

# Affordable Housing Bond

Social  
Indicator  
Report  
2018





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Housing is a basic human right.  
Everyone should have access to an adequate and affordable home.



# NWB BANK'S AFFORDABLE HOUSING BOND

NWB Bank proudly presents the second edition of the Social Indicator Report of its Affordable Housing Bond.

After the successful launch in 2017 of the Affordable Housing Bond and its warm reception among impact investors, it continues to generate much interest. In 2017 and 2018, a total of EUR 4.7 billion was raised, with maturities between 7 and 30 years.

NWB Bank's Affordable Housing Bond is positioned among the largest and most attractive Social Bonds and has been recognized by professionals in the impact investment community<sup>1</sup>.

The Affordable Housing Bond strengthens the position of NWB Bank as one of the largest lenders to Dutch social housing organizations (SHOs). Thanks to the strong appetite of the impact investment community for the Affordable Housing Bond, social housing providers will be able to remain strong social investors.

Using the proceeds, not-for-profit housing organizations will continue to improve the daily lives of millions of people with limited budgets and others in vulnerable situations who live in social dwellings.

Besides their core activities, namely, the "bricks and mortar" of housing services, they differentiate themselves from other commercial developers in many ways. Their long-term commitments to keep communities resilient and lively, in close cooperation with local actors, and their people-centred focus result in additional contributions to society.

Our ambition is to raise awareness about the benefits of the Dutch social housing system through this Social Indicator Report and to continue to create opportunities for our investors through the Affordable Housing Bond.

This report intends to provide an overview of the use of proceeds and the impact of the Affordable Housing Bond. By highlighting seven impact drivers of social housing, we inform investors about how vulnerable households and communities benefit from their impact investments.

Finally, the report highlights how the societal benefits of NWB Bank's Affordable Housing Bond are directly contributing to the UN Sustainable Development Goals (SDGs) on poverty, health, clean energy, economic growth, inequalities, and sustainable cities and communities.

At NWB Bank, we see housing as more than real estate. Housing is a basic human right, according to the Universal Declaration of Human Rights (Article 25). Everyone should have access to an adequate and affordable home.

<sup>1</sup>: For example, Social Bond of the Year at the 2018 Environmental Finance Awards.





# DUTCH SOCIAL HOUSING IN BRIEF

Each registered SHO in the Netherlands is dedicated to the provision of affordable housing and liveable communities for households on a low income or those experiencing other vulnerabilities.

For more than a century, Dutch SHOs have been establishing a successful model to develop an important stock of social dwellings, urban areas and enjoyable neighbourhoods for different groups in society.

SHOs are registered, private and not-for-profit associations or foundations. They are regulated by law and focus on specific target groups and other housing activities.

They own and manage 2.4 million dwellings. In 2018, SHOs indicated investment plans worth EUR 4 billion for new dwellings<sup>2</sup>. They intend to invest another EUR 2.9 billion per year to improve the quality of existing stock, including in energy performance.

To improve the feasibility of their investments, they have access to the Social Housing Guarantee Fund (WSW), which guarantees loans, such as those they receive from NWB Bank. This is the sole supply subsidy other than discounts on land from municipalities.

They are required to maintain separate administrative accounts or have legal subsidiaries for other activities non-core social housing tasks. This also guarantees that the proceeds from the Affordable Housing Bond are only used for these activities. Any profit remains at the disposal of SHOs for reinvestment in the sector, but it cannot be distributed to other parties.

Nowadays, in addition to the constant housing challenge, developments such as those stemming from ageing, migration and energy efficiency require the full attention of SHOs.

The complexity of social issues related to poverty, insecurity, mental health problems, loneliness, and social integration places increasing pressure on the liveability of their neighbourhoods and communities as well.

The sector's own five-year vision<sup>3</sup> highlights that social housing providers feel responsible for addressing all these issues through partnerships and initiatives with civil society organizations, businesses and citizens.

2: WSW Portefeuilleraapportage, June 2018.  
3: Aedes Vision Paper Aedes, 2016-2021.



# THE IMPACT OF THE AFFORDABLE HOUSING BOND

To assess the impact<sup>4</sup> of the Affordable Housing Bond and its contribution to the UN SDGs, 36 indicators have been selected and divided into seven categories, which are the main drivers in social housing activities that generate impact.

The indicators are inputs, outputs and outcomes related to the social housing activities of SHOs. This quantitative information is complemented with an explanation of the impact and the underlying theory of change. Finally, each impact driver is matched with the corresponding UN SDGs.



4: This report intends to highlight the positive impact delivered through the Affordable Housing Bond. Most indicators are output- and outcome-based. Direct evidence of socio-economic impact effects is difficult to claim because they are hard to isolate and correlate directly with investments at this macro level. However, evidence and practice show generally accepted relationships, as mentioned in the outcome model presented earlier.



# OUTCOMES FRAMEWORK AND IMPACT PATHWAYS

The outcomes model<sup>5</sup> pictured here illustrates the different linkages between the housing output, outcomes and pathways leading to social impact. Based on this model, this report categorizes the set of social housing indicators into seven outcome fields: vulnerable groups, housing affordability, availability and stability, good quality, liveable communities, environment and energy, and responsible local partner.

