

NIBC Bank N.V. ("NIBC") is looking to onboard a new **strategic investor** to further accelerate its Dutch residential mortgage market growth via a forward flow arrangement through its **originate-to-manage ("OTM") platform**

BENEFITS OF PARTNERING WITH A LEADING PLAYER IN THE DUTCH MORTGAGE MARKET



Alignment of interest with NIBC which invests in the same mortgages for its own book
NIBC invests in mortgage receivables with identical underwriting criteria and (special) servicing



Ability to leverage on an established business model with tailored approach
Our OTM platform offers full transparency and exposure to an attractive asset class, allowing investors to invest in a customised mortgage portfolio based on their risk-reward profile



NIBC can support the investor by offering balance sheet support
By taking up certain loan parts, enabling investors to focus on their appetite



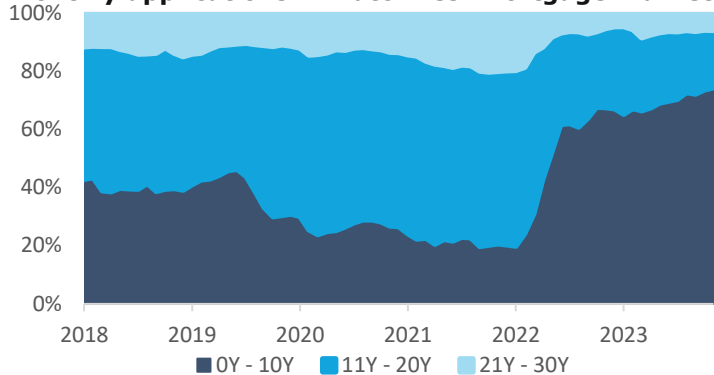
NIBC is highly experienced in the Dutch mortgage business
We have been originating Dutch mortgages for over 25 years and are experienced in originating, servicing and managing Dutch residential mortgage portfolios, as well as offering various services to external investors

SIZEABLE DUTCH MORTGAGE MARKET WITH AN ATTRACTIVE RISK-RETURN PROFILE

Mortgage market

- Dutch residential mortgage loans form a sizeable asset class, corresponding to a total outstanding amount of roughly EUR 800bn
- The market is highly regulated and characterised by standardised underwriting criteria
- Various domestic and international institutional investors are active in the market
- Recent interest rate developments have led to an increased proportion of shorter fixed rate periods for new origination

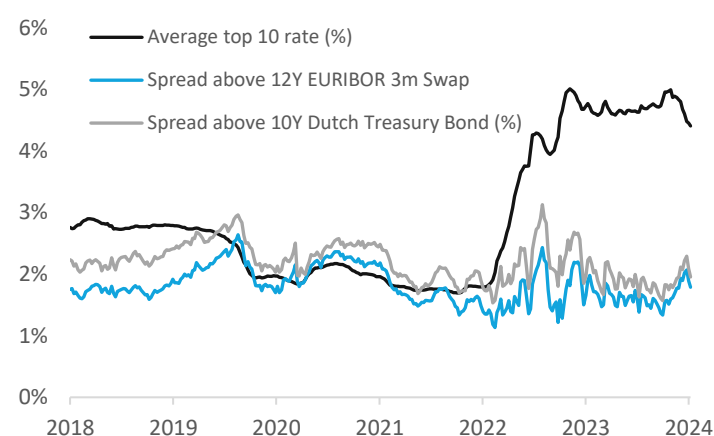
Monthly applications in Dutch resi mortgage market



Risk-return trade-off

- Dutch prime residential mortgage loans have demonstrated very low credit losses (<5 bps on average) historically, especially compared to other European countries
- Spreads on Dutch mortgage loans follow the swap movement and continue to be an attractive investment opportunity
- Currently the gross spread above swap is 179 bps for 20y fixed non-NHG at 100% LTMV, and 167 bps for 10y fixed non-NHG at 100% LTMV
- The net investor spread can be derived by further deducting c. 30 bps for credit losses, origination and servicing costs

Yield & Spread: 20 yrs FRP / non-NHG / 100% LTV



NIBC MORTGAGE LOAN OFFERING



5.1%
Market share Dutch mortgage market



EUR 5.3 bn
Annual mortgage loan production



NIBC lot
Two distinct mortgage labels

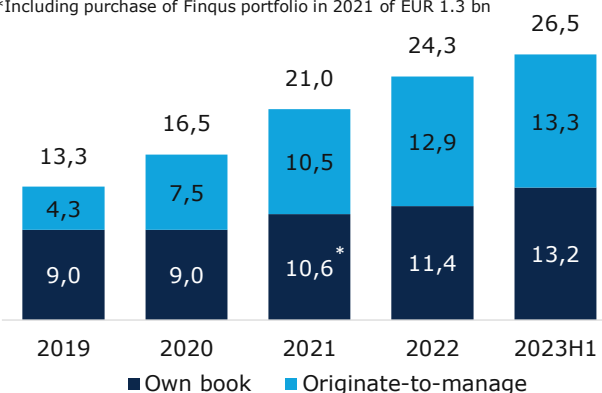
- NIBC is a Dutch regulated bank and services over 450,000 clients across the Netherlands, Germany and Belgium by offering savings and mortgage products
- ESG is embedded in our strategy and our mortgage offering: Lot Hypotheken has won the Green Lotus Award 2023 for its contribution to sustainability in the Dutch mortgage market
- NIBC has shown strong mortgage origination in recent years: the total residential mortgage portfolio grew from EUR 11.0 bn at 2018YE to EUR 26.5 bn at H1 2023

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

- In 2016, NIBC started originating mortgage loans for external investors by starting a strategic partnership with AXA Investment Management
- Since then, NIBC's mortgage portfolio originated and managed for several external investors grew to over EUR 13 bn by H1 2023
- About half of the mortgage loans originated under NIBC's mortgage brands are for our own balance sheet and the other half is taken up by investors
- As processes and underwriting are identical for own book mortgages, alignment of interest between NIBC and its strategic partners is ensured
- Investors are able to customise their investment mandate by choosing between NHG and/or non-NHG as well as their preferred fixed rate period
- Only mortgages originated at or above the investor's minimum price are allocated to the investor
- In order to facilitate the investor in such strategic partnerships, NIBC can offer balance sheet support by taking certain loan parts, such as bridge loans or further advances, on its own balance sheet

Outstanding residential mortgage loans (EUR bn)

*Including purchase of Finqus portfolio in 2021 of EUR 1.3 bn



ORIGINATE-TO-MANAGE BUSINESS STRUCTURE: TWO WAYS TO INVEST

Whole loan investment

- Investor purchases newly originated whole loan mortgages directly on balance or via an SPV
- Mortgage loan cashflows fully passed on to investor
- Silent assignment of receivables to the investor

RMBS

- Investor purchases RMBS notes issued by an SPV that has purchased newly originated mortgage loans
- No first optional redemption date
- Opportunity to invest in senior or mezz/equity notes

Cornerstone OTM features for both investment options

- 1** | NIBC is lender of record and servicer
- 2** | Optimisation of mandate according to investor preferences
- 3** | Origination is subject to investor minimum pricing conditions
- 4** | Full alignment of interest and risk retention through NIBC's own book origination

CONTACT

If you have any questions or if you would like to know more about our Originate-to-Manage proposition, please send a message to OTM@nibc.com or contact any of the team members directly:

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