9,825</b>   | <b>10,032</b>     |
| <b>Retail client assets</b>                                     |                |                |                |                   |
| Owner occupied mortgage loans – Netherlands                     | 8,345          | 8,376          | 8,476          | 8,522             |
| Buy-to-Let mortgage loans                                       | 118            | 371            | 617            | 639               |
| Owner occupied mortgage loans – Germany (closed book)           | 117            | 84             | 53             | 38                |
| <b>Total retail client assets</b>                               | <b>8,580</b>   | <b>8,831</b>   | <b>9,146</b>   | <b>9,199</b>      |
| <b>Originate to manage assets</b>                               |                |                |                |                   |
| Corporate client assets   | 437            | 443            | 463            | 466               |
| Retail client assets  | 0              | 15             | 729            | 1,622             |
| <b>Total originate to manage assets</b>                         | <b>437</b>     | <b>458</b>     | <b>1,192</b>   | <b>2,088</b>      |
| <b>Retail client savings</b>                                    |                |                |                |                   |
| Netherlands   | 4,129          | 3,950          | 3,871          | 4,003             |
| Germany   | 4,687          | 4,542          | 4,407          | 4,250             |
| Belgium   | 1,200          | 1,229          | 1,029          | 952               |
| <b>Total retail client savings</b>                              | <b>10,016</b>  | <b>9,721</b>   | <b>9,307</b>   | <b>9,205</b>      |

1. HI 2018 NIM calculated using the H2 2017 interest income excluding Vijlma
2. Based on Interim dividend pay-out proposal

## Appendix III: Key Figures and Balance Sheet NIBC Holding (2/3)

### Asset quality, Solvency and Funding & Liquidity

| €m  | IAS 39<br>2015 | IAS 39<br>2016 | IAS 39<br>2017 | IFRS 9<br>HI 2018 |
|---|----------------|----------------|----------------|-------------------|
| <b>Asset quality</b>                                  |                |                |                |                   |
| Risk-weighted assets                                  | 9,848          | 9,930          | 8,584          | 8,676             |
| Cost of risk  | 0.73%          | 0.74%          | 0.62%          | 0.55%             |
| Impairment ratio                                      | 0.53%          | 0.76%          | 0.50%          | 0.25%             |
| Impairment coverage ratio                             | 41%            | 37%            | 40%            | 35%               |
| NPL ratio   | 3.0%           | 3.0%           | 2.8%           | 3.6%              |
| Top-20 exposure / Common Equity Tier I                | 89%            | 78%            | 66%            | 76%               |
| Exposure corporate arrears > 90 days                  | 0.7%           | 2.1%           | 1.7%           | 2.7%              |
| Exposure residential mortgage loans arrears > 90 days | 0.7%           | 0.6%           | 0.5%           | 0.3%              |
| Loan to value Dutch residential mortgage loans        | 80%            | 78%            | 75%            | 73%               |
| Loan to value BTL mortgage loans                      | 61%            | 59%            | 57%            | 54%               |
| <b>Solvency information</b>                           |                |                |                |                   |
| Equity attributable to shareholders of the company    | 1,735          | 1,819          | 1,918          | 1,669             |
| ATI and Subordinated liabilities                      | 400            | 398            | 483            | 488               |
| Group capital base                                    | 2,135          | 2,217          | 2,401          | 2,156             |
| Balance sheet total                                   | 23,153         | 23,495         | 22,148         | 21,774            |
| Common Equity Tier I ratio                            | 13.9%          | 15.1%          | 19.3%          | 16.4%             |
| Tier I ratio  | 13.9%          | 15.1%          | 20.4%          | 17.7%             |
| Total Capital ratio                                   | 16.7%          | 18.0%          | 22.2%          | 19.7%             |
| Leverage ratio  | 6.1%           | 6.5%           | 7.7%           | 6.8%              |
| <b>Funding &amp; liquidity</b>                        |                |                |                |                   |
| LCR   | 201%           | 124%           | 196%           | 160%              |
| NSFR  | 113%           | 112%           | 117%           | 115%              |
| Loan-to-deposit ratio                                 | 140%           | 145%           | 148%           | 152%              |
| Asset encumbrance ratio                               | 29%            | 29%            | 26%            | 26%               |
| Retail savings / total funding                        | 48%            | 46%            | 44%            | 44%               |
| Secured funding / total funding                       | 24%            | 23%            | 20%            | 21%               |
| ESF / total funding                                   | 6%             | 6%             | 6%             | 6%                |