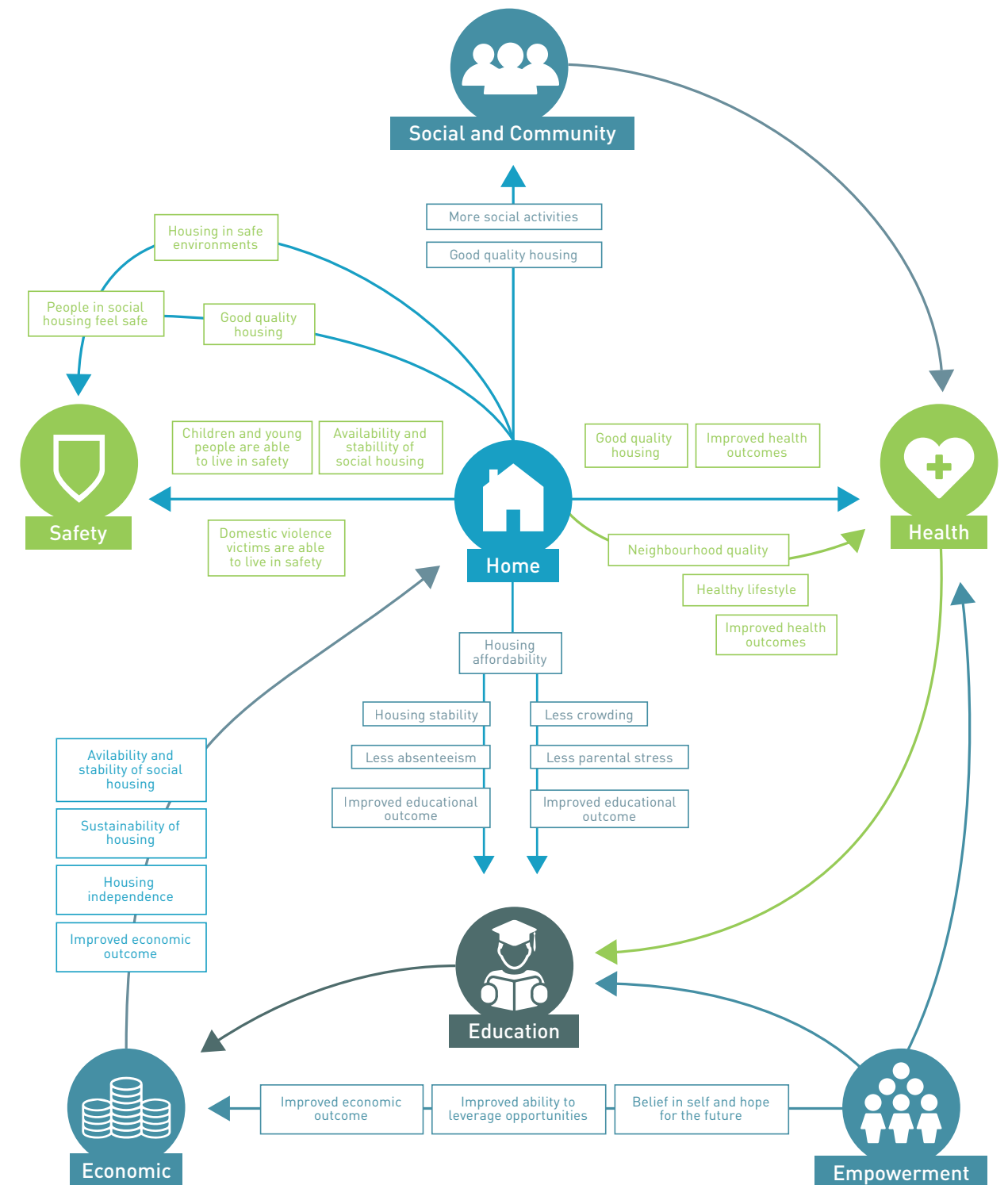


Figure: Outcome model for social housing

5: Developed by the Government of New South Wales, Australia.



# IMPACT DRIVERS

## IMPACT DRIVER 1 - DELIVER ADEQUATE DWELLINGS

Impact investments through the Affordable Housing Bond make a difference by helping SHOs respond to housing needs and finance the delivery of dwellings for those with difficulties in finding an adequate and affordable home.

### Theory of Change

Proceeds from the Affordable Housing Bond and loans from NWB Bank make it possible for SHOs to undertake important investments in the development and management of affordable housing stock for vulnerable groups.

Realizing investments in the development, maintenance and improvement of social dwellings is crucial to achieve social outcomes and long-lasting impacts in housing.

The construction of affordable dwellings lowers the scarcity that low- and middle-income groups often experience in their search for a new home, especially in urban areas with economic opportunities.

Augmenting the number of social dwellings improves their chances of success on waiting lists and provides them with employment, educational and entrepreneurial possibilities. It also ensures that employers are able to attract a more competitive and satisfied workforce, which experiences less stress and commuting time.

Providing affordable housing through social housing ensures that vulnerable households do not become overburdened by housing costs and that they remain protected from market price increases.

Another high-impact result is achieved through the delivery of social dwellings to homeless people who gradually regain lasting independence by securing a home and additional support. The sector announced its commitment to provide dwellings in neighbourhoods for 10,000 people homeless people in shelters<sup>6</sup>.

6: Aedes Housing Agenda (Woon Agenda 2017-2021).

## OUTPUTS

- Social housing providers own and manage around 2.3 million social dwellings<sup>7</sup>
- In 2017, EUR 3,300 million was invested in the construction and purchase of social dwellings<sup>8</sup>
- In 2018, social housing providers delivered approximately 18,000 social dwellings<sup>9</sup>, representing an increase compared to the 15,000 units built in 2017<sup>10</sup>

## OUTCOMES

- 214,650 attributions of social dwellings in 2016
- 31% of the dwellings are accessible to persons with disabilities (stair-free access)<sup>11</sup>
- Social housing providers manage 105,000 dwellings with care support for elderly people<sup>12</sup>
- The stock of social dwellings covers 85% of the general target group and 100% of the priority target group<sup>13</sup>



### Example

Recent shortages in the construction sector have led to price increases that hinder their ability to respond to increasing demands for social and affordable dwellings. Innovations in the construction sector, such as modular and "mass-customized" prefabricated newbuild concepts, can be helpful to accelerate the production of affordable dwellings.

Using the scale and expertise of the sector, these innovations can help social housing providers to manage construction costs. Their guiding role in these innovations through their tendering and project commissioning ensures that housing

costs remain affordable for their target groups.

A concrete example is the construction of more flexible housing concepts for urgent and mobile groups such as migrants and young people. One SHO, located in the heart of the Netherlands, leases 28 houses to urgent house hunters. The movable homes are on a temporary site within walking distance of the centre. The rent contracts are for five years. New tenants are encouraged to meet each other during various dinners organized by the social housing provider in the local school.

7: On 31 December 2016, Staat van de Volkshuisvesting Jaarrapportage 2018.

8: Staat van de Volkshuisvesting Jaarrapportage 2018 and Sectorbeeld 2017.

9: Monitor nieuwbouw sociale huurwoningen 2018, April 2018.

10: Sectoral Prognosis, Dpi 2017, Dutch Ministry of the Interior.

11: 2015, Cijfers over Wonen en Bouwen, Rijksoverheid.

12: Staat van de Volkshuisvesting 2018, Dutch Ministry of the Interior.

13: 2016, Lokale Monitor Wonen, [www.waarstaatjegemeente.nl](http://www.waarstaatjegemeente.nl).



## IMPACT DRIVER 2 - MANAGE AFFORDABLE HOUSING

Although increasing the supply of dwellings has a positive impact on housing affordability overall, SHOs' purpose is to keep monthly rent levels and rent increases below those of market rents and at a level that does not compromise their other basic expenses.

### Theory of Change

SHOs invest in the construction and maintenance of affordable dwellings. This brings several benefits with long-term impacts for families and societies.

Households living in dwellings that they can afford have fewer non-payment risks and improve their security of tenure. This removes uncertainties about securing such a basic need as housing.

People who face housing instability - moving frequently, falling behind on rent or couch surfing - are more likely to experience poor health in comparison to

their peers with more stable housing<sup>14</sup>. Furthermore, affordability decreases the risk of eviction and homelessness.

Having access to an affordable dwelling is also a basic condition to thrive in terms of education, health and work. Furthermore, the provision of affordable housing prevents low-income households from cutting back on expenses for other essential services and needs, such as food, healthcare, energy, education, transport, sports and other social activities.



14. [pediatrics.aappublications.org/content/early/2018/01/18/peds.2017-2199](https://pediatrics.aappublications.org/content/early/2018/01/18/peds.2017-2199).

## OUTCOMES

- In 2017, the average rent increase was 0.6% (for existing and new contracts)<sup>15</sup>
- The average net housing cost ratio is 31.5% (33% in 2015)<sup>16</sup>
- The average net rent cost ratio is 23.3% in 2016 (24% in 2015)<sup>17</sup>
- Around 12.2% of social tenants were 'at risk of non-payment' in 2016 (15% in 2015)<sup>18</sup>
- The average rent is EUR 539 per month (EUR 528 in 2015) which is 23% below the rest of the rental sector in the Netherlands<sup>19</sup>
- The number of evictions as a percentage of all tenants is 0.15% (0.2% in 2016) - there were 3,700 evictions in 2017, a reduction of 23% compared to previous years<sup>20</sup>



### Example

Besides the core task of building and managing affordable dwellings, affordability can also be enhanced if SHOs stay close to their tenants.

In 2017, one SHO started a trial to help its tenants to reduce their expenses and suggest ways to make savings. It was made aware that an increasing number of tenants was experiencing financial trouble and that the need for debt counselling was on the rise.

