



Fergal McGrath- CEO Dilosk DAC

IPAV Seminar – 30th March 2017

Dilosk DAC trading as Dilosk and ICS Mortgages is regulated by the Central Bank of Ireland



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Company Overview – Background

- Dilosk DAC trading as Dilosk and ICS Mortgages, is an Irish financial services company, regulated by the Central Bank of Ireland
- Dilosk acquired the ICS Mortgages platform from Bank of Ireland in 2014 along with a €223 million book of mortgages and now trades as ICS Mortgages
- The ICS Mortgages platform sale was mandated by the European Commission as part of the Bank of Ireland EU restructuring plan following the receipt of state aid
- ICS is one of Ireland's oldest and renowned mortgage brands with a heritage that dates back to 1864

BTL Business Launch

- In Jan '17, ICS Mortgages launched a specialist mortgage business for the Buy-to-Let Market
- There is a growing demand for good quality rental accommodation and a growing demand for a flexible and tax efficient mortgage
- Mortgages are originated through our network of accredited nationwide brokers and through our direct channel
- In collaboration with our servicing partner Capita, we have developed a market leading paperless mortgage origination system
- Our head office is located in Hume St, Dublin 2 and our customer service department is in Capita, Maynooth

ICS New BTL Mortgage Products



- Our new Buy-to-let mortgage is available to both established landlords and new BTL property investors
- We also lend to those wishing to refinance a property portfolio
- Properties must be located in the Republic of Ireland and cannot be used as a principal private residence
- Suitable for property investors looking for a flexible and tax efficient mortgage

We lend to:

- Individuals – up to 4 individuals on a mortgage
- Companies – both existing and new Special Purpose Vehicles
- Pension Unit Trusts

Product Features – as at 30.03.17

	Individual Buy-to-Let Investor	Company Buy-to-let Investors
Loan Purpose	<ul style="list-style-type: none"> Purchase or refinance of Residential Investment Properties 	<ul style="list-style-type: none"> Purchase or refinance of Residential Investment Properties
Loan Structure	<ul style="list-style-type: none"> 10 year Interest-only option 20 year Capital and Repayment option 	<ul style="list-style-type: none"> 10 year Interest-only option 20 year Capital and Repayment option
LTV	<ul style="list-style-type: none"> Up to 70% LTV (Loans up to €1m) Up to 65% LTV (Loans from €1m to €1.25m) 	<ul style="list-style-type: none"> Up to 65% LTV (Loans up to €1m) Up to 60% LTV (Loans from €1m to €1.25m)
Loan Amount	<ul style="list-style-type: none"> Min. loan size €40,000 Max. loan size €1.25m 	<ul style="list-style-type: none"> Min. loan size €40,000 Max. loan size €1.25m
Loan Term	<ul style="list-style-type: none"> Min term 5 years Max term 20 years 	<ul style="list-style-type: none"> Min term 5 years Max term 20 years
Rates	<ul style="list-style-type: none"> Variable rates from 4.49% 	<ul style="list-style-type: none"> Variable rates from 5.45%
Property Value	<ul style="list-style-type: none"> Min. property value €80,000 No max. Property value 	<ul style="list-style-type: none"> Min. property value €80,000 No max. Property value
Borrower Criteria	<ul style="list-style-type: none"> Min age 21 yrs. Max age on maturity 75 years Min annual income €40,000 (per single/joint application) Max. of 4 applicants 	

Pension (Unit Trust) Mortgage

Features and Benefits

- Non- Recourse Lending
- 15 Year Capital and Repayment option
- 15 Year Variable repayment *
- Max LTV 50%
- Loans from €40,000 up to €500,000
- Term 5 to 15 years
- Minimum property value €80,000 with no maximum property value

Variable Rates

Capital and Interest

5.45% LTV less than or equal to 50%

Interest Only (variable/flexible capital repayment option) *

5.59% LTV less than or equal to 50%

Legal Fees	€1,500 + VAT + Outlays
Application Fee	0.5% of the loan amount

Product details and rates are correct as at 30.03.2017 but are subject to change. Lending Criteria, Terms and conditions apply and are subject to change.

