



Quarterly Figures

Homeownership Guarantee Fund (WEW)

2nd Quarter 2017 | Reference date: 3 July 2017

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

Housing market still facing challenges

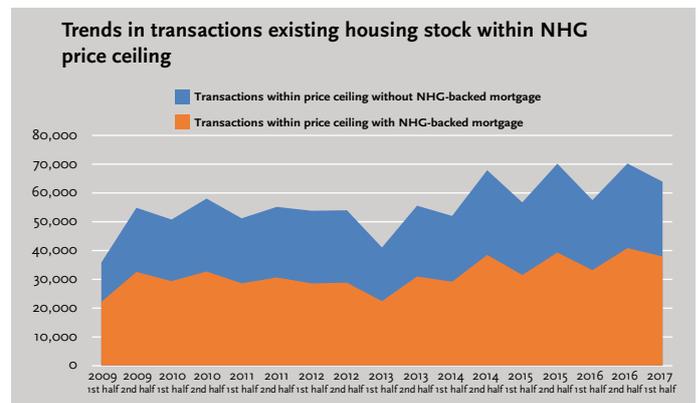
More properties were sold in the 1st half of 2017 than in the corresponding period in 2016. The number of households taking out an NHG-backed mortgage to buy a property also rose. Home owners are benefiting from rising property prices, and this is reflected in the results of the Homeownership Guarantee Fund (referred to as WEW in Dutch). At the same time, these same developments are making it more difficult for specific groups such as temporary employees, seniors and people starting their own business to buy a home. The problem can be solved by developing customised solutions. WEW is tackling these challenges with other parties in the market. The Minister for the Interior, Ronald Plasterk, has asked that we proactively inform him on these developments and has formally written to the Dutch House of Representatives on the matter.

Trends in guarantees

Guarantees	2nd Quarter		1st half year	
	2017	2016	2017	2016
Volume rounded up to nearest hundred				
NHG total	29,300	28,400	57,600	56,400
NHG for house purchase	25,300	24,500	49,100	48,100
NHG for home improvement	3,600	3,500	7,700	7,400
NHG other	400	400	800	900

Strong demand for NHG

In the 2nd Quarter many home buyers again opted to finance their property with a responsible mortgage backed by NHG. The number of guarantees issued rose by 3% on the same period in 2016. The number of households that took out an NHG mortgage for home improvements also rose by 3%. Home improvement covers renovating existing housing stock or energy efficiency measures.



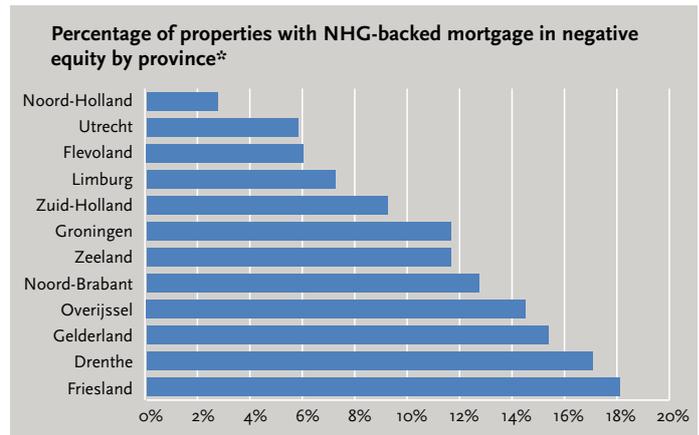
Transactions below NHG price ceiling

As the above chart shows, the number of market transactions with an NHG-backed mortgage in existing housing stock remained steady. At the same time, it is clear that since the turning point of the financial crisis, there has been a rise in the number of non-NHG mortgages granted for properties which fall within the NHG price ceiling. One reason for this is that properties are increasingly being purchased through alternative forms of funding, such as gifts or via guarantees based on the buyers' parents' assets.

