DYNAM/C CREDIT

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Contents

Dutch Housing Market Update 2025-Q2

Contact

Jasper Koops

Head of Portfolio Management

Dynamic Credit

Frederik Roeskestraat 100

1076 ED Amsterdam

The Netherlands

Desk: + 31 20 794 60 58

jkoops@dynamiccredit.com

www.dynamiccredit.com

Dynamic Credit originates and manages tailored portfolios of Dutch residential and consumer BTL mortgage loans for institutional investors in an easy, cost-efficient and transparent way. As always, we welcome the opportunity to discuss the housing market and investing in Dutch mortgages.

"Political uncertainty dominated the second quarter of 2025. The collapse of the Dutch coalition government in June, triggered by the PVV's withdrawal over immigration policy, has reduced legislative momentum. A key casualty was the proposed two-year rent freeze for social housing (2025–2026), which was withdrawn by Minister Keijzer following strong opposition from housing corporations. Other reforms, such as easing rent controls and exempting small landlords, are now on hold. Private investors continued to sell-off properties due to regulatory and tax pressures, while first-time buyers surged, especially in major cities. Social tenants spent all rent savings from income-based reductions, boosting short-term consumption but not long-term stability. Meanwhile, the free rental market tightened, with supply dropping and prices rising nationwide, highlighting growing affordability concerns and structural mismatches in rent regulation."

Jasper Koops,
Head of Portfolio Management

DYNAM/C

1. Executive Summary

Political and regulatory environment: The collapse of the Dutch coalition government in June 2025 has stalled key housing reforms. The proposed two-year rent freeze for social housing was withdrawn due to opposition from housing corporations and planned rent control relaxations have been put on hold. This political uncertainty is exacerbating instability in the rental market, with small landlords continuing to exit due to tax and regulatory pressures.

Housing policy and supply reform: The new Housing Supply Steering Act, passed in July 2025 and pending Senate approval, grants the national government greater power to enforce affordable housing targets, override local zoning and accelerate permitting. Meanwhile, the IMF flagged housing as a key vulnerability in its 2025 review, urging the Netherlands to boost housing supply, phase out mortgage interest deductibility and limit interest-only loans to enhance long-term stability.

Dutch housing market: Housing prices increased by 9.7% YoY and 1.8% QoQ as of 2025-Q2, with the HPI reaching 148.7. Transaction volumes increased to 57,000, up 19.8% YoY and 11.5% QoQ, driven by continued sales of former rental homes. In the G4, purchase applications rose nearly 24% YoY, led by first-time buyers. Going forward, institutions expect average house price growth of 7.52% in 2025 and 4.32% in 2026.

Housing shortage: Permits fell to 33,300 in the first five months of 2025, down from 38,500 YoY. Only 22,500 new homes were completed in the first four months, falling short of targets by nearly 11,000. The new Housing Supply Steering Act is expected to improve delivery from 2026 onward.

Buy-to-let market: Private investor sell-offs accelerated, with a 37% YoY increase in sales in 2025-Q1. First-time buyers dominated urban transactions, reaching 62% in the G4. Free rental market listings fell by 36.4% YoY, while average rents surpassed EUR 20/m^2 for the first time. Rent control reforms and maximum surcharge rulings remain under legal scrutiny, fueling further supply loss.

Rates and spreads: Owner-occupied mortgage rates declined by 15 bps QoQ on average, with above average declines for shorter tenors. Spreads tightened by 11 bps QoQ, although volatility remained. Buy-to-let rates also fell in 2025-Q2, while spreads narrowed across most segments in July.

Mortgage originations: Mortgage inscriptions totaled EUR 41 billion, a 17% QoQ and 29% YoY increase. Application volumes remained strong with 139,000 submissions, of which 86,000 were purchase related. The average mortgage amount for purchase rose to EUR 372,400, with the average home value of purchase related mortgage offers reaching EUR 509,000.

Funding update: RMBS issuance was EUR 2.4 billion in 2025-Q2, comparable to 2025-Q1. RMBS spreads stabilized around 50 bps, after peaking at 60 bps in April. Covered bond issuance reached EUR 1 billion, with spreads tightening to 39 bps by July.

Macro update: Inflation eased to 3.1% YoY in June, with HICP at 2.8%, above the Eurozone average. GDP grew by just 0.1% QoQ in 2025-Q1, although 2.0% YoY, largely due to increased government spending. Unemployment remained flat at 3.8%. The ECB held rates steady in July amid reduced inflation pressure and global uncertainty.

2. Dutch Housing Market Update

Housing Market Regulation in Flux: Coalition Collapse and Policy Uncertainty

In June 2025, the Dutch coalition government collapsed after Geert Wilders' far-right Party for Freedom (PVV) withdrew from the four-party alliance over a dispute on immigration policy. The coalition, further comprising of the conservative VVD, the Farmer–Citizen Movement (BBB), and the centrist New Social Contract (NSC), fractured when PVV's hardline asylum proposals, including a halt to refugee family reunifications, failed to gain full support. Prime Minister Dick Schoof resigned, and snap elections were scheduled for 29 October 2025.

The political fallout has direct implications for housing policy. With the cabinet dissolved, legislative momentum has stalled, and uncertainty clouds both pending reforms and recently passed laws. Below is an overview of key developments:

Social Housing Rent Freeze

The Dutch government initially planned a two-year rent freeze for social housing (2025–2026)[1], accompanied by a EUR 1.1 billion compensation package for housing corporations to offset lost rental income. The goal was to improve affordability for low-income tenants. However, concerns quickly emerged from housing corporations, who warned that a prolonged freeze would severely impair their investment capacity, potentially reducing funds for maintenance and new construction by "several tens of billions of euros."

In June 2025, Minister Keijzer of Housing and Spatial Planning withdrew the legislative proposal[2]. The decision followed advice from the Council of State and recognition that the proposal lacked sufficient parliamentary support. The Council highlighted the lack of structural compensation for housing corporations, which would have undermined their ability to build and renovate homes.

Rent Control Revisions on Hold

In early 2025, the outgoing coalition signalled its intent to ease some of the rent regulations introduced in 2024. Proposals included reducing the number of homes subject to rent control and exempting small private landlords from certain restrictions. These changes aimed to address concerns from landlords, many of whom had begun selling off properties due to tighter caps.

However, with the government's collapse, these amendments are now frozen. The broader rent cap regime remains in force, and no timeline exists for potential revisions. Meanwhile, from 1 July 2025, rent increases of up to 5% for social housing and 7.7% for mid-market rentals have taken effect, with additional surcharges for higher-income tenants.

Despite the freeze, Minister Keijzer launched[3] an internet consultation on 15 July 2025, to gather feedback on the amendments. The consultation has been opened to gather information for the next cabinet, as to prevent further sell-offs by private landlords and to make mid-rent housing more attractive for continued investment.

1 Rijksoverheid - Wetsvoorstel huurbevriezing sociale huur alleen voor corporaties
2 Rijksoverheid - Minister Keijzer trekt wetsvoorstel huurbevriezing sociale huur in
3 Rijksoverheid - Internetconsultatie gestart voor maatregelen middenhuur

Housing Supply Steering Act (Wet Versterking Regie Volkshuisvesting)

To contribute to reducing the housing shortage, the Dutch parliament passed the Housing Supply Steering Act in early July 2025[1]. The law, pending Senate approval and expected to take effect on 1 January 2026, grants the national Minister of Housing greater authority to direct housing construction and allocation.

Key provisions include:

- Binding targets for municipalities and provinces.
- Power for central or provincial governments to override local zoning if affordable housing targets are unmet.
- Streamlined legal appeals: designated housing projects will allow only one judicial appeal (directly to the Council of State), with a mandatory ruling within six months.

The law aims to accelerate housing delivery by reducing bureaucratic delays and enforcing accountability across government levels.

During the legislative process, the PVV introduced a last-minute amendment banning municipalities from giving recognized refugees (statushouders) priority in social housing allocation. Traditionally, such prioritization helped integrate refugees and ease pressure on asylum centers.

The clause sparked immediate backlash. Legal scholars and opposition parties argue it violates Article 1 of the Dutch Constitution, which prohibits discrimination. Even some coalition-aligned senators expressed unease. Amsterdam has already declared it will ignore the ban and continue prioritizing status holders.

The clause's fate now rests with the Senate or a future government.

IMF Review of the Dutch Economy

In its 2025 review, the International Monetary Fund (IMF) assessed the Dutch economy and flagged the housing market as a key vulnerability[2]. The mission involved analyzing structural challenges, including affordability, supply bottlenecks and financial stability risks tied to housing.

The IMF urges a major boost in housing supply through infrastructure investment and regulatory reform, addressing bottlenecks like permitting delays and grid limitations. To cool demand, it recommends:

- Gradually lowering mortgage loan-to-value ratios.
- Phasing out mortgage interest deductibility.
- Limiting interest-only loans.

While the financial system remains stable, these steps would strengthen resilience. On rentals, the IMF advises balancing tenant protections with incentives for investment, warning that strict rent controls may worsen supply issues.

1 Ministerie van Volkshuisvesting - Wet Versterking regie volkshuisvesting
2 IMF - The Netherlands: 2025 Article IV Consultation-Press Release

Update housing shortage

As discussed throughout previous editions of this quarterly report, the Dutch housing market is facing supply issues. Newly constructed buildings picked up in 2024 but are still well below the government target of 100,000 newly constructed properties per year, meaning that the signs are pointing towards a worsening shortage rather than easing. The paragraphs below elaborate on several key-factors related to housing supply.

Issued Permits

CBS reports[1] on issued building permits, which are considered a good proxy for newly constructed properties in the coming years. As can be observed in Figure 1 displayed below, 2024 started and ended strong, but unfortunately issued building permit volumes did not persist. In the first five months of 2025, Dutch municipalities issued permits for the construction of 33,300 new homes, a decline from the 38,500 permits granted during the same period in 2024.

The region with the highest number of new-build permits was Groot-Rijnmond (including Rotterdam) with 4,900, followed by Groot-Amsterdam (3,400) and Utrecht (2,900), while areas like Zuidwest-Friesland and Het Gooi en Vechtstreek issued fewer than 100 permits. Additionally, permits for housing additions to existing buildings (e.g., through conversions or splits) also declined, from 6,500 in early 2024 to 5,000 in 2025.

The decrease in total permits is partially explained by a switch to a new data source, according to CBS, which now also includes withdrawn permits. So far in 2025, permits for over 1,700 homes have been withdrawn, compared to 900 in the same period last year.

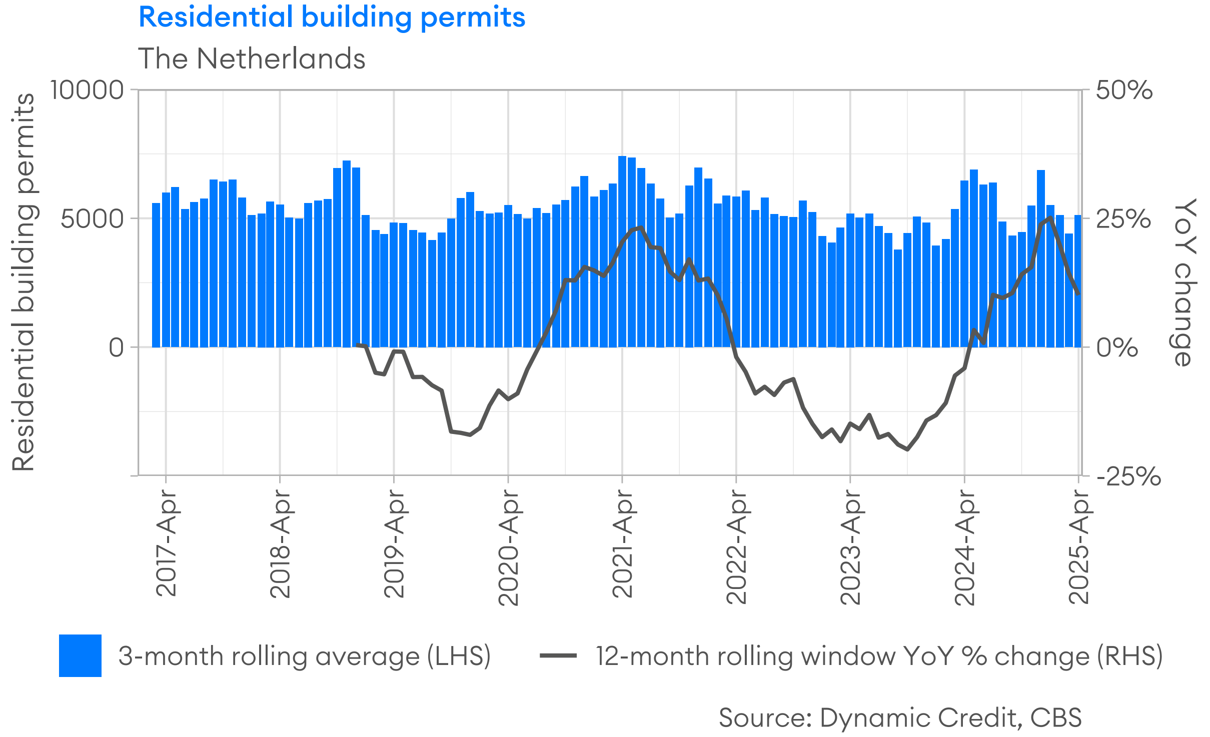

Figure 1: Number of issued building permits as of April 2025 and the percentual YoY change in the number of issued building permits excluding transformations i.e., repurposing office spaces to residential homes. Source: CBS, Dynamic Credit.

1 CBS - 33 duizend vergunde nieuwbouwwoningen in eerste vijf maanden van 2025

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Finished and sold newly built property volumes

In the first four months of the year, approximately 22,500 new homes were finished[1]. According to the aforementioned target, this should have been about 33,300 newly constructed homes, which translates into a shortfall of about 10,800 homes so far in 2025.

