



Dutch State Treasury Agency
Ministry of Finance

Outlook 2014

DSTA presentation

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The Hague, 13 December 2013



A special welcome to...

Our 15 Primary Dealers for 2014:

List Primary Dealers for 2014 in alphabetical order

ABN Amro Bank

Barclays Capital

Citigroup

Commerzbank

Deutsche Bank

Goldman Sachs

HSBC France

ING Bank

Jefferies

NATIXIS

Nomura

Rabobank

Royal Bank of Scotland

Santander GB&M

Société Générale



Our 5 Single Market Specialists:

Single Market Specialists for 2014 in alphabetical order

BBVA

DZ Bank

Crédit Agricole

UBS

Credit Suisse

And our 8 Commercial Paper dealers:

Commercial Paper dealers for 2014 in alphabetical order

Barclays

ING Bank

Citibank

Rabobank

Commerzbank

Royal Bank of Scotland

Deutsche Bank

UBS



And also a warm welcome to

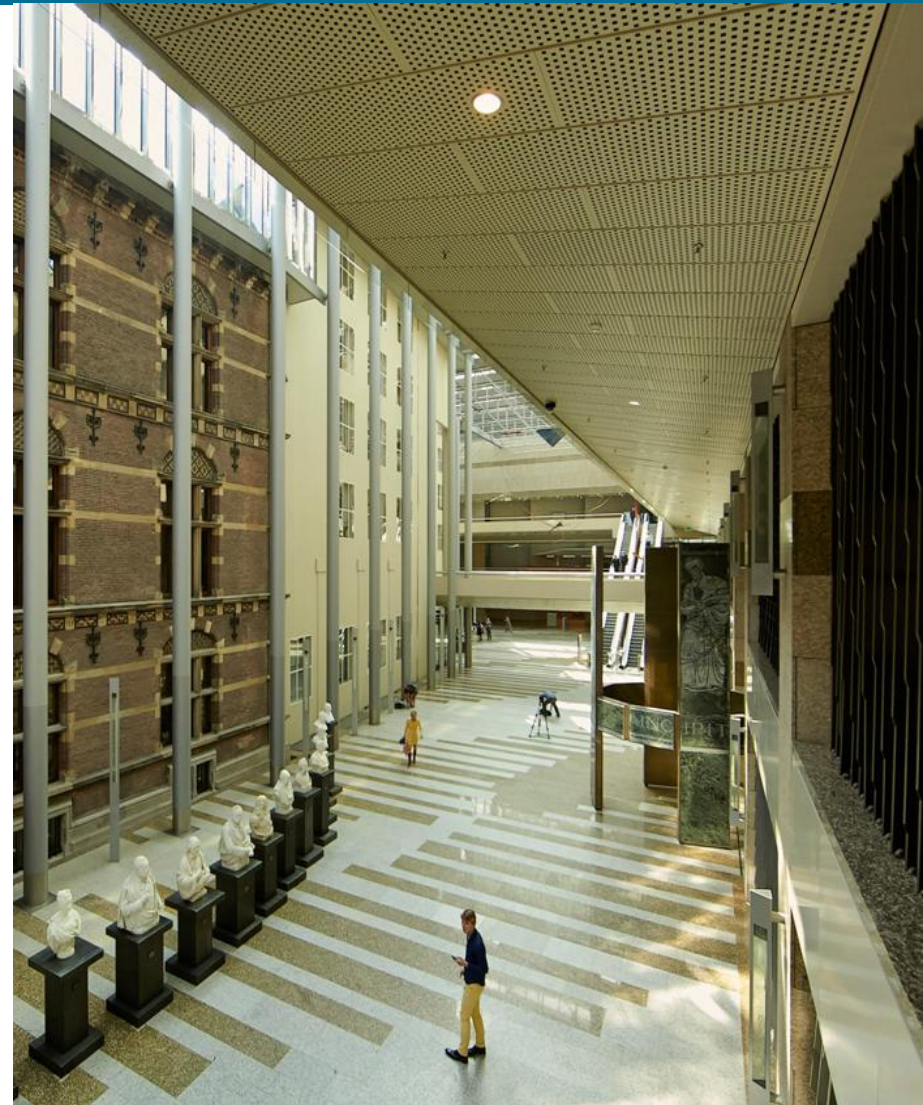


Erik Wilders, director of DSTA (from 2005-2013)