By offering the services of a personal budget coach to 400 random tenants, the SHO aimed to limit the number

of tenants with payment problems, including those who would normally remain silent<sup>21</sup>. The sector's commitment to guarantee housing affordability was reaffirmed recently when the two national umbrella organizations representing social housing providers and tenants concluded the new Social Rent Deal.

The agreement is aimed at a moderation of rents, so that social tenants will have certainty in the coming years about the affordability of their home. For the coming years, the average rent increases in social housing is limited to the inflation rate.

15: 2016-2017, Aedes Benchmark 2018.

16: 2016, Lokale Monitor Wonen. The net housing cost ratio is an indicator of affordability based on the total housing costs (including rent, energy and local taxes) as a percentage of net disposable income.

17: 2016, Lokale Monitor Wonen. The net rent cost ratio is an indicator of affordability based on the total rent costs (not including energy and local taxes) as a percentage of net disposable income.

18: 2016, Lokale Monitor Wonen, CBS/WSW. The percentage of households "at risk of non-payment" is based on the methodology of the national NIBUD agency, which deducts rent costs from the net disposable income amount and then assesses whether the remaining income is sufficient to afford a standard basket of basic needs for several typical household categories.

19: 2016, Lokale Monitor Wonen.

20: Aedes, 2016-2017.

21: Source: Aedes.nl, 2018 'Bespaarexpert helpt huurders uit betalingsproblemen'.





### IMPACT DRIVER 3 - PROVIDE HOUSING TO VULNERABLE GROUPS

In addition to the improvement of their social housing stock and active affordability measures, a third focus of SHOs is to deliver these dwellings and services to specific priority groups and identify where social returns and impacts are highest.

#### Theory of Change

To optimize the effect of impact investments, SHOs have clearly delimited target groups that profit the most from affordable and adequate housing.

The criteria are often based on income ceilings, but can also be linked to other disadvantages, such as disabilities, special needs, homelessness or urgent situations.

Targeting the allocation of these dwellings to these groups, which are often at risk of poverty or close to this level, helps to prevent higher poverty levels. It also diminishes further inequalities in society in terms of disposable income (excluding housing costs) or geographic segregation.

At the local level, the allocation of social dwellings can also prevent the concentration of poverty while realizing more socially mixed communities.

Furthermore, targeting adequate dwellings (e.g., adapted dwellings for people with a wheelchair or other disabilities) with good accessibility and internal environmental quality standards has a positive impact on the health and care provision of tenants.

### OUTCOMES

- 2.4 million households benefit from submarket rents and stable housing conditions
- In 2016, there were 214,650 new attributions of social dwellings<sup>22</sup>
- 98% of total annual attributions went to the general target group in 2017<sup>23</sup>
- 260,000 tenants are single parents with at least one child (around 85% are single mothers)<sup>24</sup>
- 720,000 tenants are retired people<sup>25</sup>
- 1,050,000 tenants are single persons<sup>26</sup>
- 55% of all single-parent households with one or more children.
- The average net disposable income is EUR 24,100 (excluding housing allowances)<sup>27</sup>



#### Example

SHOs pay special attention to the housing of elderly persons and people with physical or mental disabilities.

They work together with care organizations to attend to these target group with special needs. In view of the increase in the number of elderly households, providing housing solutions with care arrangements is one of the government's priorities.

SHOs must pay attention to this in their housing supply. Indeed, they have labelled more than 105,000 dwellings as care home units. In addition, they have increased the number of dwellings for people who need accessible homes such as "barrier-free homes".

SHOs were managing over 768,000 of these homes at year-end 2016, representing 32% of the total property, an increase of 22,300 compared to 2015<sup>28</sup>.

22: Staat van de Volkshuisvesting 2018, Dutch Ministry of the Interior and Aedes Benchmark, 2018.

23: Staat van de Volkshuisvesting 2018, Dutch Ministry of the Interior. The ceiling is set at an income of EUR 35,739 for a minimum of 80% of yearly allocations and a maximum of 10% between EUR 35,739 and 39,874 (2016)

24: 2016, Lokale Monitor Wonen.

25: 2016, Lokale Monitor Wonen.

26: 2016, Lokale Monitor Wonen.

27: 2016, Lokale Monitor Wonen.

28: Staat van de Volkshuisvesting 2018, Dutch Ministry of the Interior.





IMPACT DRIVER 4 - MAINTAIN THE QUALITY OF ADEQUATE HOUSING

A large share of financing in social housing is directed at the maintenance and improvement in the quality of existing buildings. This can take many forms, from large-scale urban regenerations to daily maintenance operations.

Theory of Change

The first social housing policies implemented at the end of the 19th century in Europe were actually a response to remedy the squalor associated with housing in cities, which was causing diseases and other health problems.

Several factors within homes can be correlated with the poor health situation of their inhabitants<sup>29</sup>. This affects those with few options besides living in inadequate housing in terms of quality or size.

To ensure optimal living standards, SHOs comply with strict building codes when seeking to improve energy performance and indoor environmental quality levels in order to protect tenants' health while guaranteeing the safety and comfort of their dwelling.

Furthermore, SHOs cooperate closely with social services and care providers to make sure their tenants, especially elderly people or people with disabilities, are living in adapted dwellings and receive the services they need.

29: In-home exposure to lead irreversibly damages the brain and nervous systems of children. Substandard housing conditions, such as water leaks, poor ventilation, dirty carpets and pest infestation, have been associated with poor health outcomes, most notably those related to asthma. Additionally, exposure to high or low temperatures is correlated with adverse health events, including cardiovascular events, particularly among the elderly (Taylor, 2018).

OUTPUTS

- Yearly investments in maintenance and (energy) improvements worth EUR 1,800 million<sup>30</sup>
- On average, EUR 2,495 was invested per dwelling in maintenance and improvements in 2017<sup>31</sup>



OUTCOMES

- Asked about the quality of their dwelling, the average rating among tenants was 6.9<sup>32</sup>
- Tenants' satisfaction with the contact with the social housing provider is graded at 7.4<sup>33</sup>



Example

One Dutch SHO became aware that many elderly people were parking their mobility scooter in the flat entrance, in turn blocking fire escape routes. This prompted the SHO to conduct a proactive fire risk assessment of its complete stock. Not an easy job with a portfolio of around 45,000 dwellings spread over more than 1,600 complexes, many dating from the 1960s and 1970s.

An initial fire safety scan combining building data with the characteristics of vulnerable residents' groups helped

to determine the most urgent fire safety measures and programme the remaining activities in its multi-year maintenance budget.

The behaviour of residents plays a major role as well, since elderly people are living longer in their own home, which increases risks. These risks can incur a significant economic cost for society. For this SHO, this situation is a reason to explore new technologies, such as robotic fire extinguishers<sup>34</sup>.

30: 2017, Staat van de Woningmarkt Jaarrapportage 2018.  
31: 2017, Aedes Benchmark 2018.  
32: Among 81,000 tenants. On a scale of 1-10. In 2017, Aedes Benchmark 2018.  
33: Among 81,000 tenants. On a scale of 1-10. In 2017, Aedes Benchmark 2018.  
34: Source: Recept voor brandveilige gebouwen volgens woningcorporatie Havensteder. Brandveilig.com, August 2017.





IMPACT DRIVER 5 - CONTRIBUTE TO LIVEABLE COMMUNITIES AND NEIGHBOURHOOD QUALITY

Besides the focus on individual housing units and households, SHOs make considerable efforts to prevent disadvantaged neighbourhoods falling into a negative spiral.

Theory of Change

By managing a balanced mix of housing segments, tenureships and socio-economic profiles, SHOs can support the long-term resilience of communities and minimize the concentration of problems.