With regards to the number of sold newly built properties[2], in the first quarter of 2025, nearly 6,200 newly built owner-occupied homes were sold in the Netherlands, marking a 28% increase compared to the same period in 2024. This was the sixth consecutive quarter of growth in new-build transactions. The average sale price of a newly built home rose by 9.3% YoY to over EUR 504,000 – the largest increase in more than two years. For comparison, existing homes saw a 10.9% price increase as of 2025-Q1, with an average sale price of EUR 470,000.

1 CBS - Voorraad woningen en niet-woningen
2 CBS - Opnieuw stijgen prijzen en aantal verkochte nieuwbouwkoopwoningen

Offer volumes

In 2025-Q2, Hypotheken Data Netwerk ("HDN", a provider of infrastructure for mortgage loan requests) reports sustained activity in the Dutch mortgage market[1], with 139,000 mortgage applications submitted, a 16% increase compared to the same quarter in 2024, though slightly below the 142,000 applications recorded in 2025-Q1. Approximately 86,000 applications were related to home purchases, reflecting a 14% YoY increase, while 54,000 applications concerned refinancing or further advances, up 20% YoY. Within the non-purchase segment, growth was relatively balanced between refinancing +21% and further advances +19%, though the latter continued to dominate in volume terms, accounting for over 41,000 applications.

The average mortgage amount for purchases rose to EUR 372,400, a 3% increase compared to the same quarter last year, while the average market value of purchased homes climbed to EUR 509,000, roughly +5% YoY. HDN notes that this may indicate a gradual easing of price growth, especially when compared to the double-digit increases observed a year earlier.

Activity in the G4 municipalities–Amsterdam, Rotterdam, The Hague and Utrecht–was particularly strong, with purchase-related applications rising nearly 24% YoY to 11,482, far exceeding the national average. The following sections will provide more detail on recent house price and transaction volume developments.

House prices and property sales

The following paragraphs elaborate on Dutch housing price developments and property transactions, for a graphical display please consider Figure 2 below.

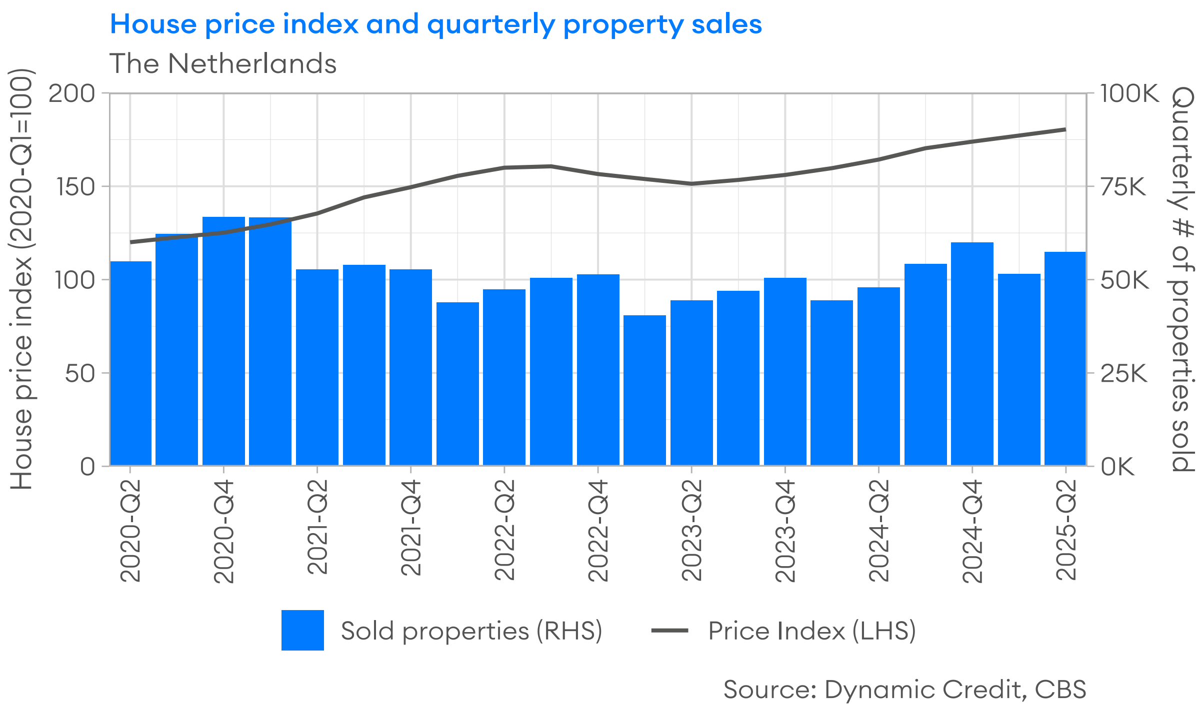


Figure 2: House Price Index of the Netherlands ("HPI") (2020-Q1 = 100) and monthly property sales. HPI until 2025-Q2. Source: CBS, Dynamic Credit.

1 HDN - Kwartaaloverzicht 2025-Q2

CBS reports on house price developments in the Netherlands through its Dutch House Price Index ("HPI"), which tracks price changes for existing owner-occupied homes in the Netherlands through purchase agreements registered by the Dutch land register. As of 2025-Q2[1], the HPI stood at a value of 148.7, meaning that housing prices were 9.7% higher YoY and 1.8% higher QoQ, compared to increases of 10.9% YoY and 1.8% QoQ reported in 2025-Q1, when the HPI stood at 146. Dutch housing prices have been increasing again since 2023-Q2, when the HPI was 124.7, a 17.64% increase since then. 2023-Q2 marked the end of a brief dip in Dutch housing prices following an increase in mortgage interest rates, which in turn rose due to policy rate hikes responding to the post-pandemic inflationary shock. Moving on to housing transactions: in 2025-Q2, approximately 57,000 transactions were recorded, up 11.5% QoQ and 19.8% YoY. More granularly, in June 2025 the total number of housing transactions reached approximately 18,900, nearly 29% higher YoY but 3.7% lower compared to May 2025. The cumulative volume of property transactions in the first half of 2025 was about 108,900, up nearly 18% YoY. Please refer to Figure 2 on the previous page for a historic overview of the quarterly Dutch housing price index and transaction volumes.

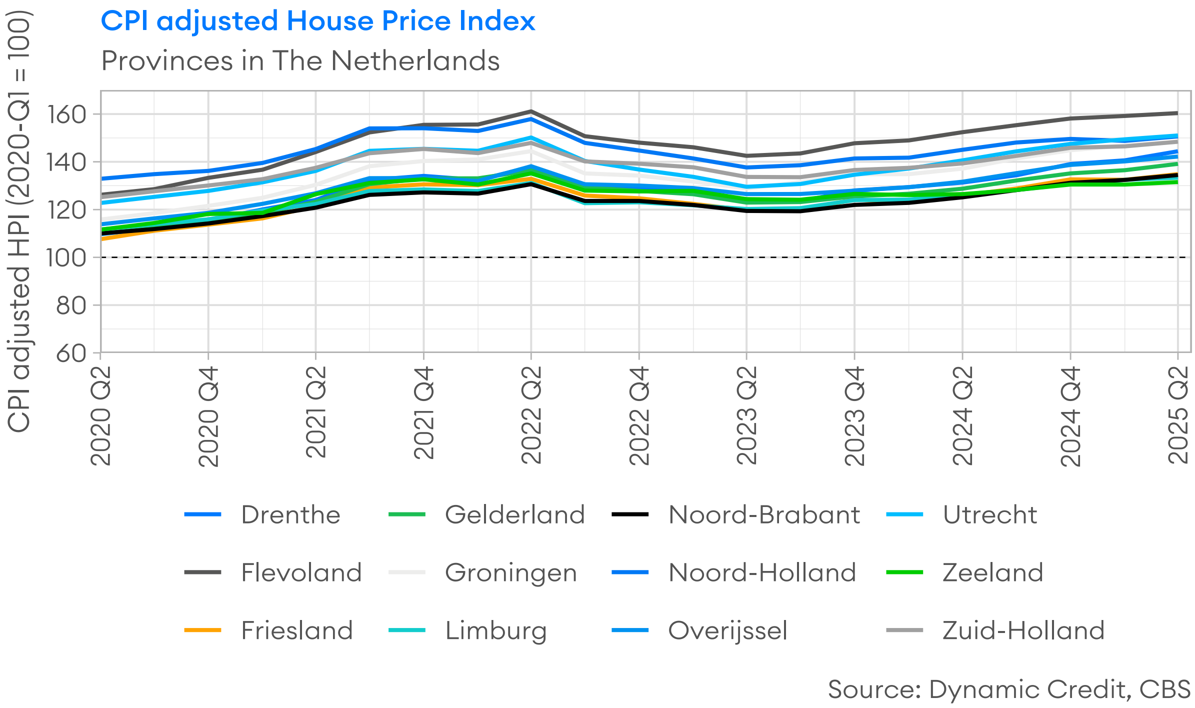


Figure 3: CPI Adjusted House price index per province in the Netherlands up to and including 2025-Q2 (2020-Q1=100). Source: CBS, Dynamic Credit.

1 CBS - Koopwoningen in juni ruim 9 procent duurder dan jaar eerder

Regional differences

Housing prices and transaction volumes continued to vary across regions in the Netherlands as of 2025-Q2. This paragraph examines the differences on a more granular level. Beginning with housing prices, we observe the largest increase in HPI in Drenthe: 13.4% YoY and 3.2% QoQ. In the previous quarter, housing price growth in Drenthe was also among the highest in the dataset. The lowest YoY housing price development was observed in Noord-Holland (+7.1%). Among the municipalities included in the dataset, Utrecht again posted the highest YoY growth at 10.4%, while price development in Amsterdam was a relatively modest 4.3% YoY, though transactions increased by 37.3% YoY. According to NVM[1], which monitors transaction prices of NVM-sold properties (which may be viewed as a leading indicator of the CBS price index), this can be attributed to the substantial sale of former buy-to-let properties. These are usually smaller apartments, and a substantial increase in such transactions will, ceteris paribus, lower the average price, thereby subduing measured housing price growth in the municipality.

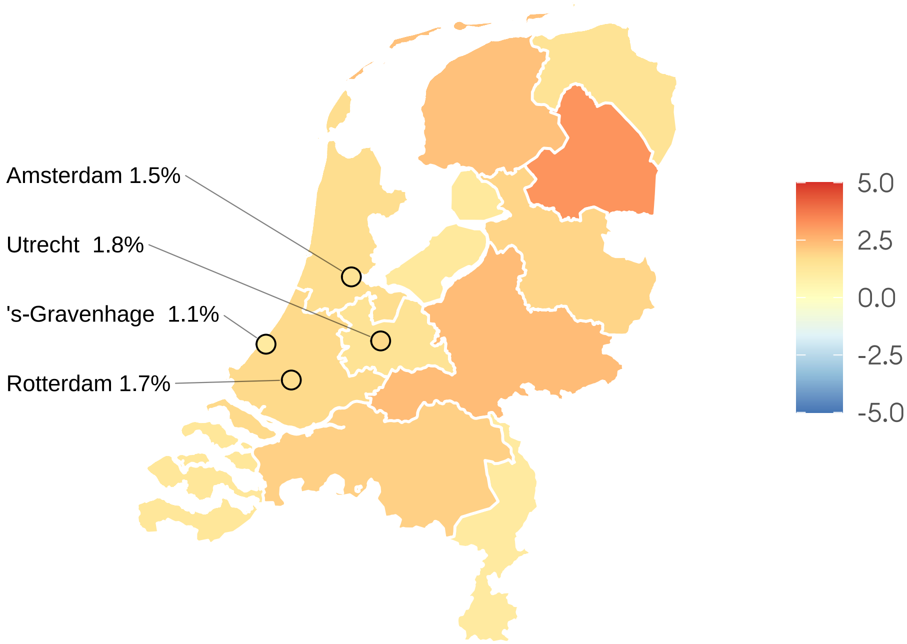
Moving onto housing transactions, Zuid-Holland and Noord-Holland remained the most active regions in terms of transaction volumes, accounting for a combined 22,500 sales, or nearly 40% of the national total, with YoY volume increases of 20.5% and 24.1%, respectively. Utrecht province followed with approximately 4,800 transactions, up 26.1% YoY. The combined sales in the four key municipalities of Amsterdam, 's-Gravenhage, Rotterdam and Utrecht represented around 15.7% of total quarterly transactions. For a detailed overview of regional house price developments and transaction figures, please refer to Table 1.

Area	Type	HPI (2020=100)	YoY Price %	QoQ Price %	Properties Sold in Quarter	QoQ Properties Sold %	YoY Properties Sold %
Nederland	Country	148.7	9.7	1.8	57,412	11.5	19.8
Amsterdam	Municipality	132.4	4.3	1.5	3,595	23.6	37.3
's-Gravenhage	Municipality	140.6	9.7	1.1	2,009	13.8	22.7
Rotterdam	Municipality	141.7	8.7	1.7	2,000	8.1	22.2
Utrecht	Municipality	150.9	10.4	1.8	1,432	12.1	32.8
Groningen	Province	157.5	11.6	1.5	1,783	14.2	18.9
Friesland	Province	152.9	10.5	2.3	1,959	2.4	14.1
Drenthe	Province	161.6	13.4	3.2	1,587	11.8	8.1
Overijssel	Province	153.8	11.4	1.9	3,485	10.0	12.2
Flevoland	Province	156.5	8.5	1.2	1,447	1.5	18.7
Gelderland	Province	155.7	11.4	2.4	6,623	11.3	20.7
Utrecht	Province	151.3	10.8	1.5	4,798	18.6	26.1
Noord-Holland	Province	140.4	7.1	1.7	10,444	16.8	24.1
Zuid-Holland	Province	146.1	9.8	1.8	12,066	12.5	20.5
Zeeland	Province	144.2	7.2	1.3	1,469	4.4	13.0
Noord-Brabant	Province	150.8	10.8	2.0	8,466	8.3	19.2
Limburg	Province	146.9	8.9	1.1	3,285	5.9	16.8

Table 1: House Price Index of the Netherlands ("HPI") (2020-Q1 = 100) and number of property sales changes in Dutch provinces and major municipalities 2025-Q2 Source: CBS, Dynamic Credit.

