Nationaal Warmtefonds
(National Heat fund)

Bauhaus, June 18, 2021
1. AIM

Increase the speed at which Dutch home owners are able to make their homes more sustainable by compensating financing deficiencies in the market.

Method:

Relatively cheap loans to private home owners, schools and Home Owner Associations to finance explicitly defined energy saving measures.

Regular credit assessment: loan to income private individuals / financial health HoA

Not for profit foundation was created: stand alone but operating within financing conditions of the funders
2. NEW DEVELOPMENT

The government defined an ambitious program (Climate Agreement) in which amongst others the energy transition (gas to electricity) and continued stimulation of energy saving measures are important building blocks.

The approach will be per neighbourhood. To ensure all home owners can participate in this process the Dutch Government wants to ensure access to cheap loans for all home owners (eg failing loan to income ratio’s) via the Nationaal Warmtefonds as of 2021.

Separate legal entity (also a foundation), but same board and supervisory board.
### 3. CLIENTS

<table>
<thead>
<tr>
<th>CLIENTGROUP</th>
<th>PRODUCT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SUFFICIENT FINANCE CAPACITY</strong></td>
<td></td>
</tr>
<tr>
<td>1a. PRIVATE INDIVIDUALS</td>
<td>CONSUMER LOAN</td>
</tr>
<tr>
<td>1b. HOME OWNER’S ASSOCIATION</td>
<td>REGULAR LOAN</td>
</tr>
<tr>
<td><strong>INSUFFICIENT FINANCE CAPACITY</strong></td>
<td></td>
</tr>
<tr>
<td>2a. PRIVATE INDIVIDUALS</td>
<td>MORTGAGE LOAN</td>
</tr>
<tr>
<td>2b. HOME OWNER’S ASSOCIATION</td>
<td>To be developed</td>
</tr>
</tbody>
</table>
Main product characteristics consumer loans

Fixed interest rate
Choice between terms (7, 10, 15 and 20 years)
Only available for predefined list of energy saving measures
Pay out loan to contractors
Early repayment penalty free
No collateral
Credit worthyness test (in line with market practise)

This is a regulated activity so supervision by market conduct authority.
Main product characteristics mortgages

Fixed interest rate equal to consumer loans
Choice between terms (15 and 20 years)
Only available for predefined list of energy saving measures / Pay out loan to contractors / Early repayment penalty free
In case of insufficient payment capacity 3 year holiday interest and repayment
Re-testing payment capacity after 3, 6 and 10 years. No capacity, no client payments.
Selling the house: price higher than loan obligations: repayment mortgage
At the end of the term release remaining payment obligations.

100% funding Government
This is a regulated activity so supervision by market conduct authority.
4. Growth Warmtefonds

AMBITION: EUR 4 billion IN 2030

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Private individuals</td>
<td>6</td>
<td>22</td>
<td>57</td>
<td>111</td>
<td>194</td>
<td>303</td>
<td>421</td>
</tr>
<tr>
<td>HoA</td>
<td>3</td>
<td>22</td>
<td>53</td>
<td>92</td>
<td>132</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>6</td>
<td>22</td>
<td>60</td>
<td>133</td>
<td>247</td>
<td>395</td>
<td>553</td>
</tr>
</tbody>
</table>

Granted loans

- **2014:** 6 million
- **2015:** 22 million
- **2016:** 57 million
- **2017:** 111 million
- **2018:** 194 million
- **2019:** 303 million
- **2020:** 421 million

**Total Granted Loans:**
- **2014:** 6 million
- **2015:** 22 million
- **2016:** 60 million
- **2017:** 133 million
- **2018:** 247 million
- **2019:** 395 million
- **2020:** 553 million
5. Funders (1)

Subordinated loan Government (BZK)
Based on two assumptions:
Required balance public – private funding (currently 20 – 80)
Ambition level size client loan portfolio (currently EUR 1.2 bn)

Loans banks
Collateral
Covenants (equity, defaults etc)
To fully utilize Government funding we will fund another EUR 200 million from banks in the next 6 to 12 months.
6. Main service providers

Zanders: day to day management on behalf of board NWF incl. risk, finance & control and compliance

Polestar: origination and monitoring loans, financial admin.

Ohpen: IT backbone (portals, mid office and back office systems)
7. High level structure
8. Key message

No general recipe that can be applied in every country

Make a clear operational framework (including governance)

Realise your place in the chain

Required push and pull factors