



Quarterly Figures

Homeownership Guarantee Fund (WEW)

3rd Quarter 2017 | Reference date: 2 October 2017

Disclaimer: This quarterly report is based on preliminary figures from WEW which have not been checked by an accountant.

Positive results offer scope for sustainability investments

Home buyers' interest in securing the safety net that the National Mortgage Guarantee (NHG) provides remains high. During the first three quarters of 2017, more than 87,000 households financed their homes with NHG backing. In the same period 1,669 households submitted a claim to NHG when faced with having to sell their property a loss. Fortunately, the number of people in this group has declined considerably.

These positive developments create more assets, which strengthens NHG's position as a guarantee fund. Consequently, the Homeownership Guarantee Fund (referred to as WEW in Dutch) can then continue its work with commercial and government bodies, to find customised solutions for those groups who face challenges on the property market.

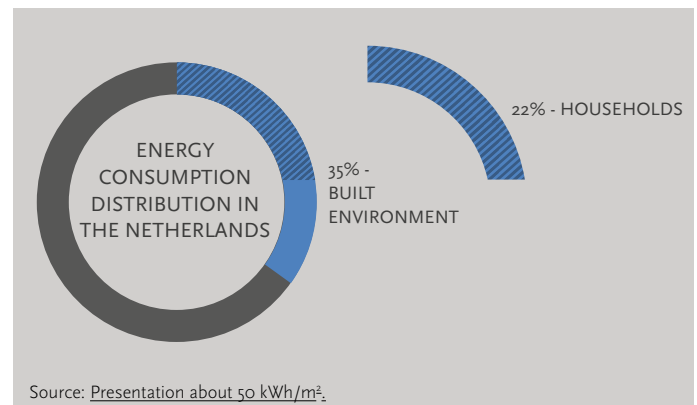
Trends in guarantees

Guarantees	3rd Quarter		cumulative to end of 3rd Quarter	
	2017	2016	2017	2016
Volume rounded up to nearest hundred				
NHG total	29,600	31,100	87,200	87,500
NHG for house purchase	25,700	27,200	74,800	75,300
NHG for home improvement	3,400	3,500	11,100	10,900
NHG other	500	400	1,300	1,300

The number of guarantees issued remained stable

NHG is still popular for home buyers: in the first three quarters of 2017, 69% of all mortgages issued within the NHG cost ceiling of €245,000 had NHG backing.* The number of NHG-mortgages is more or less the same as it was in the same period last year. The cost-ceiling is set to rise to €265,000 in 2018. The ceiling for loans which include energy saving improvements will be €280,900 in 2018. Raising the ceiling will make more consumers eligible for NHG backing in 2018.

* This calculation is based on figures from the Land Registry Office from 1-1-2017 to 31-07-2017.



Necessary sustainability measures

Meeting the Dutch climate objectives is contingent on improving the sustainability of a large part of the housing stock. According to the Dutch Green Building Council and the Netherlands Enterprise Agency (RVO), every day up to 2050, 1,000 buildings will need to undergo sustainability improvements. This is a huge challenge, but at the same time, it is entirely feasible. Households are responsible for a little more than one-fifth of energy consumption in the Netherlands, and that can be vastly improved.