1 NVM - Marktinformatie koopwoningen

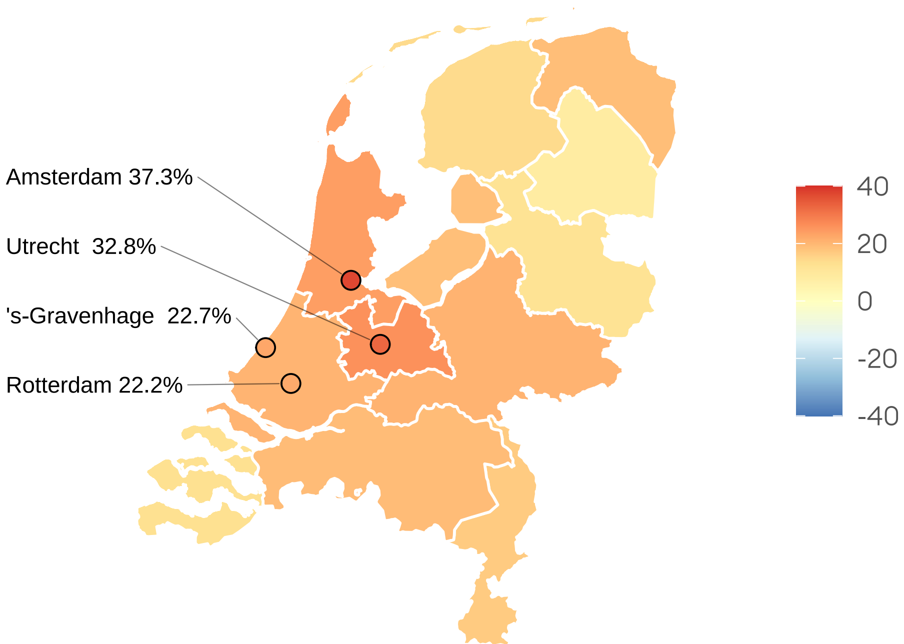
House Price Index QoQ change



Source: Dynamic Credit, CBS (2025 Q2)

Figure 4: Dutch House Price Index QoQ change in percentages, 2025-Q2.

Number of sold properties YoY change



Source: Dynamic Credit, CBS (2025 Q2)

Figure 5: Sold properties YoY change in percentages, 2025-Q2.

Expected house price and property sales developments

In the housing market publications released as of 2025-Q2, Dutch financial institutions continue to maintain their forecasts on house price growth for the coming years, supported primarily by rising wages and persistent supply shortages. Rabobank expects[1] house prices to increase by 8.6% in 2025 followed by 6.6% in 2026. Rabobank also notes that observed price growth is becoming more modest in larger cities. On the transaction side, Rabobank forecasts 227,000 sales in 2025, up from 206,000 in 2024, largely driven by private investors selling former rental properties. This increase is expected to ease in 2026, with a projected decline to 223,000 transactions. Then ABN AMRO, which has revised its full-year price forecast for 2025 to +8%, citing strong growth in rural areas, while price developments in Amsterdam are expected to be more moderate. ABN AMRO expects[2] total transaction growth of 12.5% for 2025, with a more modest 1% increase in 2026. Moreover, ING projects[3] a 6.5% increase in housing prices in 2025 followed by an expected increase of 4% in 2026. Meanwhile, Fitch Ratings[4] has slightly lowered its outlook to 7% in 2025 and 4% in 2026 (compared to 9% in 2025), due to temporarily rising mortgage rates caused by higher long-term Euro swap rates. Fitch expects arrears to remain low, citing strong labor market conditions, wage growth and sound lending practices.

To recapitulate, across institutions the consensus remains relatively unchanged compared to 2025-Q1, 2025 is expected to see the steepest gain (average expected increase of 7.52%), followed by a more modest expected increase of 4.32% in 2026. Yet, structural shortages in the housing market and the growth in income continue to support upward pressure on both prices and transaction volumes. For an overview of forecast changes through time and actual price developments, please refer to Figure 6 displayed below.

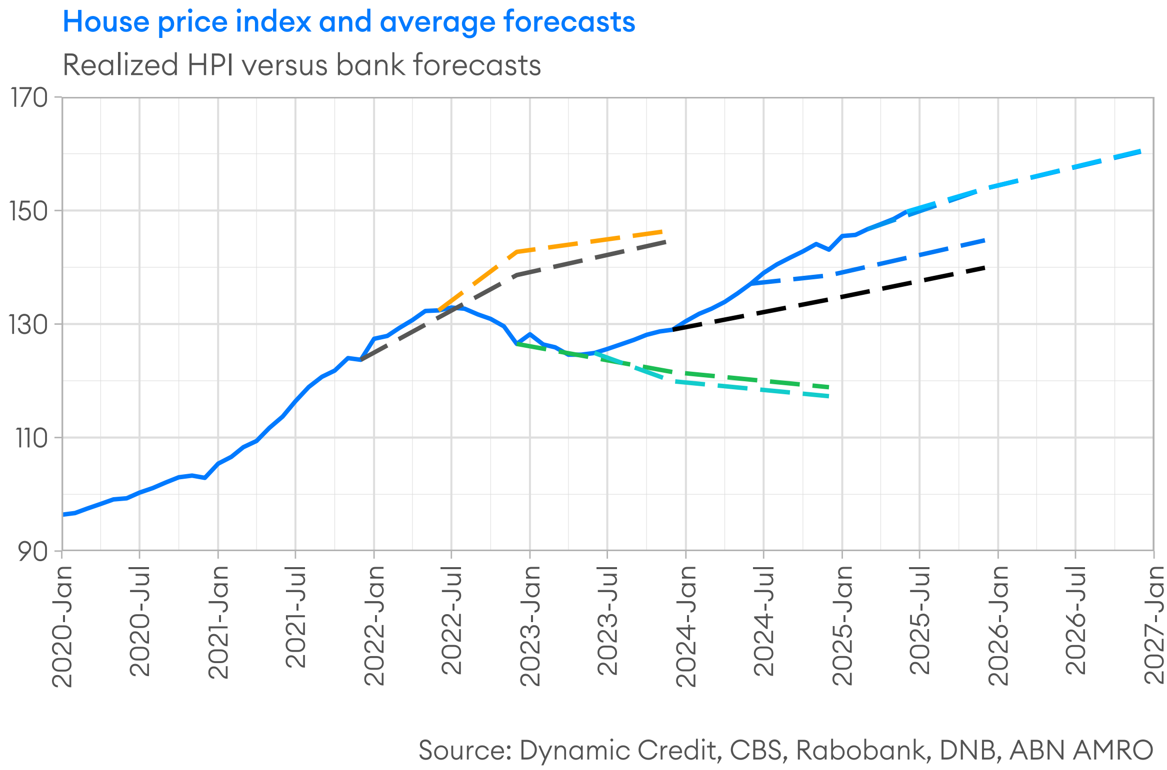


Figure 6: Realized house price index and average house price forecasts made at different points in time as of 2025-Q2. The interrupted lines represent forecasted developments, uninterrupted line represents realized HPI developments. Source: Dynamic Credit, CBS, Rabobank, DNB, ABN AMRO, ING and Fitch.

1 Rabobank - Kwartaalbericht Woningmarkt
2 ABN AMRO - Woningmarktmonitor juli 2025
3 ING - De Nederlandse Woningmarkt
4 FitchRatings - 2025 Global Housing and Mortgage Outlook Mid-Year Update

Mortgage originations

The Dutch land registry ("Kadaster") reports on the total inscription amount for mortgage loans in the Netherlands, which gives insight in the total mortgage origination balance in the Netherlands.

From 2014 to 2021, yearly mortgage originations steadily increased. However, in the second half of 2022, a notable decrease in origination volumes was observed due to a sharp rise in interest rates. These higher rates caused refinancing origination volumes to shrink significantly, reaching nearly zero. As a result, the total origination amount decreased from EUR 163 billion in 2022 to EUR 107 billion in 2023. In 2024 the total origination amount was EUR 139 billion, 30% higher compared to 2023. In the first half of 2025 the total origination amount was EUR 78 billion, 32% higher compared to the first half of 2024.

In 2025-Q2, the mortgage market experienced an increase. Mortgage inscriptions amounted to approximately EUR 41 billion, which was a 17% QoQ increase compared to EUR 37 billion in the previous quarter and a 29% increase compared with the second quarter of 2024. This QoQ increase was primarily due to an increase in the number of mortgage inscriptions, which rose by 11%[1].

1 Kadaster - Vastgoed dashboard

VEH Consumer confidence

Vereniging Eigen Huis ("VEH")[1] measures consumer confidence in the Dutch housing market every quarter based on a questionnaire about interest rates, prices and the general housing market. The indicator can take values ranging from 0 to 200, with 100 indicating a neutral value. Higher values indicate positive consumer sentiment and lower values indicate negative sentiments.

Displayed in Figure 7 below, the VEH indicator illustrates its historical trend. After the decrease from 2016-Q3, consumer sentiment has since shown a gradual rise throughout 2024. In 2025-Q1, the indicator stayed relatively consistent with a slight nudge downwards, moving from 99 in January to 95 in April 2025. This slight decline is mainly attributed to higher housing prices and slightly higher mortgage rates. Moreover, as reported in the VEH 2025-Q2 report, the younger demographic group (potential starters) showed the most positive change in sentiment. Furthermore, the potential starters scored much higher than renters (101 vs 94), potentially a knock-off effect of the shrinking rental supply caused by the Affordable Rental Act. Finally, the higher income group showed better sentiment than the lower income group (101 vs 92), suggesting that the higher income group had more confidence in the housing market due to their income buffer.

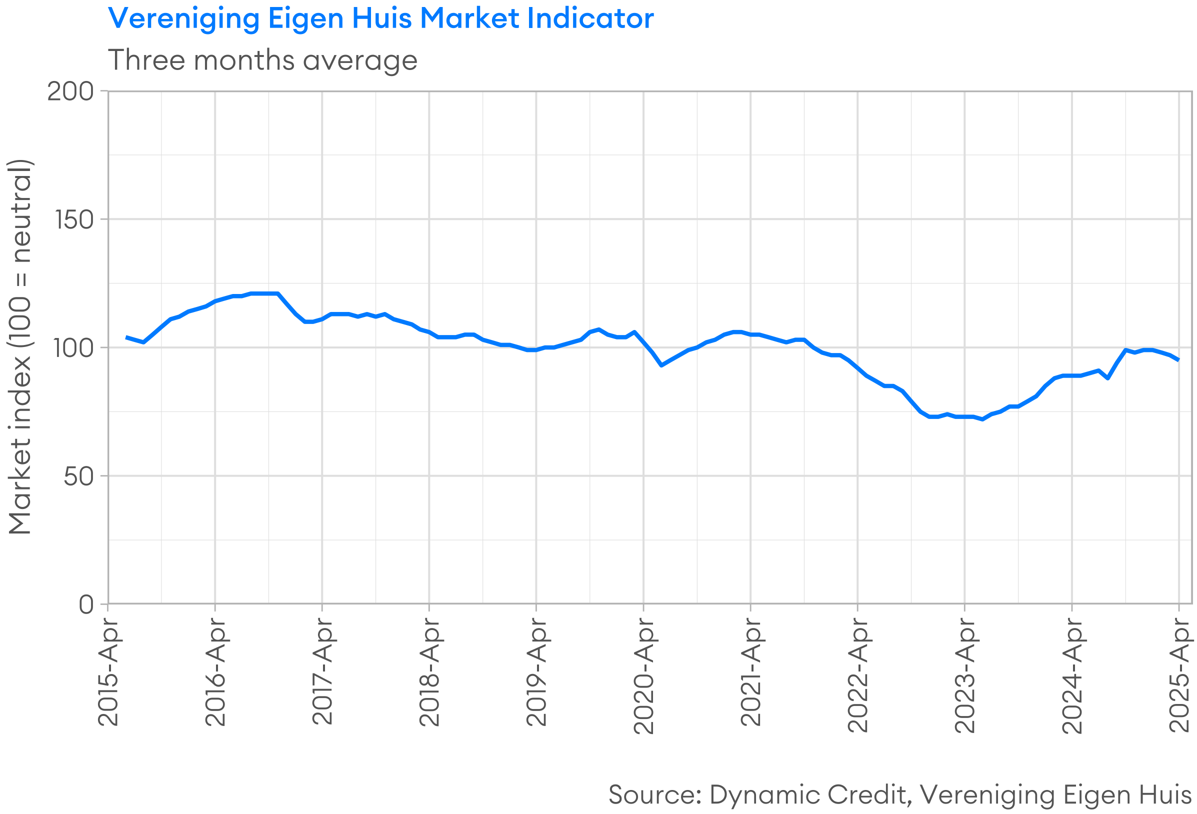


Figure 7: Vereniging Eigen Huis Market Indicator as of April 2025.

1 VEH - Marktindicator

CBS Consumer confidence

Statistics Netherlands ("CBS") tracks consumer confidence by assessing Dutch consumers' views and expectations on various topics, including the general economic environment, personal financial situations and willingness to make purchases. This indicator is measured in percentage points of negative or positive responses and can range from -100 to 100, with 0 indicating an equal number of positive and negative responses.

In July 2025[1], consumer confidence in the Netherlands edged up by 4 point to -32, compared to -36 in June. This movement is driven by modest gains in consumer sentiment in the economic climate. Also, the purchasing sentiment became less negative, showing positive change from June. Over the last quarter, consumer confidence has stayed relatively stable, indicating a stabilization of the trend. Nevertheless, the current level remains well below the historical norm of –10, reflecting a weaker view of the economy.