Trends in loss claims

Claims made on the suretyship	2nd Quarter		1st half year	
	2017	2016	2017	2016
Number of loss claims submitted	526	923	1,176	1,869
Percentage loss claims processed	91%	100%	95%	100%
Number of loss claims honoured	434	814	1,016	1,670
Total loss amount under surety (A)*	11.7	30.3	28.7	64.2
Total loss amount paid out (B) *	11.1	28.1	27.2	59.6
Average loss paid out in €	25,557	34,477	26,773	35,708
Pay-out ratio (B/A)	95.2%	92.6%	94.9%	92.8%

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



The recovery in the housing market reduces loss claims

As the Dutch economy continues its recovery, the number of loss claims submitted has fallen compared to the same period last year. The average amount of loss claims paid out also fell, due in part to rising house prices and people making extra repayments on their mortgages. Nevertheless, in the 2nd Quarter 526 households submitted a claim to NHG related to selling their home at a loss. Since 2007 WEW has helped over 19,000 households with regard to waiving debt in circumstances such as losing their job, becoming unfit to work or ending their relationship.

Number of homes in negative equity still relatively high outside urban areas

The number of homes in negative equity in the Netherlands is falling, due in part to higher extra mortgage repayments, the lower statutory LTV limit and the rise in house prices. This includes homes with NHG-backed mortgages. However, significant regional differences can be seen. In urban areas like Utrecht and Noord Holland, the number of homes in negative equity is low. In Friesland and Drenthe, in contrast, 1 in 6 homes is in negative equity.

* Percentage of guarantees issued of which the loan guaranteed by NHG is higher than the market value of the property. These percentages do not include Amsterdam, Rotterdam, Utrecht or The Hague since < 1% of homes is in negative equity in these locations.

Fund trends

Fund trends	Estimate	Annual accounts	Annual accounts
	at 30-06-2017	Per 31-12-2016	Per 31-12-2015
Number of active guarantees	1,325,000	1,309,000	1,254,000
NHG liabilities x € 1 b.*	194	193	187
NHG assets under management € 1 m.**	1,032	970	889
Capital ratio ***	0,53%	0,50%	0,47%

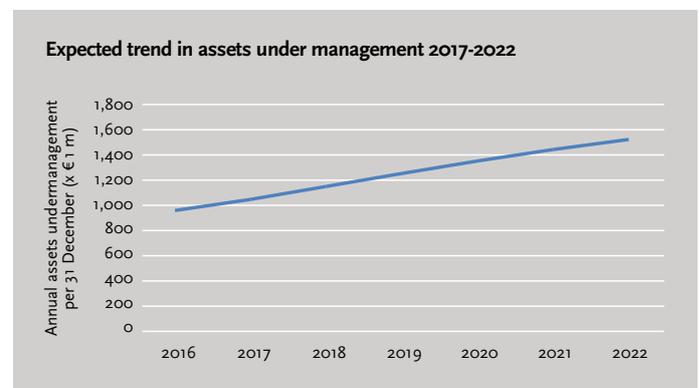
* The maximum guaranteed liability is the sum of the nominal value of all the principal NHG loans outstanding minus the maximum amount of the mortgage repayments since the NHG loan origination (assuming an annuity amortization schedule) and the capital accumulated in related life insurances and bank savings (where appropriate).

** The assets under management form the equity of the Homeownership Guarantee Fund Foundation from which future losses will be paid.

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

Assets under management

In the 2nd Quarter the assets under management at the Guarantee Fund rose to € 1 billion. The growth can be partially attributed to the recovery in the housing market and to rising house prices. This maintains the number of guarantees issued at the required levels and reduces the number of loss claims and the average loss claim paid out. The fund's assets are deployed to support home owners in problem situations now and in future, and to absorb higher losses when the economic climate becomes unfavourable.



Outlook: Continued attention to customised solutions

On 30 June 2017 WEW published its liquidity forecast for the period 2017-2022. The fund's assets are expected to grow in the next five years as a result of the favourable economic climate. This means that the WEW buffer to absorb losses in a more difficult climate will also grow. These prospects allow the WEW to continue its work with commercial and government bodies to find customised solutions for those groups who face challenges on the property market. For instance, we are looking at solutions to help seniors stay in their own homes for longer.