In addition to the right kinds of dwellings, green spaces and public facilities, they facilitate local services to keep communities safe, clean and enjoyable for all. For instance, the daily presence of community managers and their ties with residents reduce disturbances and neglect in and outside the home.

Without these interventions, some neighbourhoods will suffer an increasing concentration of problems. Households that have the possibility to do so will move away. Those with fewer resources or more problems will stay behind. The social tissue, the cement of the neighbourhood, will quickly disappear and make way for more and more vulnerable tenants with less attachment to the neighbourhood.

OUTPUTS

- EUR 231 million (or EUR 94 per dwelling) was spent on community services and other measures to improve the quality of living in neighbourhoods (2017)<sup>35</sup>
- EUR 128 million was invested in non-residential infrastructure for public purposes in communities, such as community centres, youth centres, schools, small sports facilities, care support points, rooms for day care for the disabled/elderly, and small libraries<sup>36</sup>



OUTCOMES

- Tenants rate their satisfaction about their neighbourhood as 7.3 out of 10<sup>37</sup>



Example

In one neighbourhood with mostly low-income households, authorities noticed that the profile of new residents was of an increasingly vulnerable nature: many single and divorced mothers with children; people struggling to make ends meet, who are more likely to experience payment problems; people with other problems, preventing them from buying groceries for elderly neighbours or volunteering in schools.

But a community needs people who are able to help keep the neighbourhood clean, undamaged and safe as well as care for other residents. These represent the human ‘cement’ of neighbourhoods.

One of the district managers of a housing corporation explains that, thanks to constant attention from residents, a particular neighbourhood has seen improvements in recent years.

“All eyes are focused on potential problems and difficult personal situations, because it is a priority neighbourhood.” Through the local “neighbourhood team”, the municipality works with the social housing provider, the police and welfare workers. “Normally, problems are quickly identified and tackled jointly. They need to, otherwise a community quickly ends up drowning in them.”

35: Sectorbeeld 2018, Inspectie Leefomgeving en Transport.

36: 2015, Abf Research, Volkshuisvestelijke voornemens woningcorporaties 2016-2020.

37: 2016, Aedes Benchmark



IMPACT DRIVER 6 - TAKE RESPONSIBLE ENVIRONMENT AND ENERGY MEASURES

Buildings are responsible for approximately 40% of energy consumption and 36% of CO<sub>2</sub> emissions in the EU. In parallel, energy costs increasingly put pressure on households while energy poverty affects the most vulnerable households.

Theory of Change

In line with the increasing needs and demands to improve the environment - such as the UN Paris Agreement - SHOs are aware of their responsibility as owners and managers of a large part of the building stock in the Netherlands.

The sector has set ambitious goals: CO<sub>2</sub>-neutral housing stock by 2050 with clear milestones in 2020 and 2030, based on financial and technical feasibilities. More recently, in a national effort to move away from natural gas as a heating source to more sustainable energy, the sector has agreed to disconnect 17,500 units from the gas grid by 2019, and 55,000 by 2021.

Accelerating the speed and depth of retrofit measures to step up the energy performance of buildings directly results in important reductions in greenhouse gas emissions. Similarly, the collaboration between SHOs and their residents also lead to energy savings.

For residents in social housing, the most perceivable benefits of energy efficiency and renewable energy measures are lower energy bills, improved comfort and health levels, visual enhancements and, in some cases, the strengthening of community bonds.

INTPUTS

- In 2017, SHOs invested EUR 703 million in energy improvement measures<sup>38</sup>

OUTPUTS

- In 2017, 36,000 social dwellings received PV panels, resulting in a total of 116,000 social dwellings with PV panels<sup>39</sup>
- On average, the energy performance of social stock was improved by 2.3% through the improved insulation performance of windows, roofs, floors and walls<sup>40</sup>

OUTCOMES

- The average CO<sub>2</sub> emissions related to heating was 21.4 kg/m<sup>2</sup>/year in 2017 - a decrease of 2% compared to the previous year<sup>42</sup>
- In total, emissions from the social housing sector were estimated at 4.4 Mton CO<sub>2</sub> for 2017
- The average cost of energy and water usage for tenants was EUR 91 per month in 2016 (compared to EUR 103 in 2015)<sup>43</sup>
- Annual energy savings achieved as a consequence of energy performance measures in dwellings amounted to 2.2 PJ between 2014 and 2015



Example

In the long term, the goal for the whole sector is the realization of CO<sub>2</sub>-neutral social housing stock by 2050. To support its achievement, energy performance milestones have been set for 2020 and 2030. Recently, SHOs agreed to take on the role of front runners and further accelerate energy transition in the residential sector.

Several of them decided to renovate 100,000 of their units and not use the gas grid. In the next four years, they will work with

municipalities and industry to identify innovative measures in the field of energy efficiency and renewable energy. This should improve the scale and market take-up of new solutions.

Besides lowering the CO<sub>2</sub> emissions of residential buildings, this will result in higher comfort levels for tenants. However, the sector's first condition is that low-income tenants should not be affected by housing costs, including rents and energy costs<sup>44</sup>.

38: 2017, Aedes Benchmark. Estimated at EUR 733 per dwelling.  
39: 2017, Aedes Benchmark.  
40: 2017, Aedes Benchmark.  
41: 2017, Aedes Benchmark.  
42: 2016, Lokale Monitor Wonen.  
43: 1 PJ (petajoule) is equivalent to the annual amount of energy used by 18,000 households in the form of heating and electricity. 2017, Staat van de Volkshuisvesting.  
44: Source: Aedes.nl Startmotor: 100.000 woningen sneller van het gas, December 2018.





## IMPACT DRIVER 7 - RESPONSIBLE LOCAL PARTNERSHIPS

**Dutch social housing providers are committed to enhancing the general quality of living in their neighbourhoods. They actively cooperate with other stakeholders in the field of care, health, education, social services and other community services.**

### Theory of Change

Besides renting out social dwellings, other means are applied to improve neighbourhoods. Social housing professionals are contributing daily to strengthening ties with and between residents, together with other partners.

SHOs are required to sign performance agreements by law with two of their main stakeholders: local municipalities and tenant associations. The topics include new construction plans, liveable communities, sustainability and priority target groups. It may also include priorities for urgent housing, for instance women escaping from domestic violence.

To keep their communities an enjoyable and lively place to live, they rent out small shops and community buildings such as libraries, kindergartens, shelters, and community and care centres. SHOs stay involved with organizations using these buildings. These actors work together on common goals: improving the lives of residents and the overall quality of living standards in the neighbourhood, or sometimes preventing its further decline.

This integrated hands-on approach offers several benefits. In terms of the financial optics, the long-term value of social assets is better protected against the risks of downward-spiralling neighbourhoods. From a social perspective, many social problems are tackled more efficiently by the active presence of, and cooperation between, social actors at an early stage.

These types of local cooperation lead to positive outcomes, such as healthier residents (through preventive care), less loneliness (especially among elderly people), more prosperous residents (by creating opportunities for young people), and the social and financial resilience of vulnerable people and communities.

## OUTCOMES

- 581 performance agreements have been concluded between SHOs, local authorities and tenant associations during 2017<sup>45</sup>
- 82% of all social dwellings are included in one of the performance agreements concluded with local authorities and tenant associations in that year<sup>46</sup>
- 62% of local performance agreements with municipalities include a focus on vulnerable groups with urgent housing needs, such as homeless people, refugees, divorced people, mental health patients, ex-offenders, current and former substance users, and victims of domestic abuse; people with care indications, elderly people and students are other special groups eligible for social housing<sup>47</sup>



### Example

An example of these 'softer' social approaches used by social housing professionals is to prevent their tenants from accumulating debts. Many of them can enact specific instruments to prevent unpaid rents and problems with other creditors at the earliest opportunity. This also leads to fewer evictions, while sharing early-warning signals can help in supporting an individual or a family who may be experiencing payment problems.

