



EPPARG
European Pensions
&
Property Asset Release Group

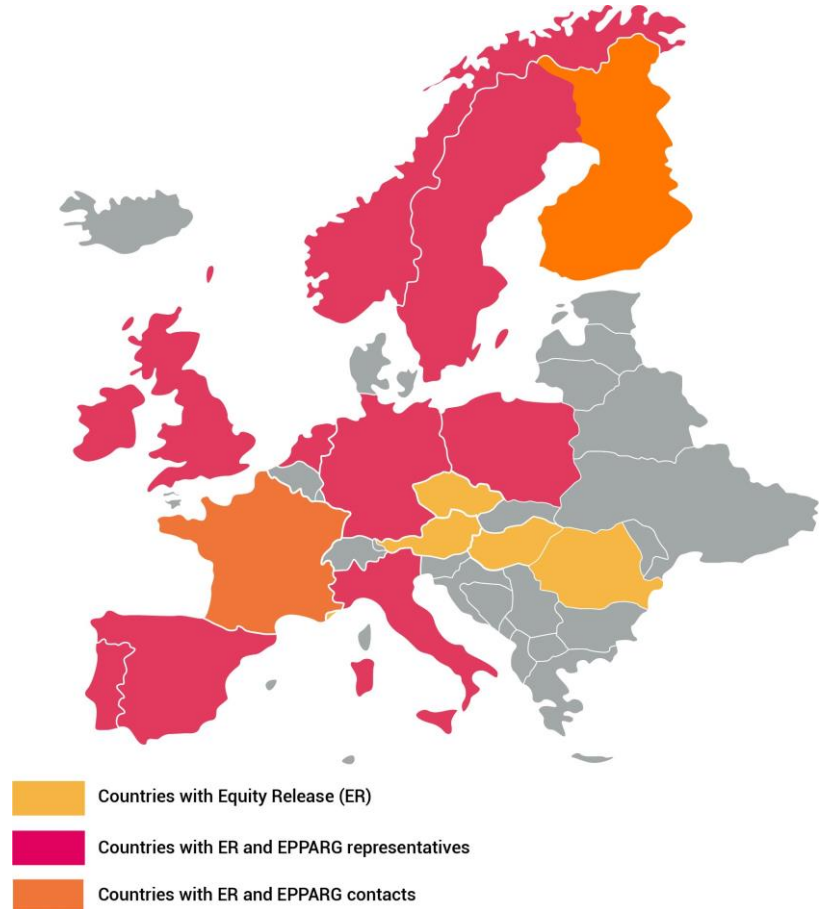
GLOBAL PERSPECTIVES ON HOME EQUITY EXTRACTION
NATIONAL REVERSE MORTGAGE LENDERS ASSOCIATION AGM
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Harnessing the Positive Winds of Change

Steve Kyle, Secretary General
European Pensions and Property Asset Release Group (EPPARG)

The development of Equity Release varies greatly across Europe

- Some countries very well developed (e.g. the UK), some in early stages
- Huge potential across EPPARG members – our collective populations amount to over 200 million citizens, with home ownership ranging from 50% to 80%, and the majority of property assets are owned by the over 60s





Time to harness the 'winds of change'

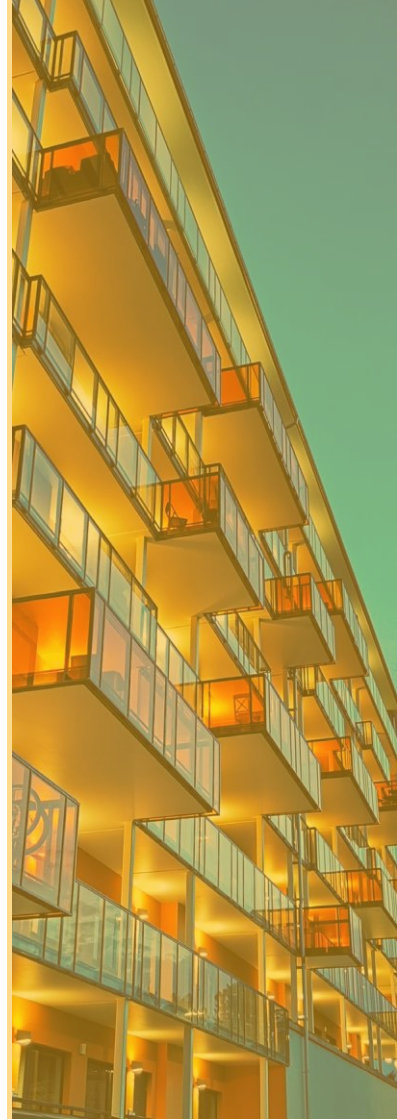
- Much of Europe has an ageing population which is asset rich and cash poor and which wants to stay independent
- We have a great target market and enormous prospects for growth – what is holding us back?
- We and governments are starting to see the 'winds of change' – the intergenerational tax burden of 'pay as you go' pensions promises and elderly care cannot be sustained
- New thinking is needed!