* Payments are made on an annual basis with a repayment equal to the income minus the costs. A portion of the capital will be paid off every year and this will be managed by the Trustees.

DILOSK



ICSMortgages

Lending Criteria

- We will lend for properties in Dublin (and surrounding counties Kildare, Wicklow, Meath, Louth), Galway, Cork and Limerick, and for properties in other urban centres with population greater than 10,000 people
- The applicant must reside in the EEA
- The BTL property must be located in the Republic of Ireland and not used as a principal dwelling
- All applicants must be the owner of at least one residential property in the ROI other than the buy-to-let property being financed
- A valuation of each property is required

Buy-to-Let Mortgage Market in Ireland

- Buy-to-Let credit in Ireland has been severely curtailed due to legacy issues at Irish banks and unlike other countries, no specialist Buy-To-Let mortgage lender operates in Ireland today
- European non-bank lending market is expected to grow. In the US, 85% of corporate funding is done through the capital markets and only 15% is bank funding. Across the Eurozone, it is the opposite, with most corporates heavily reliant on bank funding (source: Bloomberg)
- Current stock of BTL mortgages in Ireland is €26 billion – a significant portion of which will be refinanced or transferred to regulated long term holders such as ICS Mortgages over time

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| ICS Mortgages

Source: For Irish market data and statistics is Central Bank of Ireland and Banking & Payments Federation Ireland

Buy-to-Let Mortgage Market in Ireland

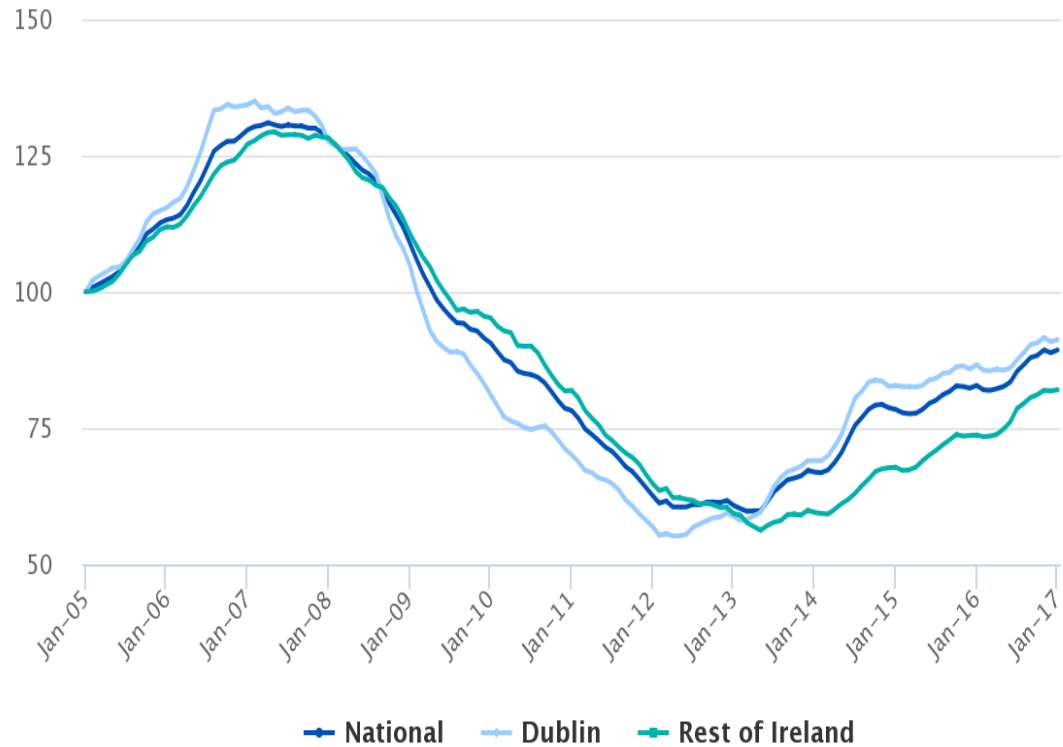
Demand for BTL mortgages is expected to grow due to the following:

- The Irish economy has recovered remarkably since the crisis and experienced one of the highest GDP growth rates in the Eurozone – 4.8% in 2014, 7.8% in 2015 and 5.2% in 2016 and expected to be 3.8% in 2017 with a population increasing by 0.4% per annum
- In the major population centres, supply of rental accommodation is less than demand leading to increasing rental rates
- Central Bank macro prudential lending policy has restricted owner occupier demand and further increased rental demand
- Cash buyers during the financial crisis seeking to apply leverage

Annual volume of BTL mortgage lending collapsed from a peak of €6 billion in 2007 to €0.2 billion in 2016. We expect the market to recover to c €1.0 billion per annum.

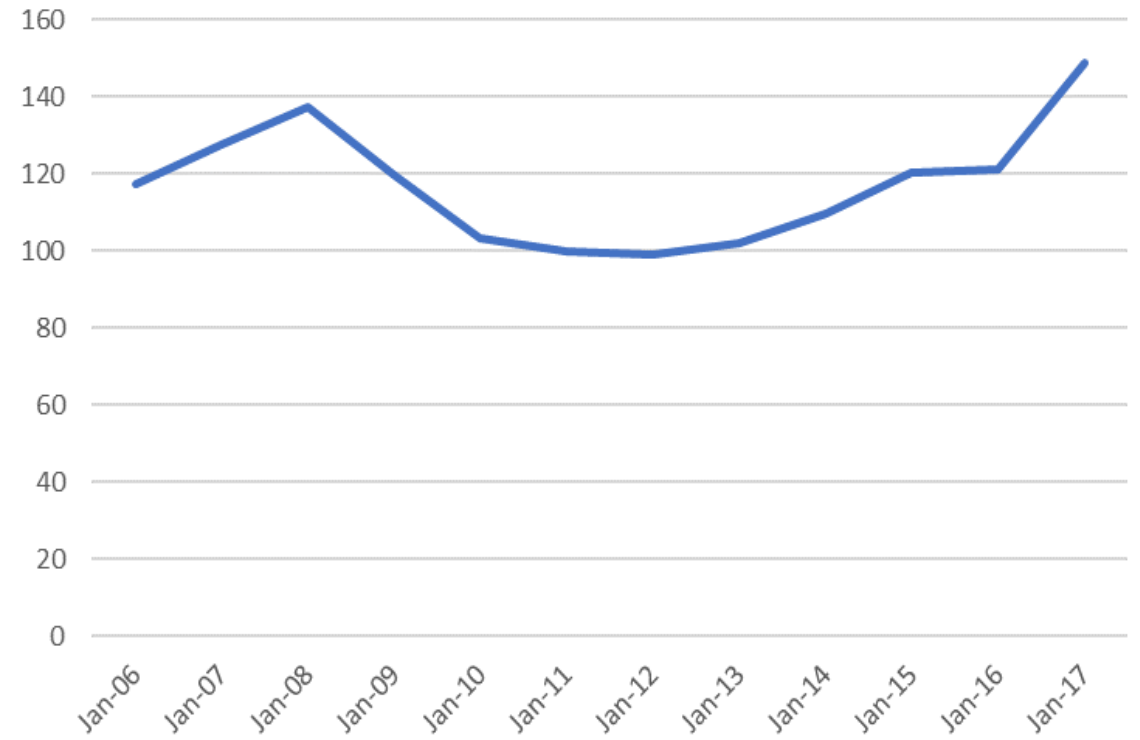
Residential Property Price index and Rent Index

Fig 1: Residential Property Price Index



Source: CSO Ireland

Irish Rent index - nationally



Source: Daft.ie

THANK YOU

For further information on our Buy-to-Let Mortgage products

Contact us at

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Please follow us on LinkedIn and Twitter where we will be posting updates