Another essential type of local cooperation is the collaboration between SHOs and care providers in neighbourhoods. The increasing number of elderly people who live (independently) at home or in special groups requires close collaboration with partners in order to facilitate the most appropriate organizational, financial and institutional conditions. For instance, they play an important role for people with ongoing health problems by organizing suitable accommodation close to relatives who are helping with informal care.

45: 2017, Staat van de Volkshuisvesting.

46: 2017, Staat van de Volkshuisvesting.

47: 2016, Staat van de Volkshuisvesting.

6

# HOUSING INDICATORS AND SUSTAINABLE DEVELOPMENT GOAL CATEGORIES

As a result of the assessment above, it is possible to align the seven impact drivers in social housing with seven of the UN SDGs<sup>48</sup>:

- **Goal 1.** End poverty in all its forms everywhere
- **Goal 3.** Ensure healthy lives and promote well-being for all at all ages
- **Goal 5.** Achieve gender equality and empower all women and girls
- **Goal 7.** Ensure access to affordable, reliable, sustainable and modern energy for all
- **Goal 8.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- **Goal 10.** Reduce inequality within and among countries
- **Goal 11.** Make cities and human settlements inclusive, safe, resilient and sustainable
- **Goal 16.** Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

48: The complete list of indicators of the UN SDGs is presented in Annex IV of the Report of the Inter-agency and Expert Group on Sustainable Development Goal Indicators [E/CN.3/2016/2/Rev.1].



|                             |   |   |   |   |   |   |   |   |
|-----------------------------|---|---|---|---|---|---|---|---|
| Deliver Adequate Dwellings  | ● | ● |   |   | ● | ● | ● | ● |
| Manage Affordable Housing   | ● | ● |   | ● |   | ● | ● |   |
| Housing Vulnerable Groups   | ● | ● | ● |   |   | ● | ● |   |
| Quality of Adequate Housing |   | ● |   |   |   | ● | ● |   |
| Liveable Communities        | ● | ● |   |   | ● | ● | ● | ● |
| Environment and Energy      | ● | ● |   | ● | ● | ● | ● |   |
| Local Partnerships          | ● | ● | ● |   |   |   | ● | ● |

Figure: Overview of social housing fields and their contribution to the SDG's





# ALIGNMENT WITH SOCIAL BOND PRINCIPLES

NWB Bank’s Affordable Housing Bond is aligned with the Social Bond Principles (SBPs) of the International Capital Market Association (ICMA). This report lists the different social objectives, eligibility criteria and process for project evaluation and selection by NWB Bank.

As encouraged by the ICMA, we provide a summary based on the ICMA Social Bond Information Template:

**SOCIAL BOND PRINCIPLE COMPONENT 1: USE OF PROCEEDS**

The proceeds of the bond are used for Social Projects addressing the housing situation, the well-being of vulnerable groups and the quality of life in communities, as illustrated in this report.

The Affordable Housing Bond is directed at improving the housing situation of well-defined target groups eligible for social housing in the Netherlands. These are households that face difficulties in finding affordable and adequate housing. The allocation criteria are based on income ceilings and other priority criteria to help those experiencing (urgent) housing needs as a result of other vulnerabilities.

|  | Examples of social investments financed with the proceeds of the Affordable Housing Bond  |
|--|---|
| Affordable basic infrastructure            | Investments in the construction or renovation of social and affordable housing includes connection to basic facilities, such as water, gas, electricity and heating (in the case of district heating networks). Investments are made in community buildings of general interest. The access to affordable and sustainable energy and the fight against energy poverty are among the main investment priorities of social housing providers.   |
| Access to essential services               | In addition to investments in residential units, social housing providers have a shared responsibility, together with local authorities, to ensure the quality of life in communities. Therefore, as part of their social role, they invest in (small-scale) local buildings, e.g., community centres, youth centres, libraries and primary schools.  |
| Affordable housing                         | The primary task of social housing providers is to develop, manage and provide affordable dwellings to vulnerable households experiencing difficulties in finding adequate housing on the market  |
| Socio-economic advancement and empowerment | Together with other local stakeholders, SHOs help to improve the socio-economic possibilities of their tenants. They employ workers and community managers who are in constant contact with people living in vulnerable neighbourhoods and raise concerns with social workers, authorities and care providers, as well as provide support to people, e.g., to prevent the accumulation of debts and unpaid bills.   |
| Examples of target populations             | <p>The priority target group in social housing comprises households that are eligible for housing allowances. The general target group is composed of households with an (gross) income per household of up to EUR 36,798. A share of 10% of the allocations can be used up to a ceiling of EUR 41,056 (2018).</p> <p>Other groups with priority status because of their urgent housing needs include: homeless people, refugees, divorced people, mental health patients, ex-offenders, former and current substance users, and victims of domestic abuse. People with care indications, elderly people and students are other special groups eligible for social housing.</p> <p>The average disposable income in social housing was EUR 24,100 per household in 2016 (compared to EUR 32,700 in the private for-profit rental sector).</p> |

## SOCIAL BOND PRINCIPLE COMPONENT 2: PROCESS FOR PROJECT EVALUATION AND SELECTION

**Eligible projects refer to a selected pool of loans funded, in whole or in part, by NWB Bank for investments by registered SHOs in social housing activities in the Netherlands.**

Proceeds from Social Housing Bonds exclusively fund NWB Bank's lending to SHOs, as approved and guaranteed by the Social Housing Guarantee Fund (WSW).

NWB Bank's Treasury Department will review the social housing portfolio monthly and ensure that there is a prudent balance between the aggregated lending to eligible SHOs and its own Affordable Housing Bond funding.

Although 100% of lending is to SHOs, NWB Bank will not qualify more than 80% of lending to SHOs as eligible where a proportion of tenants might improve their income while continuing to live in social housing stock.

Eligible projects are those projects from SHOs that are within the scope of their regulated social housing tasks.

These investments are labelled as services of general interest in the field of social housing and defined as core tasks of SHOs in national regulations. The use of proceeds is exclusively destined for these purposes.

Regarding the target group of these activities, it is required for each SHO to provide, annually, at least 80% of social lettings to help households with a maximum income of EUR 36,798<sup>49</sup> (gross household income).