Today's programme

- Presentation Outlook 2014:
 - Economic outlook
 - Budgetary outlook
 - Funding and issuance
- Questions & Answers
- 2013 DSTA awards
- Drinks and bites





Outline presentation

- Economic outlook
- Budgetary outlook
- Funding and issuance





Economic

Outlook



Economic projections by CPB

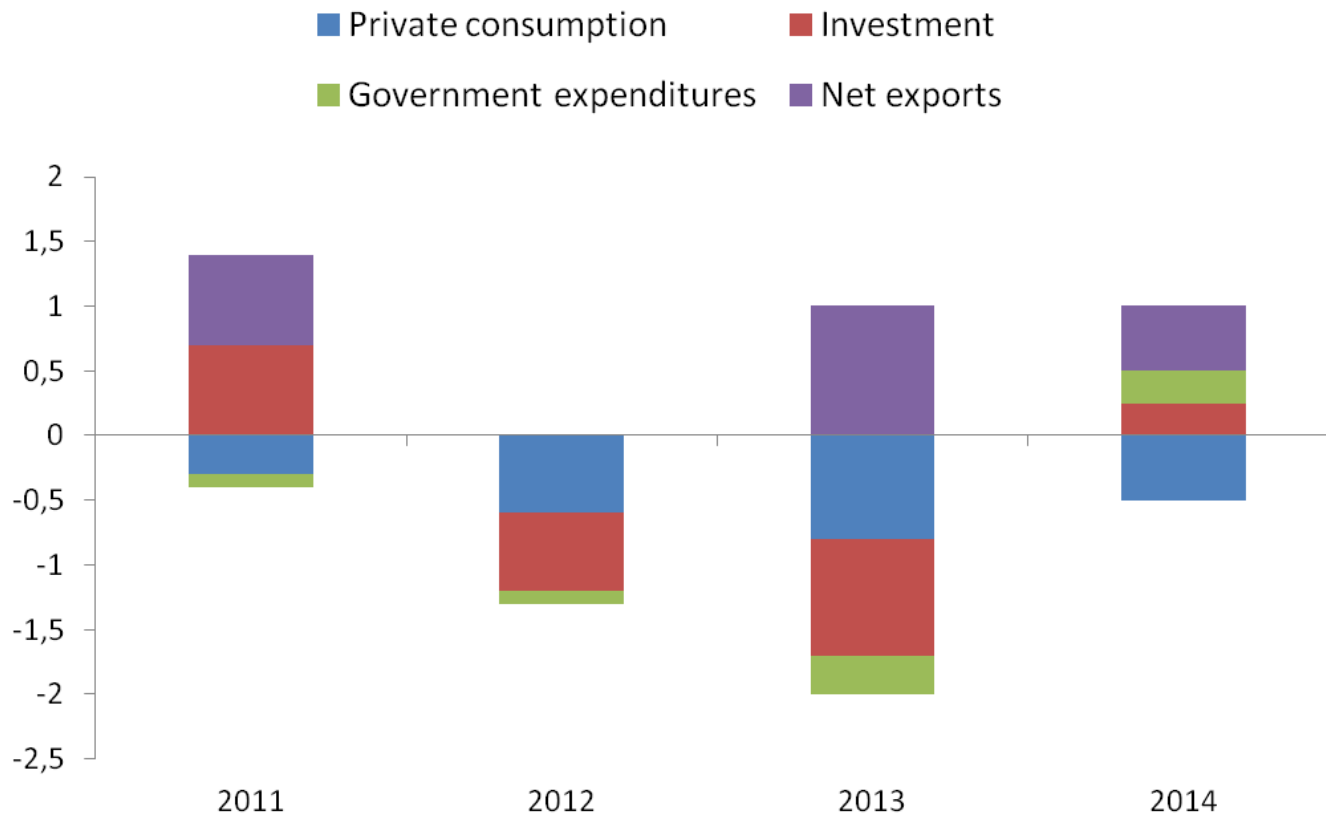
Key economic figures 2012-2014 (% changes, year-on-year)