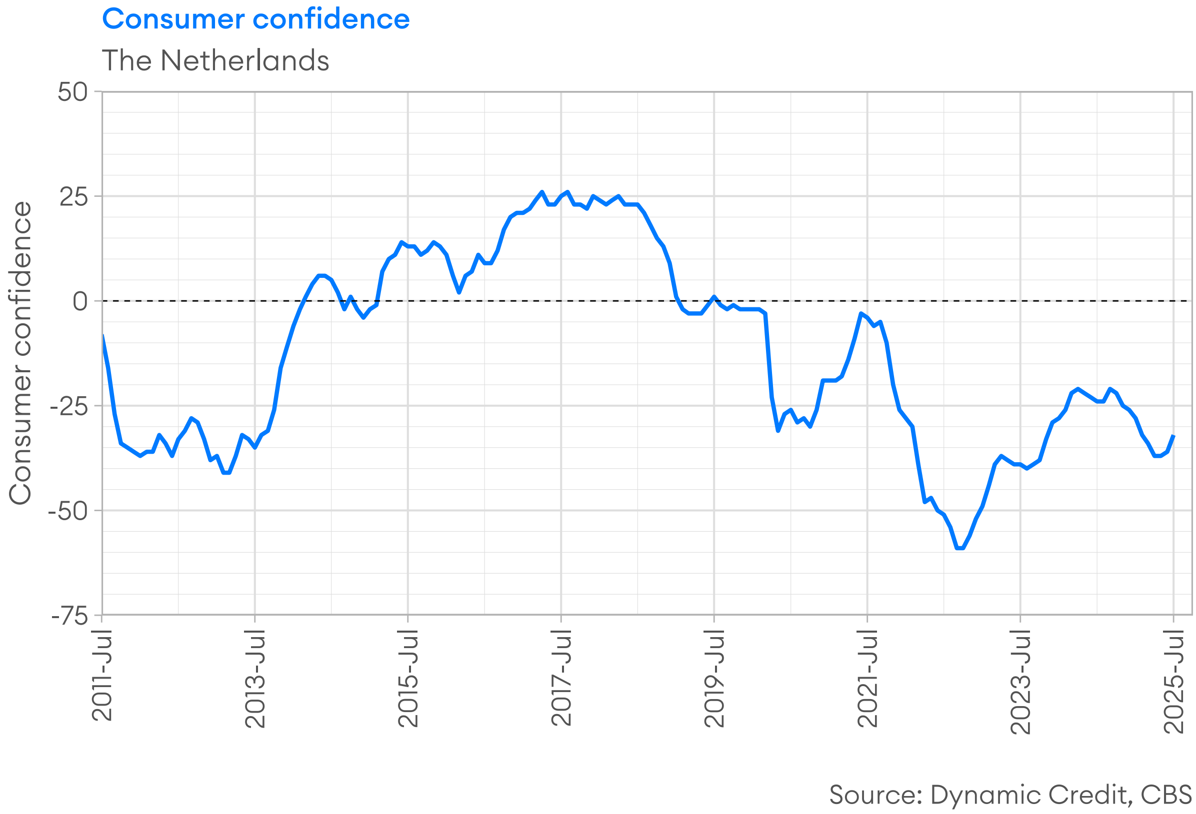


Figure 8: CBS total consumer confidence in the Netherlands as of July 2025.

1 CBS - Vertrouwen consumenten verbetert in juli.

CBS household consumption

According to Statistics Netherlands ("CBS")[1], household consumption in the Netherlands rose by 1.1% in May 2025 compared to the same month in 2024, after adjusting for price changes and shopping-day patterns. Households increased their spending on both goods and services, with services expenditure rising by 1.8%, particularly in areas such as insurance, public transport and visits to restaurants, events and barbers. Notably, more than half of the total domestic consumption is accounted for by services. Consumers also spent 0.7% more on durable goods, especially transportation related items. On the other hand, the spending on food, beverages and tobacco fell by 0.3%, while the spending on other goods, such as energy and personal care products dropped by 0.2%. Figure 9 indicates that conditions for households in June 2025 improved compared to May, driven by more optimistic consumer sentiment around unemployment and favorable YoY movement in the stock market.

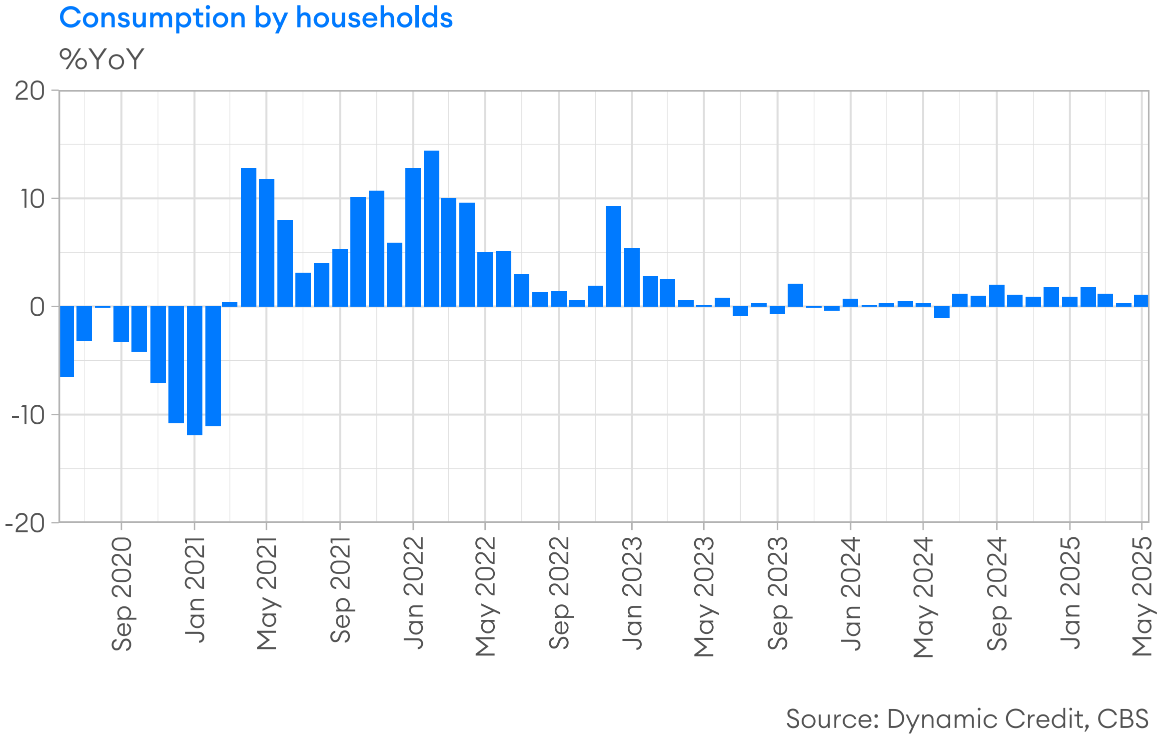


Figure 9: Percentual YoY domestic household consumption in the Netherlands adjusted for price changes up until May 2025.

1 CBS - Consumptie huishoudens groeit met 1.1 procent in mei

NHG

Stichting Waarborgfonds Eigen Woningen ("WEW"), a central, privatized entity, is responsible for the administration and granting of the Nationale Hypotheek Garantie ("NHG Guarantee"). The NHG Guarantee covers the outstanding principal, accrued unpaid interest and disposal costs of mortgage loans. Irrespective of scheduled repayments and prepayments made on a mortgage loan, the NHG Guarantee is reduced on a monthly basis by an amount equal to the principal repayment part of the monthly installment, as if the mortgage loan were to be repaid on a thirty-year annuity basis. Financial support from the Dutch government is formalized in a backstop agreement, under which the State is responsible for providing interest-free loans in case of need.

New NHG guarantees[1]

According to HDN, an aggregate amount of EUR 12.7 billion NHG offers has been requested in 2025-Q2, a substantial increase from EUR 10.2 billion in 2024-Q2. The 2025-Q2 figures reflect an NHG market share of around 33% in terms of total mortgage loan balance, a continuation of the 2024-2025 share. Please refer to Figure 10 for a graphic description.

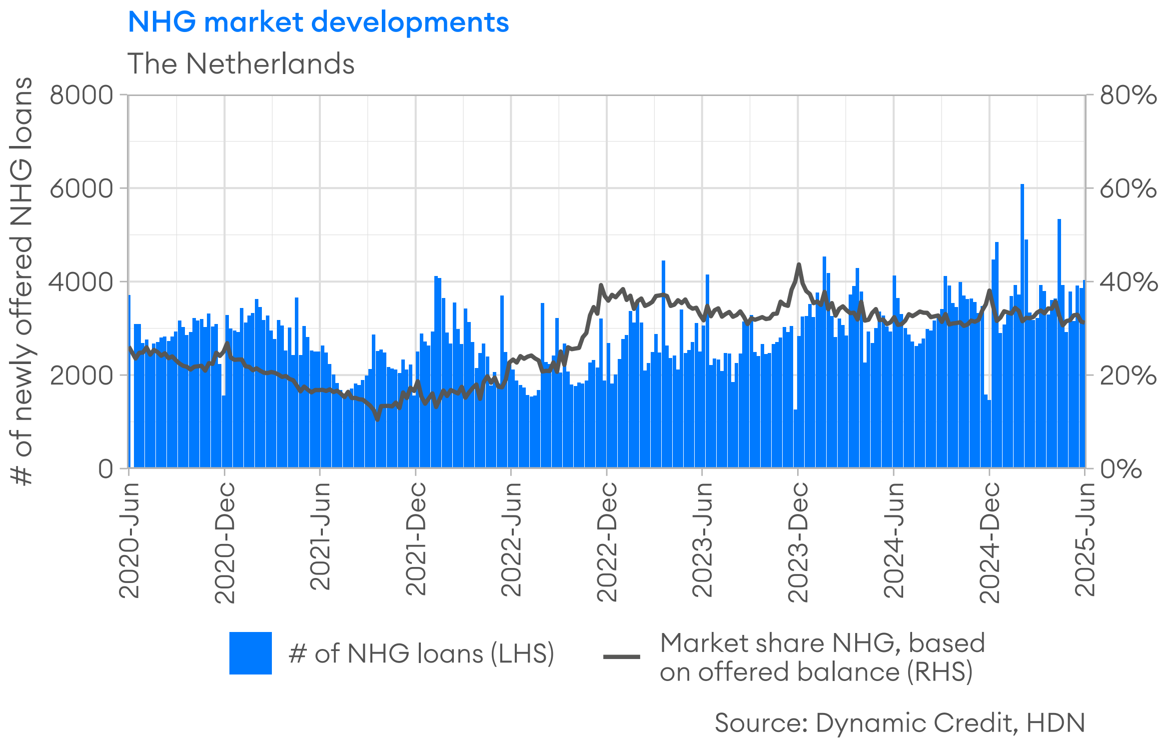


Figure 10: Number of new NHG guarantees and market share of NHG loans as a percentage of total originated balance through time. The x-axis refers to year and month.

Loss declarations[2]

In the first quarter, three loss declarations were submitted of which three were reviewed and approved. The average loss amount was EUR 23,000 with a payout ratio of 89%.

Financials

The number of guarantees is 1.418 million by the end of the first quarter of 2025 and the assets totaled EUR 1.76 billion. The amount guaranteed by WEW (the total outstanding balance of mortgages with an NHG guarantee) is approximately EUR 218 billion. This is set against an estimated total collateral value of over EUR 461 billion. The capital ratio, defined as the available capital as a percentage of the amount guaranteed by WEW, is 0.81%.

1 HDN - Kwartaaloverzicht 2025-Q2
2 NHG Kwartaalcijfers 1e kwartaal 2025

3. Owner-Occupied Mortgages

Mortgage interest rate and spread developments

Mortgage interest rates

In the second quarter of 2025, mortgage interest rates declined, for the most part reversing the increase observed in the previous quarter. On average, mortgage rates decreased by 15 bps QoQ across the various fixed-rate-period and LTV segments displayed in the table below. The decreases were more pronounced in the shorter fixed-rate-period segments (5Y and 10Y) compared to the longer fixed-rate-period segments (20Y and 30Y), which saw decreases of 21 bps and 9 bps, respectively. Compared to a year earlier, mortgage interest rates were also lower across all segments, with YoY declines ranging from 4 to 39 bps, reflecting a broader easing in rate levels. The same dispersion as mentioned earlier is observed again, with average YoY decreases of 34 bps and 11 bps for (5Y and 10Y) and (20Y and 30Y), respectively. Lastly, during the month of July, mortgage interest rates slightly increased again by an average of 4 bps.

The table below contains an overview of the interest rate development for the respective risk classes and fixed rate periods.