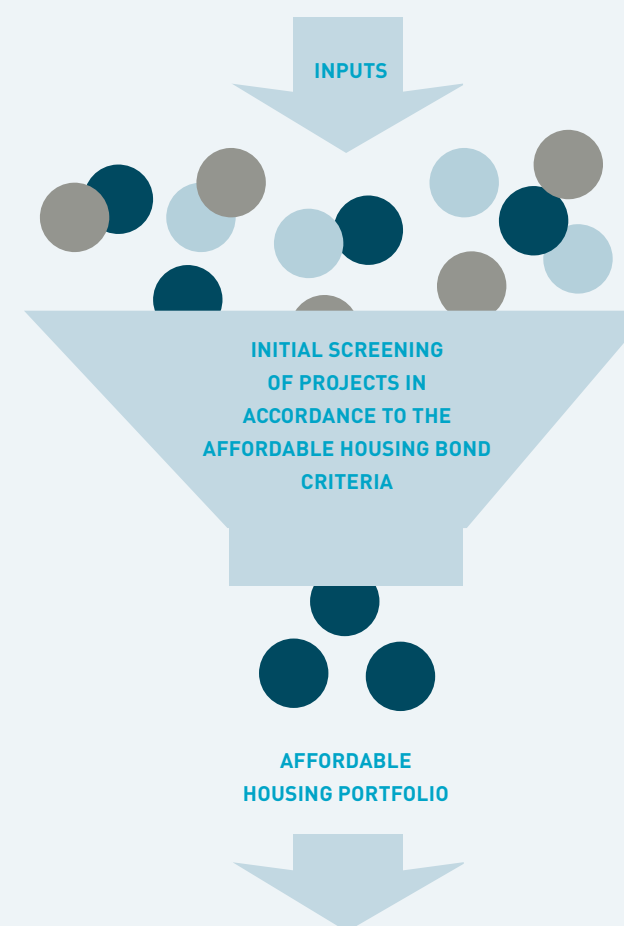
A 10% share of allocations can be used up to a ceiling of EUR 41,056. Additional criteria exist for those people who endure other constraints, such as physical or mental disabilities or specific urgencies (the "Special Needs Programme"). The maximum social rent is set by law at EUR 710.68 per month for 2018.

Projects eligible for loans to Dutch housing associations are those with a guarantee from the Social Housing Guarantee Fund (WSW). They are selected by the Public Finance Department of NWB Bank. Housing associations will use funds to finance and refinance social housing projects according to Dutch law.

All eligible loans need approval in accordance with the process described above. NWB Bank's Treasury Department will qualify lending within a given calendar year as eligible assets for a given issuance of an Affordable Housing Bond in the same calendar year, unless potential divergence is clearly defined in connection with the offer.

<sup>49</sup>: For 2018. Ceilings are subject to review by the national authorities.

## AFFORDABLE HOUSING BOND PROJECT SELECTION PROCESS FLOWCHART



### GUIDELINES:

1. Dutch Housing Association Act
2. Guarantee requirements of the Social Housing Guarantee Fund (WSW) (the fund is guaranteed by the Dutch State)

### SELECTION ACCORDING TO THE CRITERIA BY:

1. Social Housing Organizations in consultation with their stakeholders such as tenants organizations and municipalities

### SPECIFIC AFFORDABLE HOUSING BOND FRAMEWORK DEFINED PROJECTS SELECTION IS DONE BY:

First: The individual social housing organizations  
Then: NWB Bank Public Finance





# APPENDIX

| Affordable Housing Bonds issued in 2018 |               |
|---|---------------|
| 20 years                                | 500.000.000   |
| 5 years                                 | 1.000.000.000 |
| 20 years                                | 600.000.000   |

### SOCIAL BOND PRINCIPLE COMPONENT 3: MANAGEMENT OF PROCEEDS

NWB Bank’s Treasury Department will review the social housing portfolio on a monthly basis and ensure that there is a prudent balance between the aggregated lending to eligible SHOs and NWB Bank’s Affordable Housing Bond funding.

### SOCIAL BOND PRINCIPLE COMPONENT 4: REPORTING

To enable investors to follow the development and provide insights into prioritized areas, NWB Bank publishes a yearly investor communication, such as this Social Indicator Report, which is available on its website.

The SBPs recommend that information be presented in generic terms or on an aggregated portfolio basis (e.g., percentage allocated to certain project categories), where a large number of underlying projects limits the amount of detail that can be made available.

This is relevant to the Affordable Housing Bond, the proceeds of which will be made available to many SHOs investing in a large number of projects in the Netherlands. It should be added that, due to the Dutch financing system of SHOs, the proceeds are used for balance sheet financing and not directly attributed to individual projects.

### SOCIAL BOND PRINCIPLE COMPONENT RECOMMENDATION: EXTERNAL REVIEW

A positive second opinion was delivered by Sustainalytics and is available on NWB Bank’s website. Sustainalytics is of the opinion that NWB Bank’s framework has a clear social impact by providing affordable housing to vulnerable populations and addressing a critical gap in affordable housing in the Netherlands.

### ALIGNMENT WITH THE UN PRINCIPLES FOR RESPONSIBLE INVESTMENT

As a Social Bond based on the ICMA SBPs, investors can report on the social impact within the UN Principles for Responsible Investment (PRIs) reporting framework. The Affordable Housing Bond and this report are aligned with this reporting framework for fixed-income impact investors, specifically in the case of social or sustainability-themed investments.

The impact mentioned in this report should be understood as positive structural changes in people’s lives or environments<sup>50</sup>. As clarified by the UN PRIs<sup>51</sup>, in this type of sectoral report, “measuring impact requires counterfactual analysis and is therefore rarely feasible for investors. It is more common to track outputs and outcomes using indicators that imply rather than prove impact. This is a justifiable way of simplifying the process and making it manageable, particularly where there is evidence that such indicators relate to the desired impact.”

The Affordable Housing Bond also responds to the criteria mentioned in the Affordable Housing chapter of the UN PRI Association’s Impact Investment Market Map<sup>52</sup>.

50: As clarified in the UN PRI Association publication, Understanding the Impact of Your Investments (2013, p. 6), which concludes that “measuring impact requires counterfactual analysis and is therefore rarely feasible for investors. It is more common to track outputs and outcomes using indicators that imply rather than prove impact. This is a justifiable way of simplifying the process and making it manageable, particularly where there is evidence that such indicators relate to the desired impact.”

51: Understanding the Impact of Your Investments, UN PRI Association, 2013, p. 6.

52: [www.unpri.org/thematic-and-impact-investing/impact-investing-market-map-affordable-housing/3545.article](http://www.unpri.org/thematic-and-impact-investing/impact-investing-market-map-affordable-housing/3545.article).