	2012	2013	2014
Gross Domestic Product	-1.2	-1.25	0.5
Private consumption	-1.6	-2.25	-0.75
Gross investments	-2.9	-11	2
Government expenditures	-0.8	-1	0.25
Exports	1.9	2.75	4.25
- of which produced domestically	0.7	1	3.5
- of which re-export	3	4.25	5
Imports	3.6	-0.25	4
Unemployment (% labour force)	5.3	7	7.5
Labour productivity	-1.6	-0.5	1.75
Inflation (CPI % change)	2.5	2.75	2
World trade	0.7	1.5	3.75

Next update: 17 December 2013

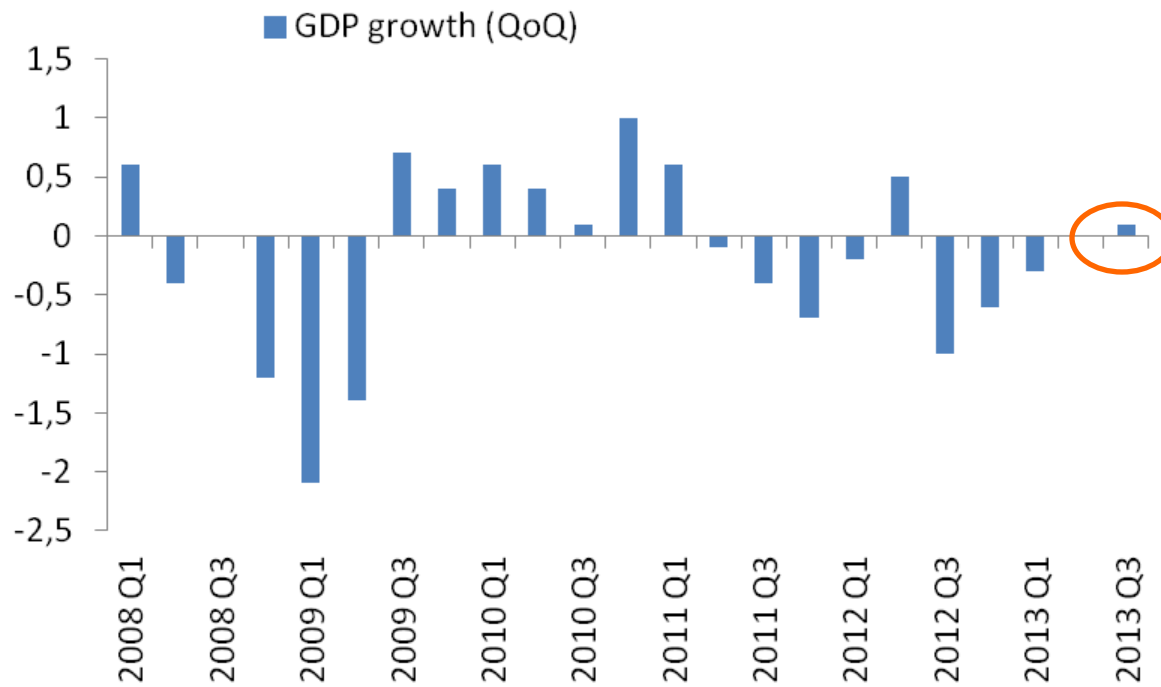


Spending components: contributions to growth





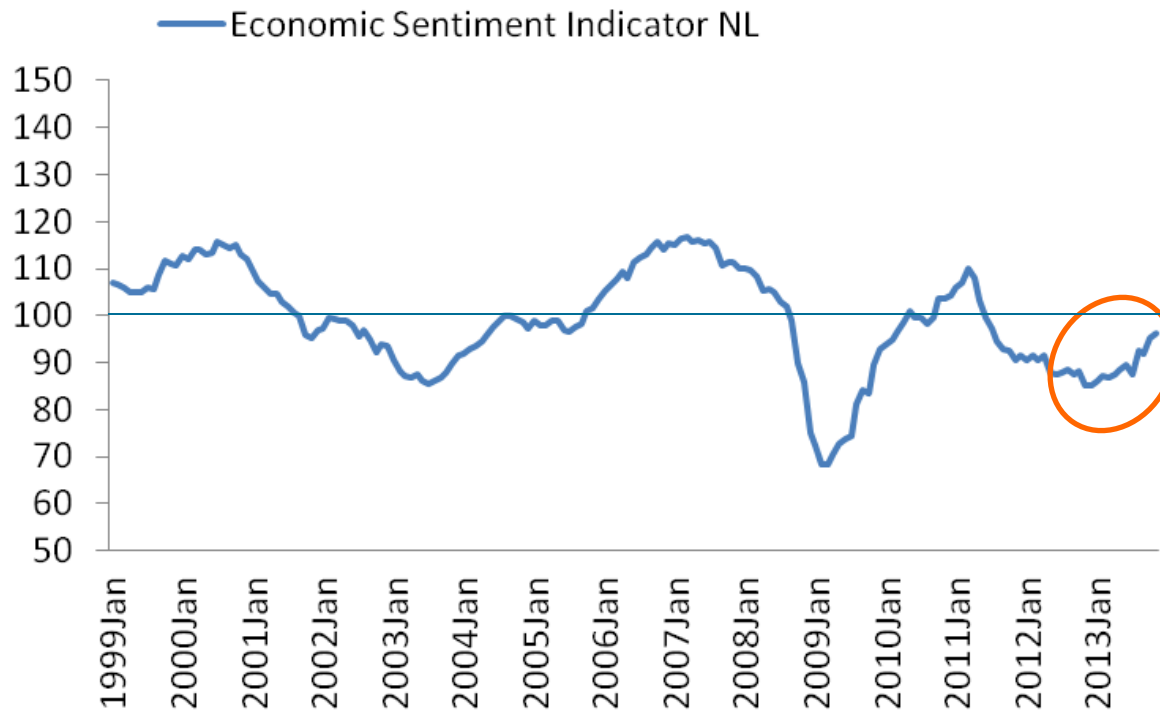