Mortgage rate development for average of top 6 mortgage rates								
Fixed rate period	Risk class	2024-06-30	2025-03-31	2025-06-30	2025-07-25	QoQ	YoY	QtD
5-year	NHG	3.66%	3.46%	3.27%	3.29%	-0.19%	-0.39%	0.02%
	60% LTMV (non-NHG)	3.75%	3.61%	3.38%	3.39%	-0.23%	-0.37%	0.01%
	80% LTMV (non-NHG)	3.84%	3.68%	3.45%	3.45%	-0.24%	-0.40%	0.01%
	100% LTMV (non-NHG)	3.95%	3.75%	3.52%	3.53%	-0.24%	-0.43%	0.01%
10-year	NHG	3.75%	3.63%	3.49%	3.52%	-0.14%	-0.26%	0.03%
	60% LTMV (non-NHG)	3.85%	3.82%	3.61%	3.68%	-0.21%	-0.24%	0.08%
	80% LTMV (non-NHG)	3.96%	3.89%	3.70%	3.75%	-0.19%	-0.26%	0.05%
	100% LTMV (non-NHG)	4.14%	4.01%	3.79%	3.84%	-0.23%	-0.35%	0.06%
20-year	NHG	3.96%	3.92%	3.76%	3.88%	-0.16%	-0.20%	0.12%
	60% LTMV (non-NHG)	4.02%	4.01%	3.93%	3.96%	-0.08%	-0.08%	0.03%
	80% LTMV (non-NHG)	4.10%	4.06%	3.99%	4.02%	-0.06%	-0.11%	0.03%
	100% LTMV (non-NHG)	4.27%	4.21%	4.14%	4.16%	-0.07%	-0.14%	0.02%
30-year	NHG	4.06%	4.04%	3.90%	3.95%	-0.14%	-0.16%	0.04%
	60% LTMV (non-NHG)	4.04%	4.06%	4.00%	4.03%	-0.07%	-0.04%	0.03%
	80% LTMV (non-NHG)	4.14%	4.11%	4.06%	4.09%	-0.05%	-0.08%	0.03%
	100% LTMV (non-NHG)	4.29%	4.27%	4.21%	4.24%	-0.06%	-0.08%	0.03%

Table 2: Average top-6 mortgage rates (excluding action rates) for mortgage loans with different fixed rate periods for four risk classes. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-07-25.

Swap and Spread developments[1]

Continuing to Euro swap rates and Dutch mortgage interest rate spreads. After a steep upward shock in Euro swap rates observed at the beginning of March 2025, Euro swap rates gradually started decreasing until May 2025. However, Euro swap rates started increasing again in 2025-Q2, specifically from May 2025 onwards. Please consider Figure 11 displayed below for the historic development of Euro swap rates over the last one and a half years. Reasons contributing to the upward trend remain relatively unchanged: trade tensions and tariff uncertainty, fiscal expansion of European countries and arguably most importantly, diminishing expectations[2] regarding ECB rate cuts. Read more about this in the Macro Update section 6 of this quarterly report.

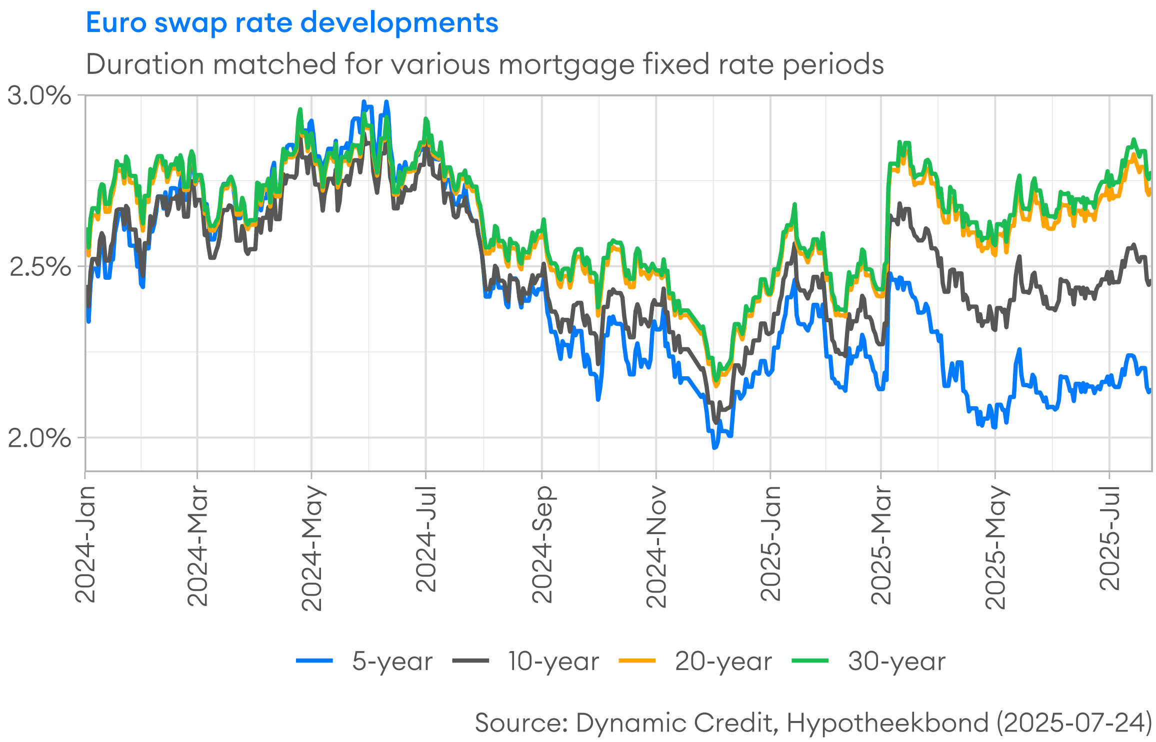


Figure 11 : Historic developments of annuity duration matched Euro swap rates. The time series includes data starting 2024 up to and including 2025-07.

Then lastly, mortgage interest spreads. These remained volatile throughout the second quarter. On average, mortgage spreads tightened by 11 bps QoQ but widened by 7 bps YoY across different fixed-rate-period and risk-class segments. Please consider Figure 12 below for the mortgage spread developments through time. This shows that spreads displayed a general decline during 2025-Q2, with a sudden increase after the quarter had ended, in mid-July 2025.

1 The EUSWxV3 swap is used, which uses quarterly resets and the floating leg is 3-month EURIBOR.
2 Bloomberg - European Bonds Slump as Traders Reduce Bets on ECB Rate Cuts

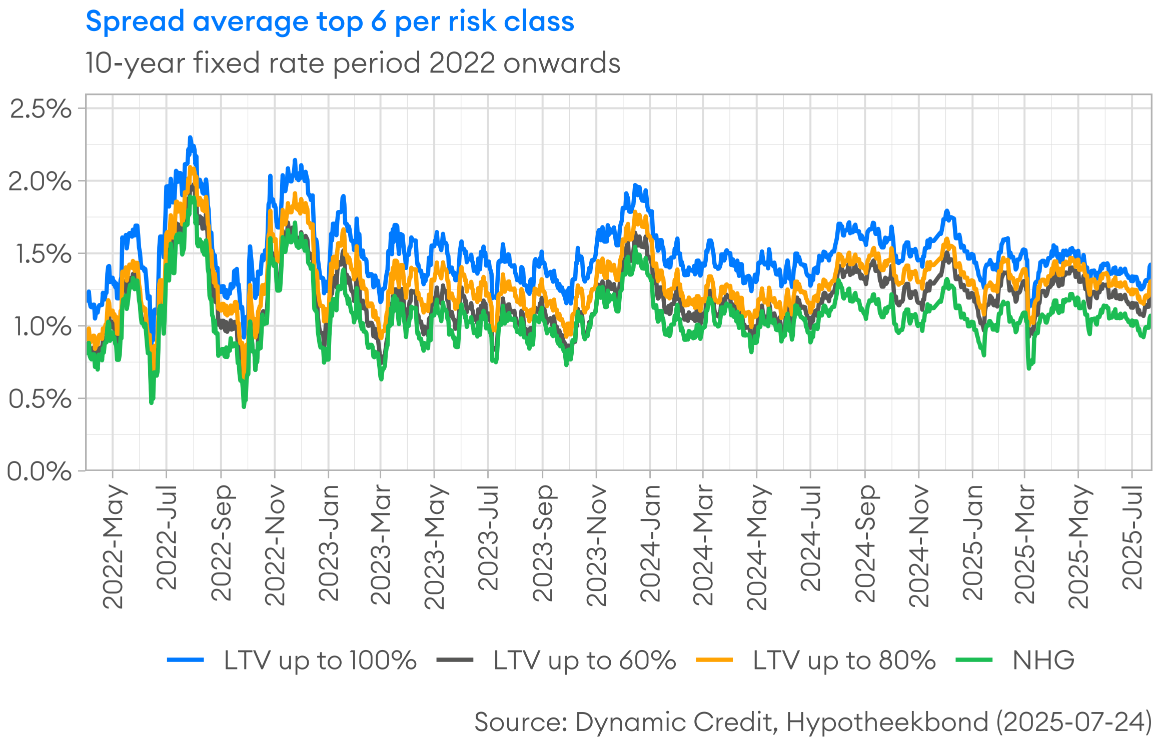


Figure 12 : Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 10-year fixed rate period for four risk classes up to and including 2025-07.

For a broader overview of the spread developments, see Table 3 displayed below. The information should be interpreted as representative gross spread for newly originated Dutch residential mortgage loans over time.

Spread development for average of top 6 mortgage rates								
Fixed rate period	Risk class	2024-06-30	2025-03-31	2025-06-30	2025-07-25	QoQ	YoY	Qtd
5-year	NHG	0.82%	1.15%	1.09%	1.06%	-0.05%	0.27%	-0.04%
	60% LTV (non-NHG)	0.91%	1.30%	1.20%	1.16%	-0.10%	0.29%	-0.05%
	80% LTV (non-NHG)	1.00%	1.37%	1.27%	1.21%	-0.10%	0.27%	-0.05%
	100% LTV (non-NHG)	1.11%	1.44%	1.34%	1.29%	-0.10%	0.24%	-0.05%
10-year	NHG	0.95%	1.09%	1.00%	0.98%	-0.08%	0.05%	-0.02%
	60% LTV (non-NHG)	1.05%	1.28%	1.13%	1.15%	-0.15%	0.07%	0.02%
	80% LTV (non-NHG)	1.16%	1.35%	1.22%	1.22%	-0.13%	0.06%	0.00%
	100% LTV (non-NHG)	1.35%	1.48%	1.31%	1.31%	-0.17%	-0.04%	0.00%
20-year	NHG	1.11%	1.20%	1.03%	1.09%	-0.17%	-0.08%	0.07%
	60% LTV (non-NHG)	1.16%	1.29%	1.20%	1.17%	-0.09%	0.04%	-0.03%
	80% LTV (non-NHG)	1.25%	1.33%	1.26%	1.24%	-0.07%	0.01%	-0.03%
	100% LTV (non-NHG)	1.42%	1.49%	1.41%	1.38%	-0.08%	-0.01%	-0.03%
30-year	NHG	1.20%	1.28%	1.12%	1.11%	-0.16%	-0.07%	-0.01%
	60% LTV (non-NHG)	1.18%	1.31%	1.22%	1.20%	-0.09%	0.04%	-0.03%
	80% LTV (non-NHG)	1.28%	1.36%	1.29%	1.26%	-0.07%	0.01%	-0.02%
	100% LTV (non-NHG)	1.43%	1.52%	1.44%	1.41%	-0.08%	0.01%	-0.03%

Table 3: Spread of the average top-6 mortgage rates (excluding action rates) over duration matched swap rates for four risk classes. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-07-25.

4. Funding Update

RMBS

The second quarter of 2025 was comparable to the first quarter in terms of RMBS issuance, totaling EUR 2.4 billion, including EUR 1 billion in retained issuance. RMBS spreads fluctuated and came down from the peak of 60 basis points during April and hovered around the 50 basis points level through the rest of the quarter and into July. In the covered bond market, total issuance amounted to EUR 1 billion - fully placed through two EUR 500 million deals by Achmea. Spreads remained in the 43–44 basis point range throughout the quarter, before tightening to 39 basis points in the second half of July.

Candide Financing – CANDI 2025-1

CANDI 2025-1 is a Dutch RMBS transaction backed by owner-occupied mortgages originated by Lloyds Bank for a total of EUR 789 million. The pool has a weighted average CLTV of 71.1% and seasoning of 19.8 months. The average loan size is EUR 261,600, with 12.5% of the pool consisting of interest-only loans. The pool consists for two thirds of NHG-guaranteed mortgages. The A tranche was distributed, while the remaining tranches were retained.

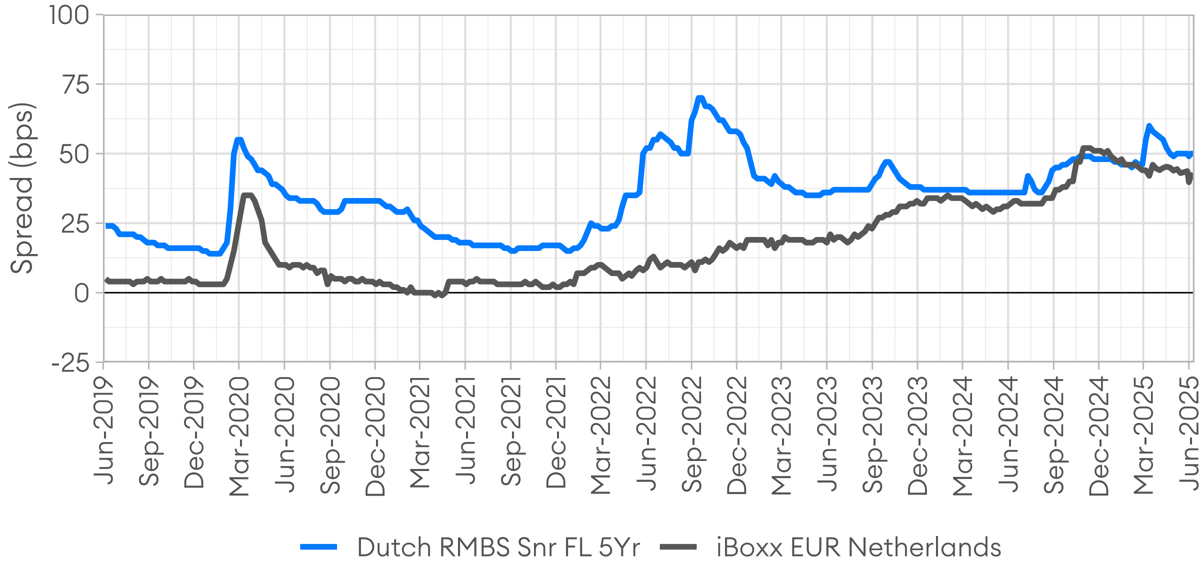
Golden Apple NHG – GAPPL 2025-1

GAPPL 2025-1 is a EUR 806 million RMBS deal fully backed by NHG-guaranteed Dutch owner-occupied mortgages originated by Argenta Spaarbank. The portfolio has a weighted average CLTV of 85.4% and seasoning of 17 months. The average loan size is EUR 261,900. The A tranche was publicly placed, with the remaining tranches retained.