| List of Loans |                |          |            |               |          |            |               |          |
|---------------|----------------|----------|------------|---------------|----------|------------|---------------|----------|
| Date          | Notional       | Maturity | Date       | Notional      | Maturity | Date       | Notional      | Maturity |
| 2017-11-22    | 10,000,000.00  | 5        | 2017-12-14 | 5,000,000.00  | 2        | 2018-01-03 | 5,000,000.00  | 3        |
| 2017-11-22    | 10,000,000.00  | 10       | 2017-12-15 | 5,000,000.00  | 8        | 2018-01-03 | 11,000,000.00 | 3        |
| 2017-11-22    | 12,000,000.00  | 15       | 2017-12-15 | 7,000,000.00  | 11       | 2018-01-03 | 15,000,000.00 | 5        |
| 2017-11-24    | 10,000,000.00  | 3        | 2017-12-15 | 15,000,000.00 | 25       | 2018-01-04 | 10,000,000.00 | 2        |
| 2017-11-28    | 5,000,000.00   | 6        | 2017-12-19 | 25,000,000.00 | 3        | 2018-01-04 | 2,500,000.00  | 20       |
| 2017-11-29    | 10,000,000.00  | 5        | 2017-12-19 | 4,000,000.00  | 15       | 2018-01-10 | 2,500,000.00  | 2        |
| 2017-11-30    | 250,000,000.00 | 3        | 2017-12-21 | 2,318,682.76  | 10       | 2018-01-10 | 9,427,440.00  | 2        |
| 2017-11-30    | 5,000,000.00   | 3        | 2017-12-22 | 2,000,000.00  | 1        | 2018-01-10 | 25,000,000.00 | 25       |
| 2017-12-01    | 10,000,000.00  | 2        | 2017-12-22 | 8,000,000.00  | 2        | 2018-01-11 | 10,000,000.00 | 16       |
| 2017-12-01    | 5,000,000.00   | 2        | 2017-12-22 | 5,000,000.00  | 3        | 2018-01-15 | 3,500,000.00  | 2        |
| 2017-12-01    | 5,000,000.00   | 4        | 2017-12-27 | 11,800,000.00 | 1        | 2018-01-15 | 6,000,000.00  | 15       |
| 2017-12-07    | 2,000,000.00   | 1        | 2017-12-28 | 1,250,000.00  | 2        | 2018-01-16 | 4,600,000.00  | 1        |
| 2017-12-07    | 4,200,000.00   | 2        | 2017-12-28 | 1,500,000.00  | 2        | 2018-01-16 | 20,000,000.00 | 3        |
| 2017-12-11    | 10,000,000.00  | 3        | 2017-12-28 | 2,500,000.00  | 2        | 2018-01-17 | 10,000,000.00 | 2        |
| 2017-12-11    | 2,500,000.00   | 3        | 2017-12-28 | 2,500,000.00  | 2        | 2018-01-17 | 10,885,050.00 | 3        |
| 2017-12-12    | 5,000,000.00   | 25       | 2018-01-03 | 2,600,000.00  | 2        | 2018-01-18 | 25,000,000.00 | 1        |
| 2017-12-13    | 7,500,000.00   | 2        | 2018-01-03 | 5,000,000.00  | 2        | 2018-01-18 | 2,500,000.00  | 3        |
| 2017-12-13    | 5,000,000.00   | 2        | 2018-01-03 | 6,000,000.00  | 2        | 2018-01-19 | 10,000,000.00 | 7        |
| 2017-12-13    | 3,500,000.00   | 2        | 2018-01-23 | 10,000,000.00 | 3        | 2018-01-22 | 5,000,000.00  | 20       |
| 2017-12-13    | 7,500,000.00   | 2        | 2018-01-24 | 3,000,000.00  | 3        | 2018-01-22 | 909,021.52    | 30       |
| 2017-12-13    | 2,000,000.00   | 3        | 2018-01-24 | 3,000,000.00  | 5        | 2018-01-29 | 9,687,510.00  | 1        |
| 2017-12-14    | 5,000,000.00   | 2        | 2018-01-25 | 7,000,000.00  | 25       | 2018-01-29 | 6,000,000.00  | 25       |

| List of Loans |               |          |            |               |          |            |                |          |
|---------------|---------------|----------|------------|---------------|----------|------------|----------------|----------|
| Date          | Notional      | Maturity | Date       | Notional      | Maturity | Date       | Notional       | Maturity |
| 2018-02-01    | 10,000,000.00 | 1        | 2018-02-20 | 12,500,000.00 | 25       | 2018-03-14 | 25,000,000.00  | 4        |
| 2018-02-01    | 10,000,000.00 | 1        | 2018-02-22 | 12,000,000.00 | 8        | 2018-03-15 | 2,000,000.00   | 2        |
| 2018-02-01    | 3,000,000.00  | 3        | 2018-02-23 | 2,500,000.00  | 1        | 2018-03-15 | 10,000,000.00  | 2        |
| 2018-02-01    | 10,000,000.00 | 3        | 2018-02-23 | 2,500,000.00  | 1        | 2018-03-15 | 26,000,000.00  | 8        |
| 2018-02-02    | 3,000,000.00  | 5        | 2018-02-26 | 5,000,000.00  | 6        | 2018-03-15 | 4,000,000.00   | 21       |
| 2018-02-02    | 5,000,000.00  | 7        | 2018-02-27 | 25,000,000.00 | 1        | 2018-03-19 | 1,200,000.00   | 1        |
| 2018-02-05    | 24,500,000.00 | 1        | 2018-02-27 | 20,000,000.00 | 2        | 2018-03-20 | 2,800,000.00   | 2        |
| 2018-02-06    | 10,000,000.00 | 3        | 2018-02-27 | 7,500,000.00  | 2        | 2018-03-20 | 30,000,000.00  | 3        |
| 2018-02-06    | 7,000,000.00  | 12       | 2018-02-27 | 20,000,000.00 | 3        | 2018-03-20 | 4,400,000.00   | 4        |
| 2018-02-08    | 3,000,000.00  | 1        | 2018-02-27 | 400,000.00    | 3        | 2018-03-21 | 20,000,000.00  | 17       |
| 2018-02-08    | 10,000,000.00 | 16       | 2018-02-27 | 6,500,000.00  | 6        | 2018-03-23 | 10,000,000.00  | 9        |
| 2018-02-08    | 8,000,000.00  | 31       | 2018-03-01 | 10,000,000.00 | 2        | 2018-03-28 | 100,000,000.00 | 3        |
| 2018-02-13    | 4,500,000.00  | 2        | 2018-03-08 | 2,500,000.00  | 1        | 2018-03-29 | 1,600,000.00   | 2        |
| 2018-02-13    | 1,500,000.00  | 2        | 2018-03-08 | 5,000,000.00  | 17       | 2018-03-29 | 10,000,000.00  | 4        |
| 2018-02-13    | 2,000,000.00  | 10       | 2018-03-08 | 7,500,000.00  | 19       | 2018-03-29 | 15,000,000.00  | 13       |
| 2018-02-14    | 12,000,000.00 | 4        | 2018-03-13 | 10,000,000.00 | 1        | 2018-04-03 | 5,000,000.00   | 1        |
| 2018-02-14    | 3,000,000.00  | 5        | 2018-03-13 | 3,124,998.78  | 3        | 2018-04-04 | 12,300,000.00  | 2        |
| 2018-02-15    | 1,000,000.00  | 3        | 2018-03-13 | 15,000,000.00 | 3        | 2018-04-04 | 12,500,000.00  | 2        |
| 2018-02-15    | 5,000,000.00  | 5        | 2018-03-13 | 30,100,000.00 | 7        | 2018-04-05 | 2,000,000.00   | 2        |
| 2018-02-20    | 10,000,000.00 | 20       | 2018-03-14 | 20,000,000.00 | 1        | 2018-04-05 | 5,000,000.00   | 4        |
| 2018-02-20    | 10,000,000.00 | 20       | 2018-03-14 | 4,000,000.00  | 3        | 2018-04-06 | 10,000,000.00  | 8        |
| 2018-02-20    | 5,000,000.00  | 21       | 2018-03-14 | 3,000,000.00  | 4        | 2018-04-10 | 10,000,000.00  | 2        |