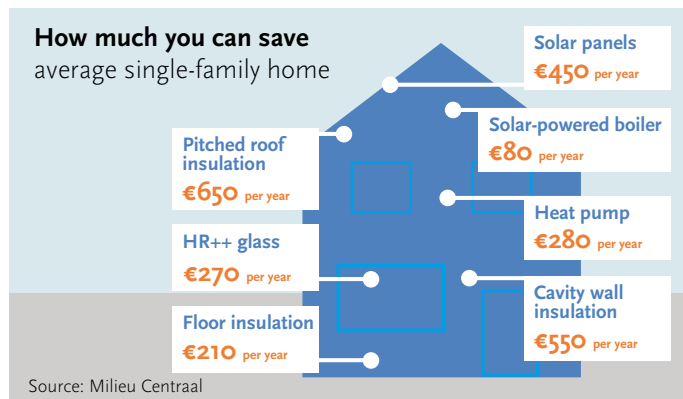
Trends in loss claims

Claims made on the suretyship	3rd Quarter		cumulative to end of 3rd Quarter	
	2017	2016	2017	2016
Number of loss claims submitted	495	838	1,669	2,704
Percentage loss claims processed	87%	100%	96%	100%
Number of loss claims honoured	377	732	1,438	2,400
Total loss amount under surety (A)*	10.3	25.6	40.2	89.9
Total loss amount paid out (B)*	9.8	23.5	38.2	83.2
Average loss amount paid out in €	25,930	32,088	26,587	34,672
Pay-out ratio (B/A)	95.3%	91.8%	95.2%	92.5%

*based on loss claims paid out (x € 1,000,000)

Number of losses is still declining

Further recovery in the housing market has brought the number of loss claims submitted to WEW below that of the same period last year (-35%). Rising house prices have also contributed to a decrease in the average loss incurred (-23%). By working with lenders to continuously monitor portfolio quality, WEW is able to honour a high number of loss portfolios while achieving a high pay-out ratio. Despite the more favourable climate, WEW remains as committed as ever to improving preventive management and to helping people with payment difficulties.



WEW's commitment to climate objectives

With 1.3 million existing customers and between 75,000 and 100,000 new customers per annum, WEW aims to make an important contribution to increasing the sustainability of owner-occupied homes in the Netherlands. WEW's societal role is a motivating factor in this respect, but sustainability improvements simply bring important benefits to many households. In this context, the NHG Conditions & Norms were recently simplified. By encouraging sustainability measures, WEW hopes to enable households to invest in improving their homes' sustainability, which has the potential to drastically reduce household energy consumption and costs, improve their living comfort and increase the value of their home.

Fund trends

Fund trends	Estimate	Annual accounts	Annual accounts
	at 30-09-2017	Per 31-12-2016	Per 31-12-2015
Number of active guarantees	1,330,000	1,309,000	1,254,000
NHG liabilities x € 1 b.*	194	193	187
NHG assets under management € 1 m.**	1,067	970	889
Capital ratio ***	0.55%	0.50%	0.47%

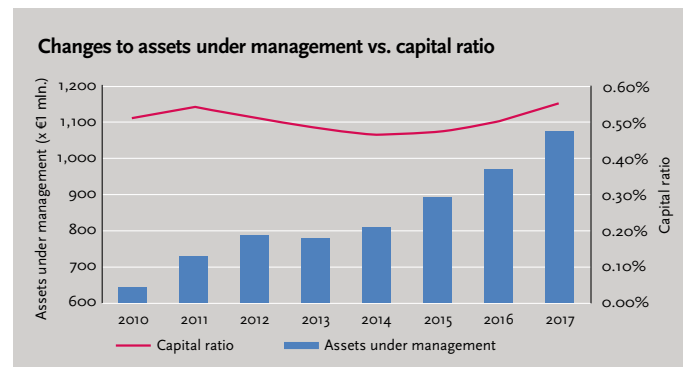
* The maximum guaranteed liability is the sum of the nominal value minus the annuitised reduction of all current NHG loans.

** The assets under management form the equity of WEW fund from which future losses will be paid.

*** The relationship between the maximum guaranteed liabilities and the assets under management.

Sound financial basis

WEW's assets under management are earmarked for providing assistance to homeowners in difficulties and to absorb rising losses under unfavourable economic circumstances. The growth in assets under management is partly attributable to the recovering housing market and rising house prices. This is helping to keep the number of issued guarantees at a steady level as the both the number of loss claims and the average loss amount go down.



Changes to assets under management and 2018 outlook

The capital ratio is improving thanks, in part, to the sizeable decrease in losses and an inflow of new guarantees that has remained high. The capital ratio is still volatile, though: falling house prices, for example, impact it directly.

In order to absorb any such fluctuations in the housing market, the one-off premium that homeowners pay for an NHG mortgage as of 1 January 2018 amounts to 1% of the loan, just as in 2017. This enables WEW to continue working with commercial and government bodies to find customised solutions for groups facing challenges on the property market.

