



# Quarterly Figures

Homeownership Guarantee Fund (WEW)

1st Quarter 2018 | Reference date: 1 april 2018

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

## Customised solutions from NHG

NHG is still in demand with homeowners. In the first quarter of 2018, 27,000 households financed their home with NHG (Dutch mortgage guarantee scheme). In the same period, 362 households with NHG-backed mortgages made a claim related to the forced sale of their home at a loss. Fortunately, this number is considerably lower than in the crisis years. The number of guarantees issued was stable. In combination with the fall in claims on NHG, this meant that assets under management rose to EUR 1,137 million.

The first quarter results give the Homeownership Guarantee Fund (WEW) a sound basis to continue its work on customised solutions in the housing market. For instance, for first-time buyers, temporary employees, self-employed persons without employees, seniors, and homeowners wanting to make their homes more sustainable. NHG enables these groups to obtain responsible finance to buy their own home or make home improvements.

## Trends new guarantees

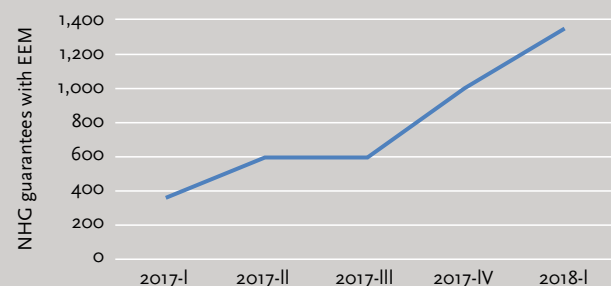
### Guarantees

	Quarter 1		Year
	2018	2017	2017
Volume rounded up to nearest hundred			
NHG total	27,000	28,300	118,000
NHG for house purchase	22,000	23,800	101,200
NHG for home improvement	4,000	4,100	15,000
NHG other	1,000	400	1,800

### Slight fall in number of guarantees

The number of households that took out an NHG-backed mortgage to buy a home fell slightly compared to Q1 2017 (-7.6%), as did the number of households obtaining an NHG-backed mortgage for home improvement, which fell by 2.4%.

### NHG guarantees with EEM



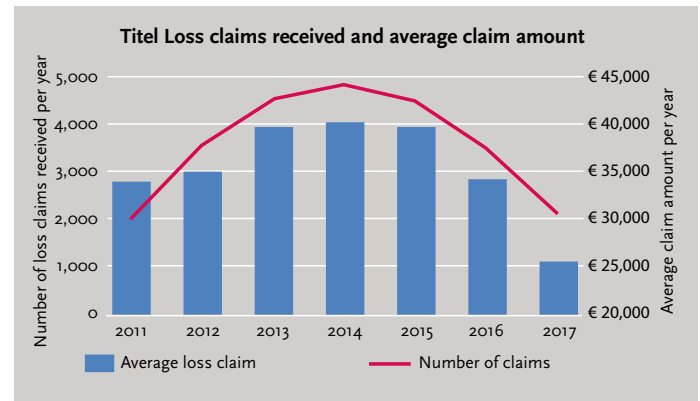
### Number of homes made more sustainable rising

Alongside its efforts for groups facing challenges on the property market, NHG is also committed to improving the sustainability of existing housing stock. Due to the increasing attention to financing options for energy efficiency measures (EEM), the number of NHG guarantees with EEM rose again. This increase excludes the rise in investments in EEM which are not covered by funding for home improvements or which the mortgage lender does not list separately. In other words, the actual rise in investments in EEM was higher, which is necessary if we are to meet the Paris climate goals.

## Trends in control mechanisms and focus NHG

Claims made on the suretyship	Quarter 1		Year
	2018	2017	2017
Number of loss claims submitted	362	650	2,124
% loss claims processed	73%	100%	98%
Number of loss claims honoured	256	583	1,904
Total loss amount under surety (A)*	5.3	17.0	51.6
Total loss amount paid out (B)*	5.0	16.1	48.4
Average loss amount paid out in €	19,507	27,670	25,444
Pay-out ratio (B/A)	94.0%	94.8%	93.9%

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



### Further decline in number of loss claims

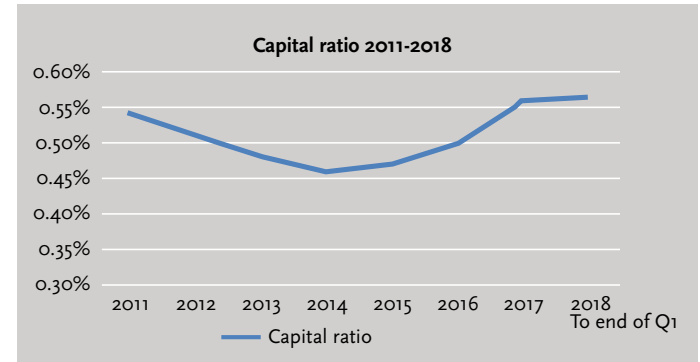
In the first quarter, the number of households that made a claim on the NHG related to selling their home at a loss fell by over 55 percent compared to the same period last year. Our continuing structural focus on the quality of the files submitted, in partnership with lenders, meant that we were once again able to pay out a high number of loss claims and achieve a high pay-out ratio. While NHG notes that the current housing market is characterised by fewer issues with residual debt and forced sale at a loss, we are still attentive to these issues. Wherever possible, it is our priority to ensure that people do not get into arrears and do not lose their homes.

### Fewer loss claims attributable to rising house prices

The average loss claim fell, which is logical since house prices are rising. At the same time, the number of loss claims fell, and we are seeing proof that the safety net NHG provides is working successfully. This gives NHG the opportunity to focus. Every period requires its own different focus and approach. During the crisis years, the mortgage guarantee scheme proved its worth and covered several losses. Now, the focus has shifted to creating responsible options for specific groups. It is also important to keep in mind that a new crisis could occur and to protect people against adverse impacts and offer a safety net.

## Fund trends

Fund trends	Estimate	Provisional	Annual
	at 31-03-2018	at 31-12-2017	accounts at 31-12-2016
Number of active guarantees	1,380,000	1,353,000	1,309,000
NHG liabilities x € 1 b <sup>1</sup>	202	198	193
NHG assets under management x € 1 m <sup>2</sup>	1,137	1,104	970
Capital ratio <sup>3</sup>	0.56%	0.56%	0.50%



<sup>1</sup> The maximum guaranteed liability is the sum of the nominal value minus the annuitised reduction of all current NHG loans.

<sup>2</sup> The assets under management form the equity of WEW fund from which future losses will be paid.

<sup>3</sup> The relationship between the maximum guaranteed liabilities and the assets under management.

### Rise in assets under management

In Q1 the assets under management at the Guarantee Fund rose further, reaching a total of € 1,137 million. 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 both 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 during unfavourable economic circumstances.

### Healthier housing market thanks to customised solutions

The growth of the fund provides a sound foundation for WEW to continue its work on specific solutions and contribute to a healthy housing market. In 2018 we will need to scale up this work to build on the successful innovations of 2017. We will do so by promoting our existing solutions more widely and by developing innovations for new target groups. Fortunately, we are not alone in our efforts. We must now focus on expanding existing initiatives and developing new innovations in cooperation with the government and other market parties. In Q2, NHG will focus on initiatives for first-time buyers, entrepreneurs and seniors. For instance, first-time buyers will be given the opportunity to include the NHG premium in the mortgage loan, while seniors will have cash-out refinancing options if they wish to redeem positive equity. ([click here](#))