Bastion NHG – BASTN 2025-1

BASTN 2025-1 is a Dutch retained RMBS transaction fully backed by NHG mortgages originated by MeDirect Bank for a total of EUR 774 million. The portfolio has a weighted average CLTV of 81.4% and seasoning of 34 months. The average loan size is EUR 217,000, with 6.4% of the pool comprising interest-only loans.

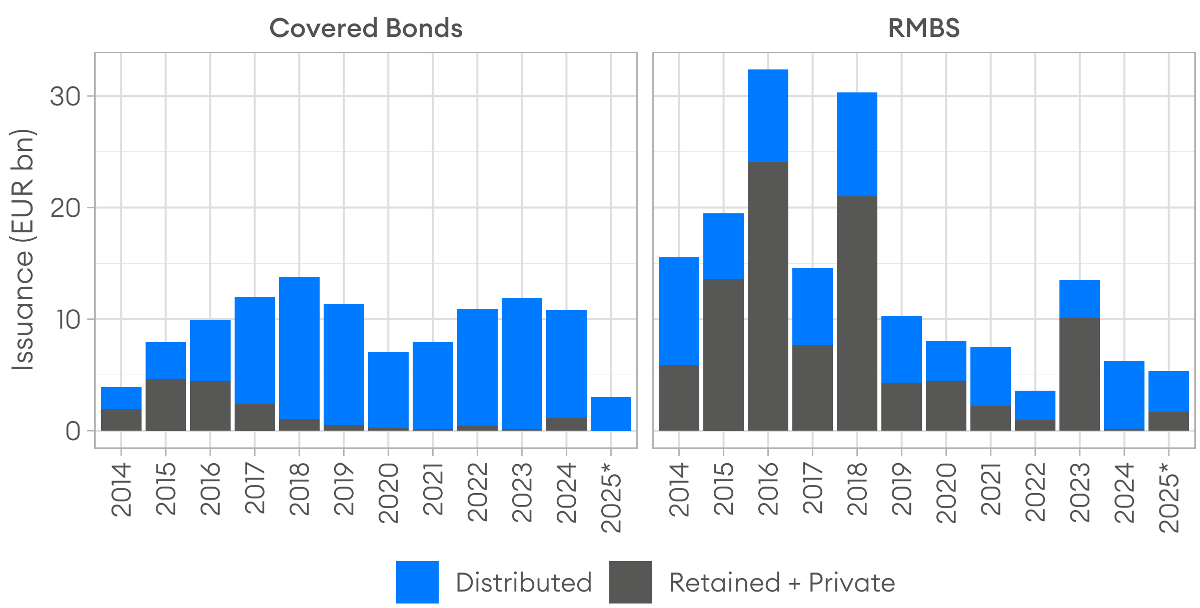
Mortgage funding spreads



Source: Dynamic Credit, JP Morgan

Figure 13: RMBS spread refers to indicative mid spread (DM) for representative generic RMBS bonds. iBoxx EUR Netherlands spread refers to spread versus mid swap rates. The data is as of 2025-Q2.

Mortgage funding issuance



* Data up to Q2
Source: Dynamic Credit, JP Morgan

Figure 14: Issuance of Dutch RMBS and covered bonds. The data is as of 2025-Q2.

5. Buy-to-let Mortgages

Buy-to-let news and market developments

Kadaster Insights – Investors Retreat, Starters Surge in a Shifting Housing Market[1]

Kadaster reports that the Dutch housing market in 2025-Q1 was shaped by two major forces: a continued retreat by private investors and a surge in first-time buyer activity. According to Kadaster's investor update, private investors sold 37% more homes than a year earlier, particularly in university cities. This sell-off was driven by regulatory pressures and tax changes, with most investor purchases occurring between investors rather than from owner-occupiers.

Kadaster's general housing market report shows that the overall transaction volume rose sharply: they registered 51,500 housing transactions in 2025-Q1, a 16% increase compared to the same quarter in 2024. This marks the highest number of first-quarter transactions since 2021, defying expectations amid global economic uncertainty and signaling strong domestic demand. First-time buyers capitalized, especially in urban areas. In the four largest cities (G4), they accounted for 62% of all transactions. Meanwhile, existing homeowners were more active outside the cities. Prices rose across the board, but more slowly for starters, who paid an average of EUR 385,000 – up 6% YoY – compared to EUR 539,000 for movers, up 11%.

Investors who remained active shifted their focus to high-end properties, paying an average of EUR 700,000 per home. Despite the sell-offs, the rental stock declined only slightly, as institutional investors added new units. However, regional disparities widened, with 72 municipalities now averaging home prices above EUR 550,000.

Lower Rents, Higher Spending – How Social Tenants Respond to Housing Cost Relief[2]

Analysis by the ABN AMRO economic bureau together with Matthijs Korevaar, Associate Professor of finance at the Erasmus School of Economics, shows that social tenants spent every euro saved on rent. Using 2023 ABN AMRO transaction data which reflects income-based rent reduction, researchers found that households receiving rent cuts increased their consumption immediately, with no evidence of increased savings. The marginal propensity to consume (MPC) was effectively 1, meaning all additional disposable income was spent.

This behavior suggests that temporary housing cost relief leads to short-term consumption boosts but not long-term financial stability. The study also highlights challenges in targeting income-based rent policies. Many households with similar financial profiles did not qualify for the reduction, raising concerns about fairness and effectiveness.

With the 2025–2026 rent freeze and temporary housing benefit increase planned as part of the Spring Budget, similar consumption patterns are expected. Once the benefits expire, household spending may decline again, creating volatility rather than sustained improvement.

Investor Sell-Offs Deepen the Gap in the Social Rental Market[3]

New research shows that investor withdrawals from the rental market are leaving a growing void in the social rental market–one that housing associations cannot fill. In 2024 alone, around 40,000 rental homes were sold, contributing to a net loss of nearly 250,000 units since 2009. Most new housing additions have occurred in the owner-occupied sector, while social rental growth remains limited.

Private investors played a key role in expanding the lower rental segment between 2015 and 2023, often through conversions, construction and purchases of lower segment units. However, recent policy changes have made these investments less attractive. Consequently, these investors decrease new investments and sell off existing properties. The result is a shrinking supply of affordable rentals, even as demand continues to rise.

1 Kadaster - Investeerders 1e kwartaal 2025
2 ABN AMRO - Sociale huurders geven lagere woonlasten volledig uit
3 MeJudice - Verkopende beleggers laten een gat achter op de sociale huurmarkt

A critical issue lies in the mismatch between WWS-regulated rents and actual market values. In the lower segment, WWS valuations often exceed what the market would naturally bear, meaning tenants in lower-quality homes may pay relatively high regulated rents. Conversely, in the higher segment, WWS valuations tend to fall below market prices, making high-quality homes less profitable to rent under regulation. This misalignment discourages investment in both ends of the spectrum: landlords in the lower segment face affordability constraints without adequate returns, while those in the higher segment may opt to sell rather than rent due to underpricing. The result is a distorted rental market where the WWS fails to capture the true value of housing, exacerbating shortages in affordable supply and undermining incentives for quality rental development.

Addressing these issues requires consistent investments, and reduction of fiscal disparities between ownership and rental, stabilizing housing policy, and aligning rent pricing with housing quality.

The WWS System and the Private Rental Market – Misalignment and Market Risks[1]

A recent study by the Instituut voor Publieke Economie reveals that the Woningwaarderingsstelsel (WWS), a points-based system used to regulate rents, often fails to reflect actual market conditions, leading to distortions in rent pricing and investment behavior.

The study finds that market rents typically do not match the maximum prices allowed under the WWS, especially in urban areas like Amsterdam and Utrecht. However, this gap is highly variable and depends on housing type, location, size, and energy performance. For example, smaller apartments in popular neighborhoods often command rents far above their WWS valuation, while larger homes in less desirable areas may be overpriced by the system.

Using statistical modeling, researchers show that the WWS explains only about 35% of the variation in rent prices. In contrast, models based on housing characteristics and location account for over 70%. This suggests that tenants value factors like proximity to amenities and neighborhood quality far more than the WWS does, highlighting a disconnect between regulatory pricing and consumer preferences.

The misalignment between WWS valuations and market rents poses risks for landlords, particularly in the private sector. Properties that are undervalued by the WWS may become financially unviable to rent, discouraging investment in maintenance or upgrades. Conversely, overvalued properties may attract tenants but fail to deliver expected returns, leading to market inefficiencies.

The study cautions against expanding the WWS into the broader private rental market without reform. It argues that the system's outdated criteria–such as rigid scoring for age and amenities–can lead to unintended consequences, including reduced housing quality and investment. A more dynamic, location-sensitive approach may be needed to ensure fair pricing and sustainable rental supply.

Ultimately, the study calls for a rethinking of how rent regulation is structured. Rather than relying solely on technical scoring systems, policymakers should consider qualitative factors that influence tenant satisfaction and market demand.

1 Rijksoverheid - Het WWS en de private huurmarkt

Maximum rent increases[1]

The Dutch Financial Times (FD) reports on 28 July 2025 that subdistrict courts have recently ruled that rent increases of 4% to 5% above inflation in the free rental sector are unfair. These rulings contrast with earlier guidance from the Dutch Supreme Court, which indicated that surcharges up to 3% were generally acceptable. The lower courts now argue that higher surcharges lack sufficient justification and disproportionately burden tenants, especially when applied as standard clauses in lease agreements.

Major institutional landlords such as Vesteda and Bouwinvest are at the center of these legal disputes. In recent cases, courts have rejected their arguments for surcharges based on property value growth or maintenance costs, stating that such reasoning lacks specificity and fails to justify the financial impact on tenants. Having the higher rent increase in excess of inflation in the rental contract is in itself enough to void the whole markup. The legal uncertainty created by these rulings is significant. Thousands of rental contracts include clauses that may now be considered invalid, raising the possibility of retroactive claims and renegotiations.

By now, the Dutch government has introduced stricter regulations on rent increases in the unregulated rental sector. As of 2024, landlords may raise rents only by the lower of wage growth or inflation, plus a 1% margin. This policy aligns with the courts' more restrictive stance and aims to provide greater predictability and protection for tenants. It also signals a broader shift toward tighter oversight of rental practices, reinforcing the need for landlords to justify any deviations from standard pricing frameworks.

Pararius update: Free Rental Market Under Pressure[2]

In the second quarter of 2025, the Dutch free rental housing market experienced a sharp contraction in supply, with the number of available rental homes dropping by 36.4% compared to the same period a year earlier. Only 12,744 homes became available nationwide, intensifying competition among prospective tenants. This scarcity is further underscored by the fact that listings remained online for just 18 days on average–the shortest duration since Pararius began tracking this metric. The platform's tightness indicator, which measures market pressure based on supply, listing duration, and tenant interest, fell to a record low of 0.32. This confirms the emergence of a pronounced landlord's market, where demand far outpaces supply and tenants face increasing difficulty securing housing.

Rental prices in the Dutch free sector continued their upward trajectory, reaching new milestones. The average rent per square meter rose to EUR 20.06, marking a 7.9% increase compared to the same period in 2024. This is the first time since Pararius began tracking that the national average has exceeded EUR 20 per square meter. Apartments were the most expensive property type, with new tenants paying an average of EUR 21.31 per square meter–a 9.5% YoY increase. Single-family homes followed at EUR 16.11 per square meter, up 9.2% from the previous year. These figures reflect not only rising demand but also the growing pressure on affordability across all housing types in the private rental market.

Pararius also recorded a significant shift of rental properties into the owner-occupied market, with 2,112 homes transitioning from rental to sales–marking the highest number of "uitpondingen" since the platform began tracking. This shift accounted for 7.2% of all homes sold during the quarter, up from 6% a year earlier. These figures are based on Pararius its own calculations using platform data and public sources, and may not align with Kadaster statistics, which use different classification methods. Nonetheless, the trend points to ongoing substantial outflow from the rental sector, further tightening supply and reducing flexibility for renters.

1 FD - Rechters: huuropslag van 5% boven op inflatie oneerlijk
2 Pararius - Vrije sector huurmarkt steeds verder op slot

Among cities, Amsterdam remains the most expensive rental market, with an average price of EUR 27.91 per square meter–up 2.2% from a year earlier. The other major cities also saw continued price growth: Rotterdam rose by 7.2% to EUR 21.52, The Hague by 6.8% to EUR 21.34, and Utrecht by 1.2% to EUR 21.60. Eindhoven followed with a 4.3% increase to EUR 18.38. These figures confirm that the upward trend in rental prices is not limited to the capital but is affecting all major urban centers.

Rental prices rose across all Dutch provinces, with the most pronounced increases seen in Drenthe (+16.7%) and Limburg (+16.3%). Although these provinces still have below-average rent levels, the pace of growth highlights the spreading pressure on affordability beyond the Randstad.

Rate and spread developments

During the second quarter of 2025, buy-to-let mortgage rates decreased across different fixed-rate period and LTV segments (with the exception of 20Y and 80% LTV) by 10 bps on average. After the quarter ended, the mortgage rates for buy-to-let decreased for 1- and 5-year fixed rate period, while seeing a slight increase in the 10- and 20-year fixed rate periods. Buy-to-let mortgage spreads widened for 1-, 5- and 20-years LTV segments, but tightened slightly for the 10-years LTV segments quarter on quarter. In July, the spreads tightened across all segments, by 8 bps on average. Buy-to-let mortgage interest rates have been declining. At the same time, the spread has seen a slight tightening across the board. Please refer to Table 5 below for a more detailed overview of buy-to-let mortgage rates and spread developments.