Gross Domestic Product



2013: -1.25%
2014: +0.5%
2015: +0.9%

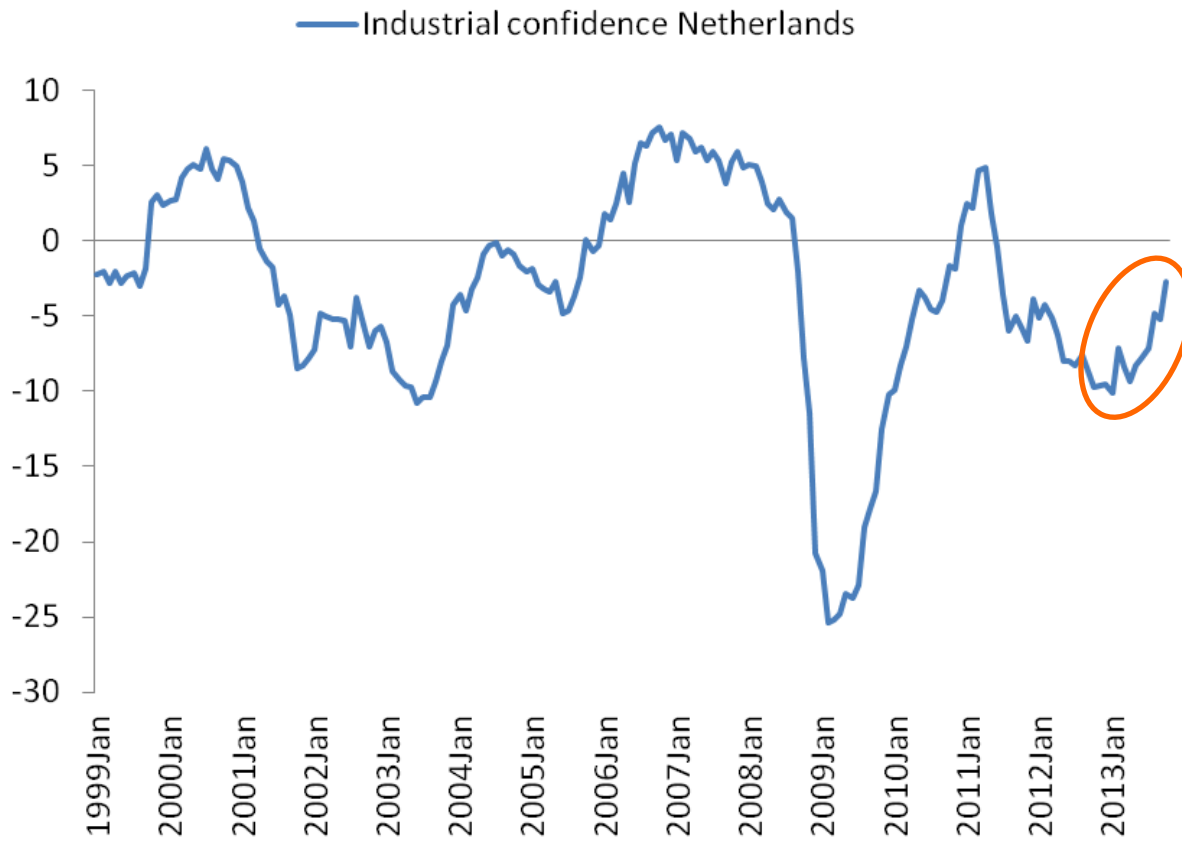


Sentiment and confidence



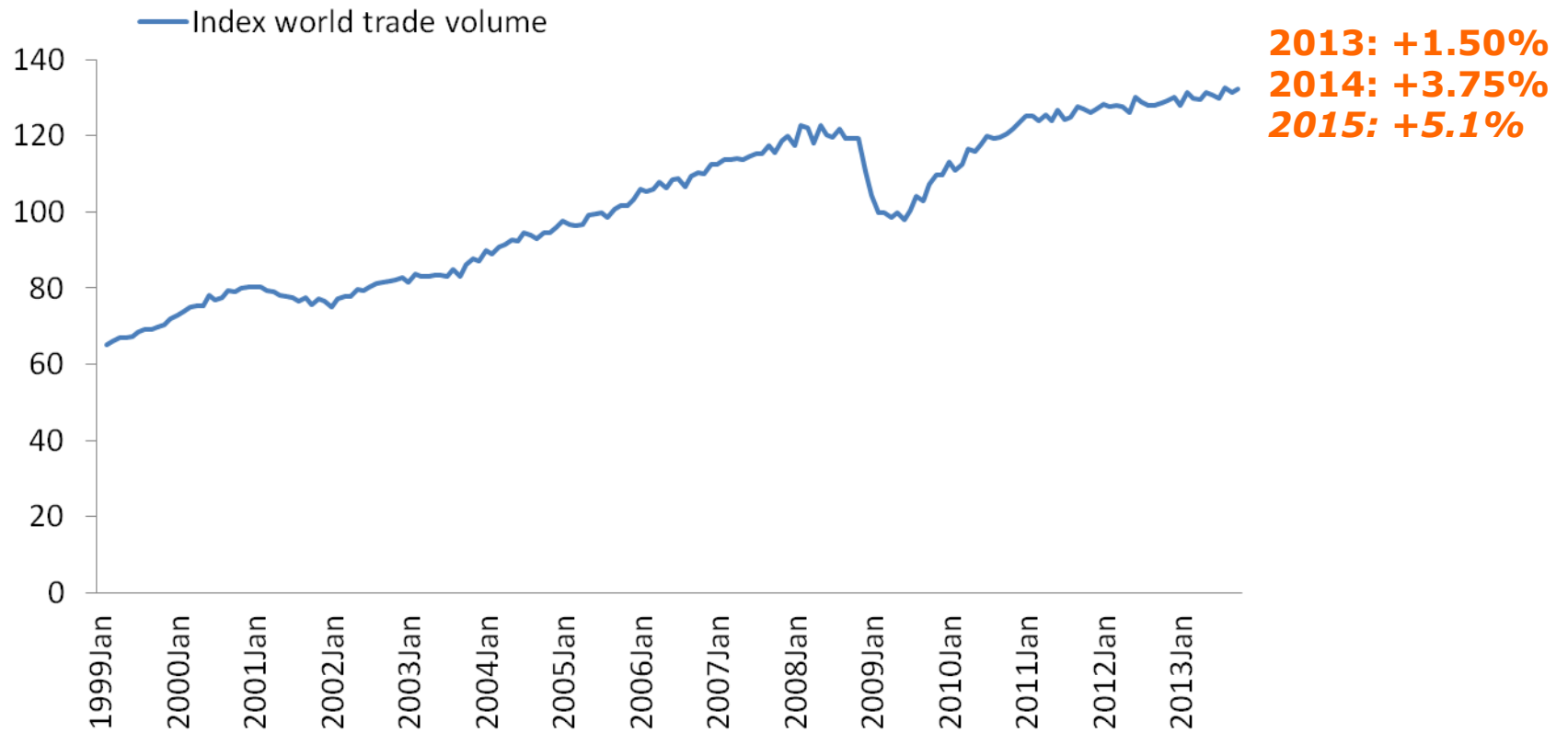