| List of Loans |               |          |            |               |          |            |               |          |
|---------------|---------------|----------|------------|---------------|----------|------------|---------------|----------|
| Date          | Notional      | Maturity | Date       | Notional      | Maturity | Date       | Notional      | Maturity |
| 2018-04-12    | 5,000,000.00  | 1        | 2018-05-01 | 1,400,000.00  | 3        | 2018-05-24 | 10,000,000.00 | 4        |
| 2018-04-12    | 10,000,000.00 | 3        | 2018-05-02 | 15,000,000.00 | 1        | 2018-05-24 | 25,000,000.00 | 36       |
| 2018-04-12    | 5,000,000.00  | 4        | 2018-05-04 | 5,800,000.00  | 4        | 2018-05-28 | 50,000,000.00 | 2        |
| 2018-04-12    | 21,875,000.00 | 5        | 2018-05-04 | 1,581,665.49  | 10       | 2018-05-28 | 5,000,000.00  | 4        |
| 2018-04-16    | 3,200,000.00  | 4        | 2018-05-04 | 5,000,000.00  | 10       | 2018-05-28 | 2,400,000.00  | 9        |
| 2018-04-16    | 25,000,000.00 | 8        | 2018-05-07 | 4,500,000.00  | 1        | 2018-05-29 | 2,500,000.00  | 2        |
| 2018-04-16    | 25,000,000.00 | 9        | 2018-05-07 | 3,000,000.00  | 6        | 2018-05-29 | 3,000,000.00  | 3        |
| 2018-04-17    | 20,000,000.00 | 8        | 2018-05-08 | 7,500,000.00  | 2        | 2018-05-29 | 5,000,000.00  | 10       |
| 2018-04-18    | 8,000,000.00  | 2        | 2018-05-08 | 1,000,000.00  | 2        | 2018-05-29 | 5,000,000.00  | 11       |
| 2018-04-18    | 1,500,000.00  | 3        | 2018-05-08 | 10,000,000.00 | 3        | 2018-05-31 | 1,802,280.00  | 5        |
| 2018-04-18    | 7,500,000.00  | 3        | 2018-05-09 | 15,000,000.00 | 8        | 2018-05-31 | 22,500,000.00 | 18       |
| 2018-04-19    | 25,000,000.00 | 10       | 2018-05-09 | 15,000,000.00 | 11       | 2018-05-31 | 10,000,000.00 | 40       |
| 2018-04-19    | 25,000,000.00 | 10       | 2018-05-09 | 4,500,000.00  | 20       | 2018-06-04 | 10,000,000.00 | 1        |
| 2018-04-23    | 2,100,000.00  | 2        | 2018-05-09 | 9,500,000.00  | 20       | 2018-06-05 | 1,000,000.00  | 2        |
| 2018-04-23    | 30,000,000.00 | 2        | 2018-05-14 | 12,000,000.00 | 1        | 2018-06-05 | 5,442,525.00  | 8        |
| 2018-04-24    | 2,700,000.00  | 1        | 2018-05-14 | 7,258,892.00  | 6        | 2018-06-05 | 25,000,000.00 | 9        |
| 2018-04-24    | 10,750,000.00 | 6        | 2018-05-15 | 7,000,000.00  | 5        | 2018-06-06 | 5,000,000.00  | 2        |
| 2018-04-26    | 50,000,000.00 | 1        | 2018-05-16 | 10,000,000.00 | 16       | 2018-06-06 | 6,500,000.00  | 2        |
| 2018-04-26    | 2,100,000.00  | 10       | 2018-05-17 | 10,000,000.00 | 2        | 2018-06-13 | 3,500,000.00  | 2        |
| 2018-04-26    | 15,000,000.00 | 46       | 2018-05-18 | 10,000,000.00 | 1        | 2018-06-14 | 4,000,000.00  | 2        |
| 2018-05-01    | 10,000,000.00 | 1        | 2018-05-24 | 18,854,250.00 | 2        | 2018-06-15 | 20,000,000.00 | 2        |
| 2018-05-01    | 12,000,000.00 | 2        | 2018-05-24 | 4,843,755.00  | 2        | 2018-06-15 | 15,000,000.00 | 4        |

| List of Loans |               |          |            |               |          |             |                  |          |
|---------------|---------------|----------|------------|---------------|----------|-------------|------------------|----------|
| Date          | Notional      | Maturity | Date       | Notional      | Maturity | Date        | Notional         | Maturity |
| 2018-06-15    | 5,000,000.00  | 27       | 2018-06-26 | 25,000,000.00 | 5        | 2018-07-03  | 2,000,000.00     | 41       |
| 2018-06-18    | 2,500,000.00  | 4        | 2018-06-26 | 15,000,000.00 | 5        | 2018-07-05  | 20,000,000.00    | 2        |
| 2018-06-19    | 3,000,000.00  | 10       | 2018-06-26 | 10,000,000.00 | 6        | 2018-07-10  | 8,000,000.00     | 7        |
| 2018-06-20    | 20,000,000.00 | 1        | 2018-06-27 | 6,000,000.00  | 2        | 2018-07-10  | 10,000,000.00    | 22       |
| 2018-06-20    | 5,000,000.00  | 1        | 2018-06-27 | 25,000,000.00 | 3        | 2018-07-10  | 30,000,000.00    | 27       |
| 2018-06-20    | 5,000,000.00  | 1        | 2018-06-27 | 20,000,000.00 | 3        | 2018-07-10  | 20,000,000.00    | 29       |
| 2018-06-20    | 7,000,000.00  | 2        | 2018-06-27 | 25,000,000.00 | 7        | 2018-07-12  | 9,500,000.00     | 1        |
| 2018-06-20    | 7,000,000.00  | 2        | 2018-06-27 | 25,000,000.00 | 9        | 2018-07-12  | 31,000,000.00    | 2        |
| 2018-06-20    | 6,000,000.00  | 2        | 2018-06-27 | 25,000,000.00 | 9        | Grand Total | 2,650,630,553.55 |          |
| 2018-06-20    | 10,445,721.00 | 3        | 2018-06-28 | 8,000,000.00  | 4        |             |                  |          |
| 2018-06-20    | 11,000,000.00 | 8        | 2018-06-28 | 8,000,000.00  | 5        |             |                  |          |
| 2018-06-20    | 15,000,000.00 | 12       | 2018-07-02 | 5,000,000.00  | 1        |             |                  |          |
| 2018-06-21    | 20,000,000.00 | 3        | 2018-07-02 | 5,500,000.00  | 2        |             |                  |          |
| 2018-06-22    | 10,000,000.00 | 2        | 2018-07-02 | 25,000,000.00 | 46       |             |                  |          |
| 2018-06-25    | 1,973,762.00  | 20       | 2018-07-03 | 5,000,000.00  | 8        |             |                  |          |

NB. ICMA Social Bond Principles (SBPs): “In the event that all or a proportion of the proceeds are or may be used for refinancing, it is recommended by the SBPs that issuers provide an estimate of the share of financing vs. refinancing and, where appropriate, also clarify which investments or project portfolios may be refinanced and, to the extent that is relevant, the expected look-back period for refinanced Social Projects.”

## SECOND OPINION SUSTAINALYTICS

See website [www.nwbbank.com](http://www.nwbbank.com)

‘Sustainalytics is of the opinion that NWB Bank’s social bond is well aligned with the ICMA’s Social Bond Guidance, 2016, due to (a) the nature of the social projects described in the eligibility criteria, and (b) the targeted nature of the populations served. Given the clear need for affordable housing in the Netherlands, the targeted nature of NWB Bank’s eligibility criteria ensures the inclusion of disadvantaged and marginalized groups. In addition, Sustainalytics is of the opinion that NWB Bank’s social bond follows the guidance provided by the Green Bond Principles 2016 with respect to transparency around the project selection process, management of proceeds, and reporting. Overall, Sustainalytics considers that proceeds from NWB Bank’s social bond can be expected to provide a high level of social impact to underserved communities by increasing the availability of affordable housing’.

## ABOUT NWB BANK

NWB Bank (Nederlandse Waterschapsbank N.V.) is the Dutch bank of, and for, the public sector. It is also a leading financial services provider to this sector. The bank arranges short-term and long-term loans for water boards, municipal authorities, provinces, social housing, healthcare, educational institutions, public-private partnerships and activities in the field of water supply and the environment. It funds its activities in the international money and capital markets on the back of a very strong financial position and ratings from Moody’s (Aaa) and Standard & Poor’s (AAA). The bank’s shares have been held by public authorities since its foundation in 1954, while its objective is to provide the required funding, subject to the most favourable terms and tailored specifically to the individual customer. Social relevance, high quality, a strong financial position, and integrity are the cornerstones of NWB Bank’s policy.

# Disclaimer

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