During 2025-Q2 buy-to-let rates decreased, spreads tightened in July.

Market rate and spread development for consumer buy-to-let rates											
		BTL rates					Spreads				
Fixed rate period	LTV	2025-03-31	2025-06-30	2025-07-25	QoQ	QtD	2025-03-31	2025-06-30	2025-07-25	QoQ	QtD
1-year	50%	5.34%	5.14%	5.13%	-0.20%	-0.01%	3.20%	3.24%	3.18%	0.04%	-0.06%
	60%	5.46%	5.24%	5.22%	-0.22%	-0.02%	3.32%	3.34%	3.27%	0.02%	-0.07%
	70%	5.48%	5.26%	5.24%	-0.22%	-0.02%	3.34%	3.36%	3.30%	0.02%	-0.06%
	80%	5.47%	5.15%	5.12%	-0.32%	-0.03%	3.33%	3.25%	3.17%	-0.08%	-0.08%
5-year	50%	5.00%	4.92%	4.84%	-0.08%	-0.08%	2.70%	2.76%	2.62%	0.06%	-0.14%
	60%	5.08%	5.00%	4.92%	-0.08%	-0.08%	2.78%	2.84%	2.69%	0.06%	-0.15%
	70%	5.11%	5.03%	4.94%	-0.08%	-0.09%	2.80%	2.86%	2.72%	0.06%	-0.14%
	80%	4.98%	4.89%	4.75%	-0.09%	-0.14%	2.68%	2.73%	2.52%	0.05%	-0.21%
10-year	50%	5.14%	5.08%	5.09%	-0.06%	0.01%	2.62%	2.62%	2.58%	0.00%	-0.04%
	60%	5.27%	5.20%	5.22%	-0.07%	0.02%	2.75%	2.75%	2.71%	0.00%	-0.04%
	70%	5.28%	5.21%	5.23%	-0.07%	0.02%	2.77%	2.76%	2.73%	-0.01%	-0.03%
	80%	5.24%	5.15%	5.16%	-0.09%	0.01%	2.72%	2.69%	2.65%	-0.03%	-0.04%
20-year	50%	5.51%	5.51%	5.53%	0.00%	0.02%	2.82%	2.83%	2.80%	0.01%	-0.03%
	60%	5.64%	5.64%	5.66%	0.00%	0.02%	2.95%	2.96%	2.93%	0.01%	-0.03%
	70%	5.68%	5.68%	5.70%	0.00%	0.02%	2.99%	3.00%	2.97%	0.01%	-0.03%
	80%	5.68%	5.72%	5.72%	0.04%	0.00%	2.99%	3.04%	2.99%	0.05%	-0.05%

Table 5: Interest rate and spread development for buy-to-let rates in the Netherlands. Source: Dynamic Credit, Hypotheekbond. Reference date is 2025-07-25. Note that the overview shows rates for consumer buy-to-let products, it excludes products that are targeted to professionals.

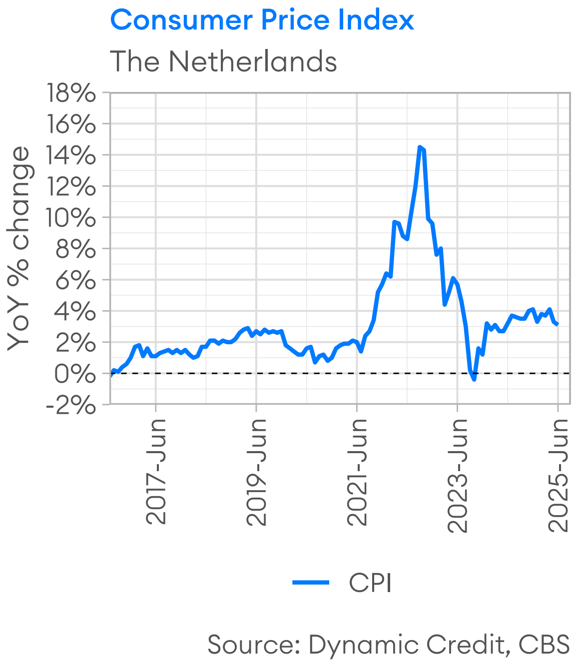
6. Macro update

The following sections provide an update on the (macro)economic environment.

Inflation and Harmonized Index of Consumer Prices[1]

As of June 2025, consumer goods and services in the Netherlands experienced a YoY price increase of 3.1%, a slight decrease from 3.3% in May, according to Statistics Netherlands ("CBS") as measured by the Consumer Price Index ("CPI"). This decline is mainly due to a slowdown in the growth of tobacco prices, which rose by 8.6% compared to June 2024 – substantially lower than the 31.2% increase recorded in May. On the other hand, international flights exerted upward pressure on inflation. In June 2025, flights were only 11.1% cheaper than the previous year, whereas in May, the price drop was more pronounced at 20.3%. However, this could be an effect of holiday season rather than structural price change.

The Harmonized Index of Consumer Prices ("HICP") for the Netherlands was 2.8% in June, slightly down from 2.9% in May. In comparison, the Eurozone HICP stood at 2% (compared to 1.9% as of May 2025), indicating that the consumer prices in the Netherlands remain above the Eurozone average. Please consider Figure 15 displayed below for CPI and HICP developments over time.



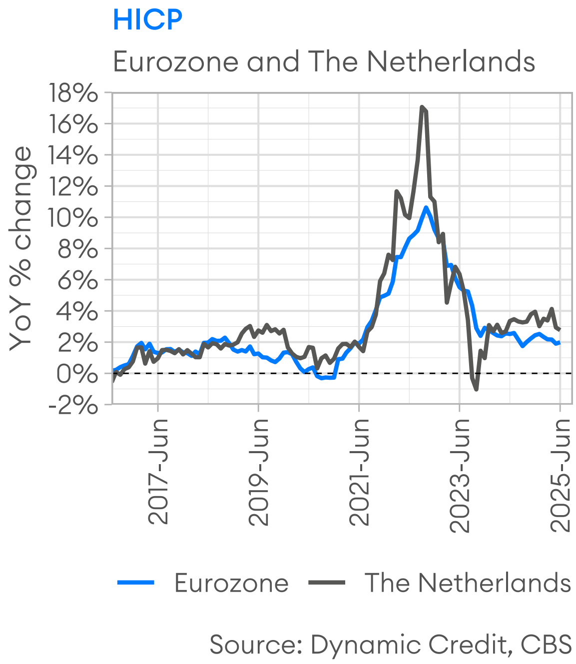


Figure 15: The consumer price Index in the Netherlands (left) and the Harmonized Index of Consumer Prices ("HICP") (right) both as of July 2025.

Economic Growth[2]

In the first quarter of 2025, the Dutch economy expanded by 0.1% compared to the previous quarter according to CBS. This growth was primarily driven by a smaller reduction in inventories from the previous quarter. Additionally, government spending has increased by 0.5%. Similar to last quarter, the growth is focused on health care and the number of government employees. Household consumption fell by 0.2%, in areas like food, beverages, tobacco and transportation. Furthermore, fixed asset investments decreased by 2.2%, mainly in passenger and delivery cars. Finally, the import and export has decreased by 0.1% and 0.8% respectively, leading to a lower trade surplus. Lastly, the Dutch GDP grew by 2.0% YoY as of 2025-Q1 with government spending making the largest contribution, followed by trade balance.

1 CBS - Inflatie daalt naar 3,1 procent in juni
2 CBS - Economie groeit in eerste kwartaal van 2025 nauwelijks

Figure 16: YoY GDP growth in The Netherlands as of 2025-Q1.

Unemployment[1]

As of June 2025, the Netherlands recorded 386,000 unemployed individuals, which translates to an unemployment rate of 3.8%, flat to previous two months, according to CBS. Over the past three months, unemployment has decreased by 3,000 people per month. Similarly, the number of people in paid employment has seen larger increase, averaging 5,000 people per month during the same period. Additionally Employee Insurance Agency ("UWV") reported 184,000 current unemployment ("WW") benefits at the end of June.

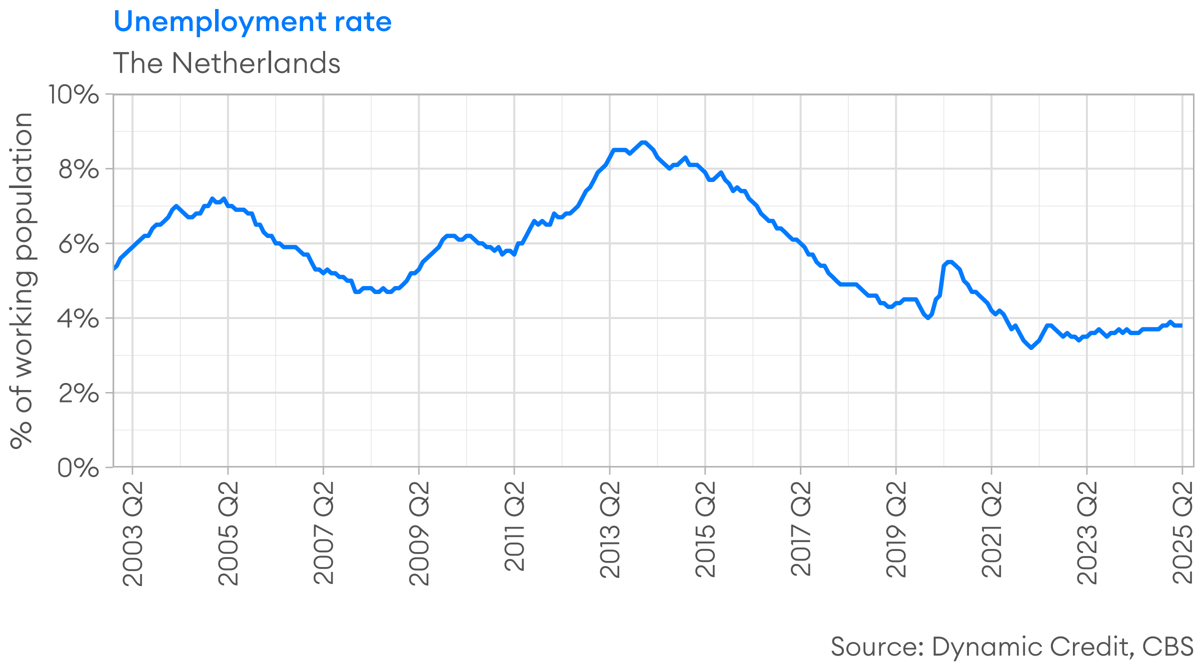


Figure 17: Unemployment rate in The Netherlands as of 2025-Q2.

1 CBS - werkloosheid in juni opnieuw 3,8 procent

Monetary policy[1]

As of the Governing Council meeting on 24 July 2025, the European Central Bank ("ECB") confirmed that inflation is currently at the 2% medium-term target and decided to keep the three key ECB interest rates unchanged after eight consecutive rate cuts. The deposit facility rate stayed constant at 2%, the main refinancing operations rate at 2.15% and the marginal lending facility rate at 2.40%. These decisions are supported by the easing domestic prices and slow wage growth. The economy has shown to be resilient in a challenging environment, largely due to (US) trade policies that continues to bring additional uncertainties into the global economy.

Bankruptcies[2]

In June 2025, the Netherlands recorded 313 business bankruptcies, representing a decrease of 18% (69 bankruptcies less) compared to June 2024 and an 18% decrease compared to May 2025. The bankruptcy rate, defined as the number of bankruptcies per 100,000 businesses, fell to 8.5 in June, down from 10.6 a year earlier. Compared to last quarter, the bankruptcy seems to edge higher again in this quarter. Notably, the accommodation and food service sector experienced the highest relative level of bankruptcies in June with about 23.5 bankruptcies per 100,000 business. However, this sector has seen significant improvement YoY, as the bankruptcies rate dropped from 39.7.

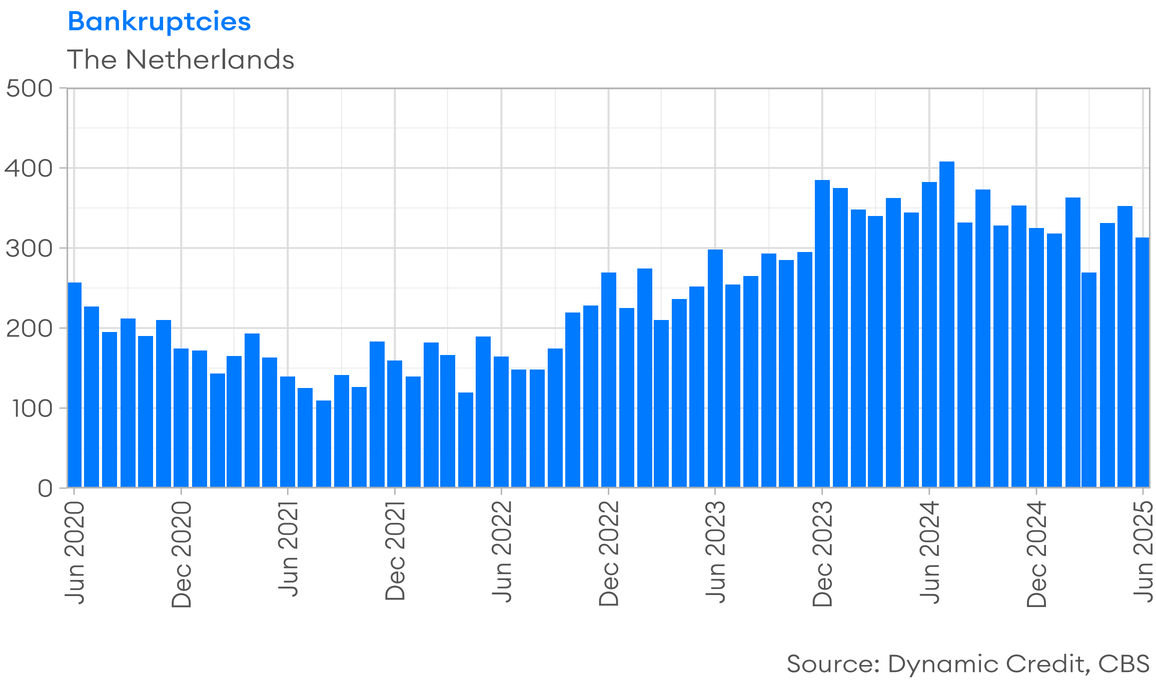


Figure 18: Monthly bankruptcies in The Netherlands as of June 2025.