Focus on ensuring a clean reputation

- The development of a healthy equity release market in Europe is not the whole answer but it can grow rapidly over the next decade
- Bad news travels faster than good news, and travels across national boundaries to the media, regulators and investors
- In most of our member countries, there is a good or improving perception of Equity Release and we must keep up this momentum

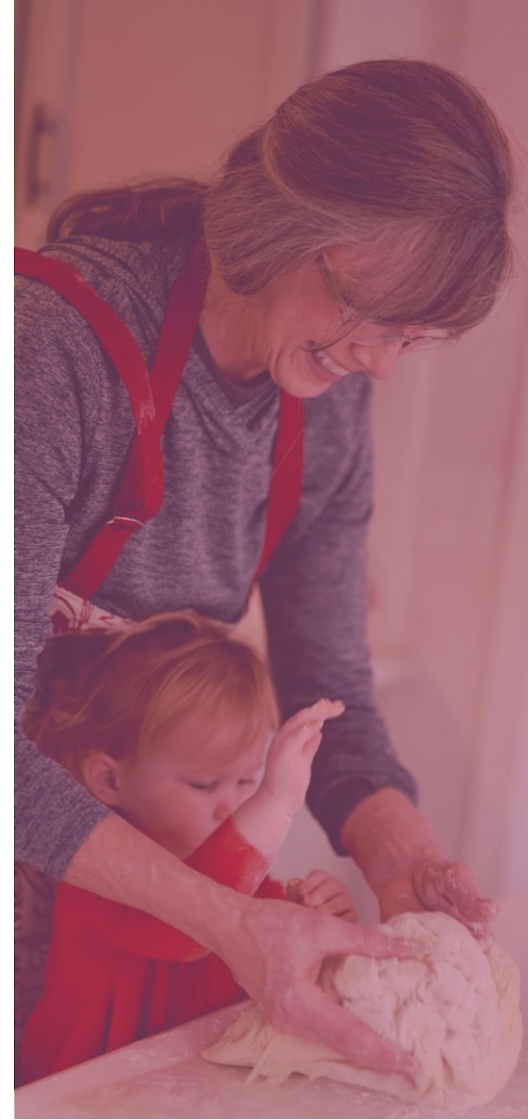
Promoting self-regulation through standards

- We have sought to learn from other markets – including the US – and have put in place voluntary standards across Europe to accelerate our markets safely and protect our long term future
- Our standards cover lifetime mortgages and home reversion and how these should be sold
- Funders and investors are attracted to partners who take care of their customers and reputation, and we are also looking at our green and ESG credentials
- Funding can be a major challenge – we are working on pan-European and international projects to secure stable and increased funding – while it can be borderless it needs scale and there can be a ‘chicken and egg’ problem
- A healthy and sustainable market needs help and rules to flourish – members may say ‘no’ to some kinds of business



Pioneers, working in partnership globally, in view of the post-COVID reset

- We are proud to be working in partnership with NRMLA through the Global Equity Release Roundtable to share best practices as we adapt to a changed world
- There is a post-COVID reset where the elderly look at their homes with a fresh perspective, and see care homes as a risky proposition, while funds can also be used to support the family in troubled times
- We are all Equity Release pioneers, trying to nurture this relatively young industry as consumer demand grows
- While our solutions may now be seen as 'niche,' it is in reality a well-tested solution to a problem that much of society and Governments have not fully woken up to
- How, as a global industry, can we move forward with confidence to take advantage of the opportunities ahead?



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