### Non-financial

| €m  | IAS 39<br>2015 | IAS 39<br>2016 | IAS 39<br>2017 | IFRS 9<br>HI 2018 |
|---|----------------|----------------|----------------|-------------------|
| <b>Non-financial key figures</b>  |                |                |                |                   |
| Client & product responsibility   | +40%           | +37%           | +64%           | +72%              |
| NPS score Corporate Lending clients   | 7.7            | 7.6            | 7.9            | -                 |
| NIBC Direct customer survey score   | 100%           | 100%           | 100%           | 100%              |
| % of new corporate loans screened against sustainability policy               | 14             | 28             | 23             | 11                |
| Number of new corporate clients with increased sustainability risk assessment | 1              | 0              | 1              | 1                 |
| Fines or sanctions for non-compliance with laws and regulations               |                |                |                |                   |
| <b>Employees</b>  |                |                |                |                   |
| Total number of FTEs end of financial period                                  | 644            | 716            | 689            | 686               |
| Male / female ratio   | 70%/30%        | 73%/27%        | 70%/30%        | 69%/31%           |
| Male / female ratio top management  | 90%/10%        | 91%/9%         | 88%/12%        | 87%/13%           |
| Training expenses per employee (EUR)  | 2,540          | 2,041          | 2,318          | 1,717             |
| Absenteeism (trend total)   | 2.2%           | 2.4%           | 2.2%           | 2.1%              |
| Employee turnover (employees started)   | 15.2%          | 25.2%          | 16.5%          | 9.9%              |
| Employee turnover (employees left)  | 15.2%          | 15.0%          | 20.5%          | 10.3%             |

## Appendix III: Key Figures and Balance Sheet NIBC Holding (3/3)

### Assets

| €m                  | 2015          | 2016          | 2017          | HI 2018       |
|---------------------|---------------|---------------|---------------|---------------|
| Cash and banks      | 2,512         | 2,386         | 2,569         | 2,430         |
| Loans               | 7,397         | 7,818         | 7,398         | 7,382         |
| Lease receivables   | 212           | 236           | 256           | 315           |
| Mortgage loans      | 8,767         | 9,020         | 9,332         | 9,381         |
| Debt investments    | 1,377         | 1,375         | 913           | 828           |
| Equity investments  | 277           | 252           | 330           | 340           |
| Derivatives         | 2,141         | 1,811         | 1,021         | 828           |
| All other assets    | 470           | 597           | 329           | 269           |
| <b>Total assets</b> | <b>23,153</b> | <b>23,495</b> | <b>22,148</b> | <b>21,774</b> |

### Liabilities

| €m   | 2015          | 2016          | 2017          | HI 2018       |
|--|---------------|---------------|---------------|---------------|
| Retail funding                                     | 10,016        | 9,721         | 9,307         | 9,205         |
| Funding from securitised mortgage loans            | 2,062         | 1,337         | 267           | 0             |
| Covered bonds                                      | 1,513         | 2,028         | 2,008         | 2,515         |
| ESF  | 1,127         | 1,230         | 1,350         | 1,214         |
| All other senior funding                           | 3,786         | 4,673         | 5,725         | 5,781         |
| Tier I and subordinated funding                    | 400           | 398           | 283           | 288           |
| Derivatives  | 2,356         | 2,006         | 863           | 761           |
| All other liabilities                              | 158           | 281           | 225           | 139           |
| <b>Total liabilities</b>                           | <b>21,418</b> | <b>21,675</b> | <b>20,027</b> | <b>19,903</b> |
| Equity attributable to shareholders of the company | 1,735         | 1,817         | 1,915         | 1,669         |
| Capital securities (non-controlling interest)      |               |               | 203           | 200           |
| Equity attributable to non-controlling interests   |               | 3             | 3             | 2             |
| <b>Total liabilities and shareholders equity</b>   | <b>23,153</b> | <b>23,495</b> | <b>22,148</b> | <b>21,774</b> |