1 [ECB - Press releases monetary policy decisions]
2 [CBS - In juni 18 procent minder faillissementen dan een jaar eerder]

Appendix

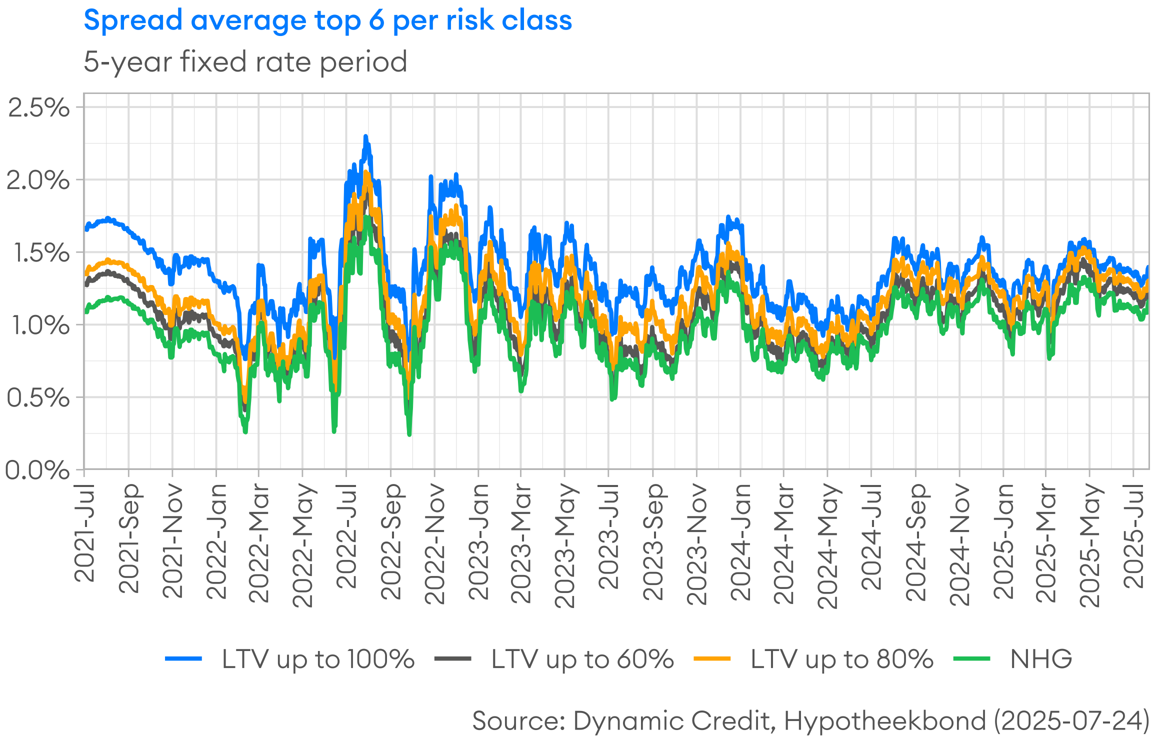


Figure A1: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 5-year fixed rate period for four risk classes. Up to and including July 2025.

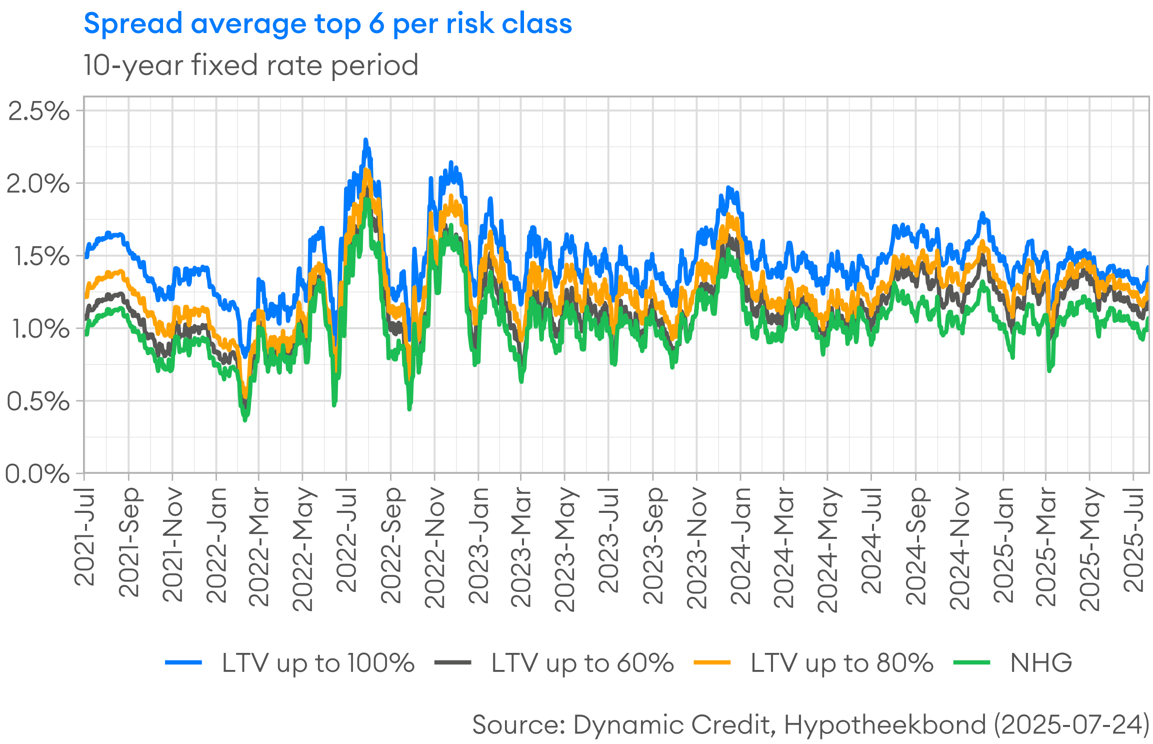


Figure A2: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 10-year fixed rate period for four risk classes. Up to and including July 2025.

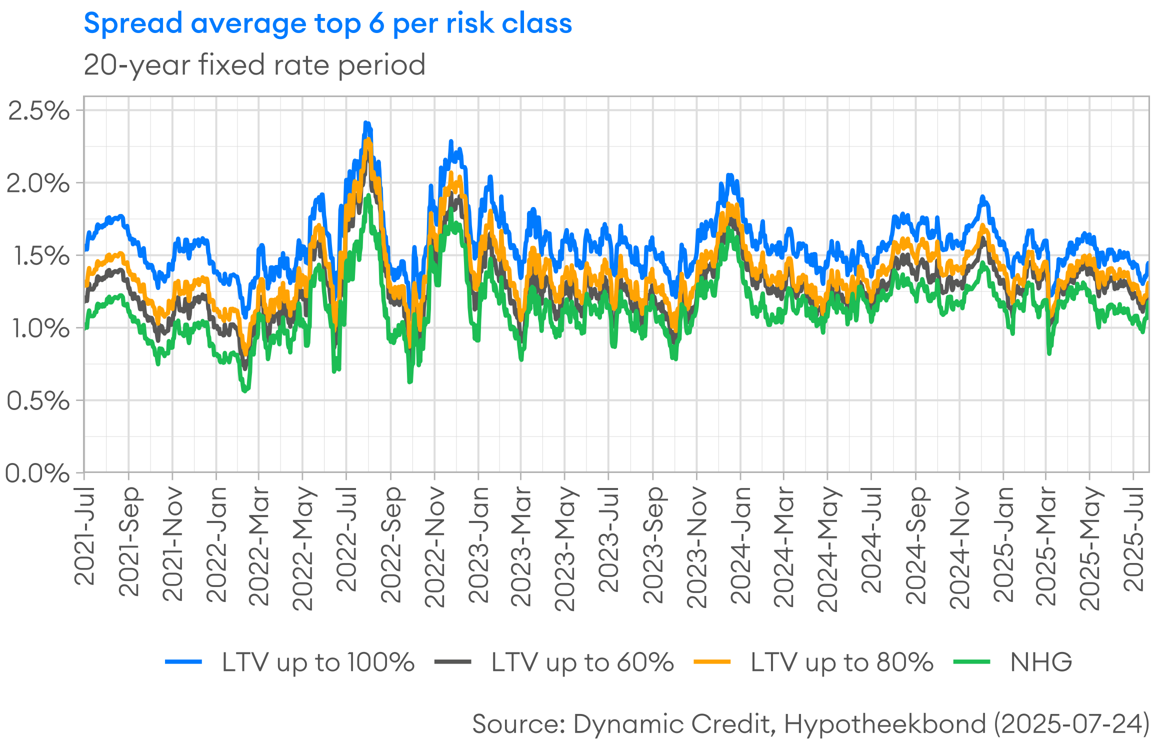


Figure A3: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 20-year fixed rate period for four risk classes. Up to and including July 2025.

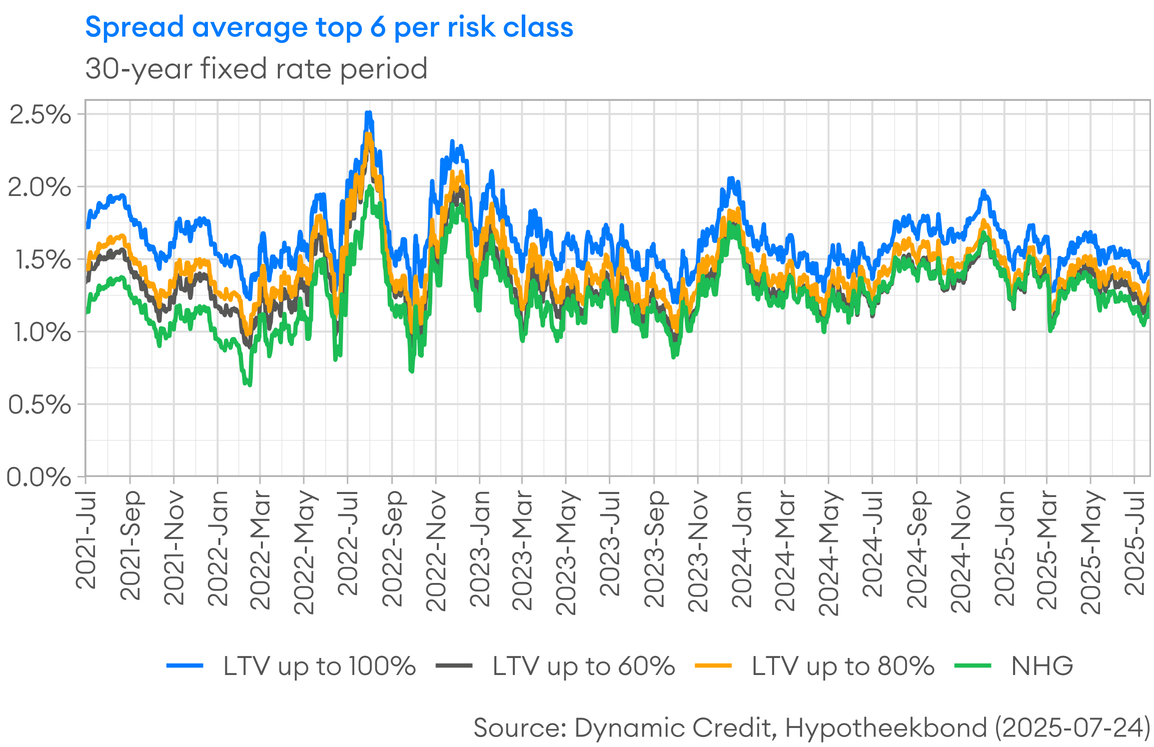


Figure A4: Spread of the average top-6 price leader mortgage rates (excluding action rates) for mortgage loans with a 30-year fixed rate period for four risk classes. Up to and including July 2025.

Contact details

Portfolio Management Team Members

Jasper Koops

Head of Portfolio Management

T: + 31 20 794 6058

jkoops@dynamiccredit.com

Allard Vollering

Portfolio Manager

T: +31 20 235 8895

avollering@dynamiccredit.com

Anne Koens

Senior Legal Counsel Direct Lending

T: +31 20 280 7104

akoens@dynamiccredit.com

Koray Sanli

Analyst

T: +31 20 280 7100

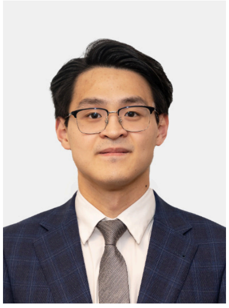
ksanli@dynamiccredit.com

Tim Jansen

Portfolio Manager

T: +31 20 280 7100

tjansen@dynamiccredit.com



Caijun Zhu

Analyst

T: +31 20 280 7100

czhu@dynamiccredit.com

DYNAMIC CREDIT

Welcome to the bright side.

Contact
Jasper Koops
Portfolio Management Team
Dynamic Credit Partners Europe

Frederik Roeskestraat 100
1076 ED Amsterdam
The Netherlands

Desk: + 31 20 794 60 58
jkoops@dynamiccredit.com
www.dynamiccredit.com

www.dynamiccredit.com

Amsterdam

Frederik Roeskestraat 100
1076 ED Amsterdam
The Netherlands

Phone: +31 20 770 4876

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