Sentiment and confidence



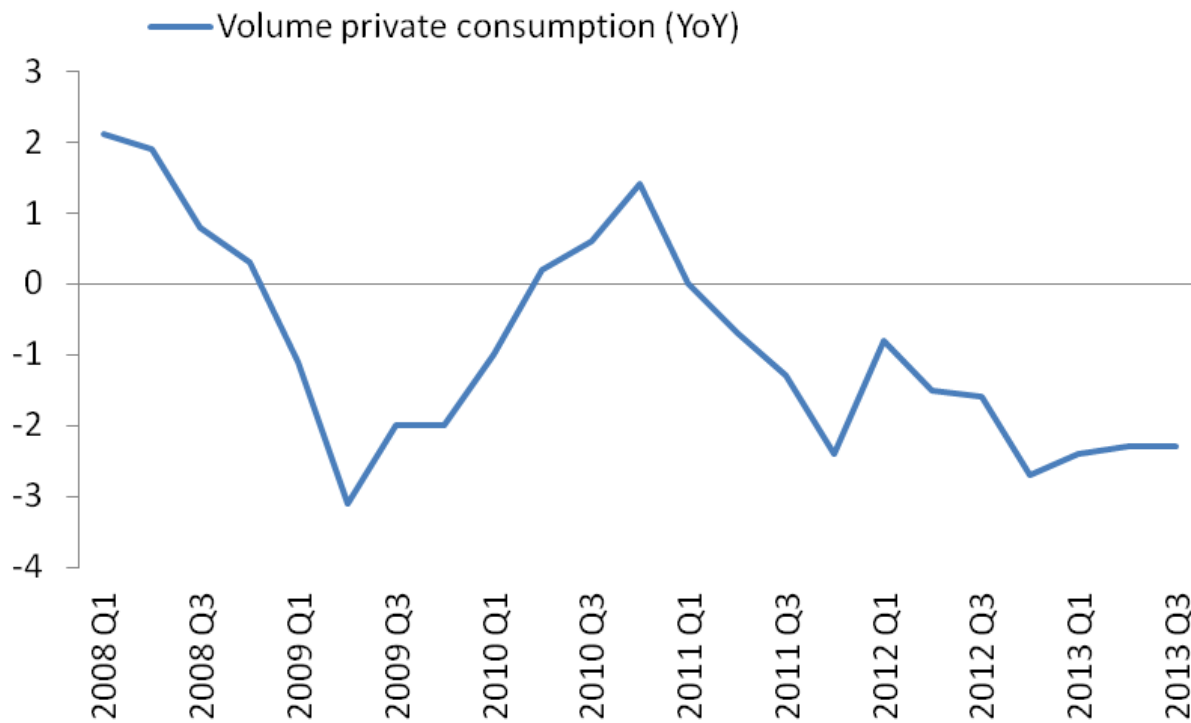


World trade





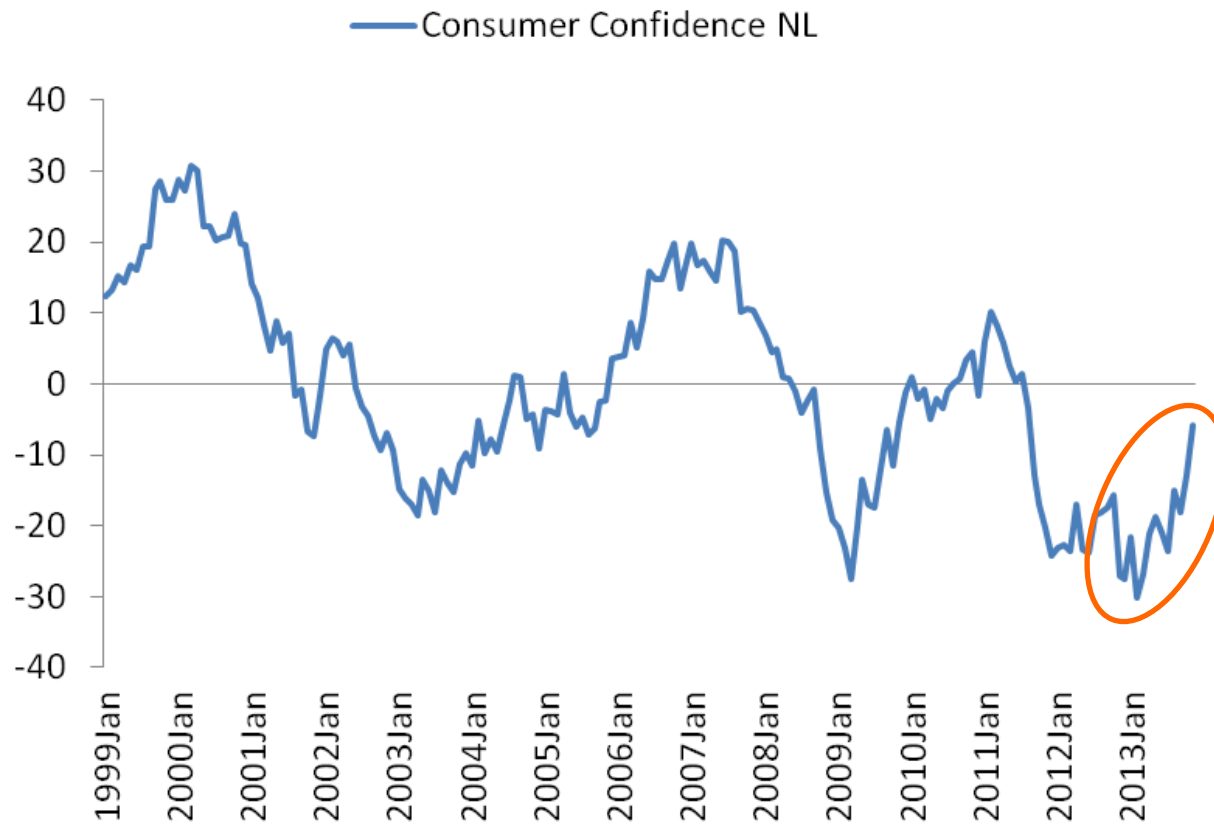
Private consumption



2013: -2.25%
2014: -0.75%
2015: +0.3%

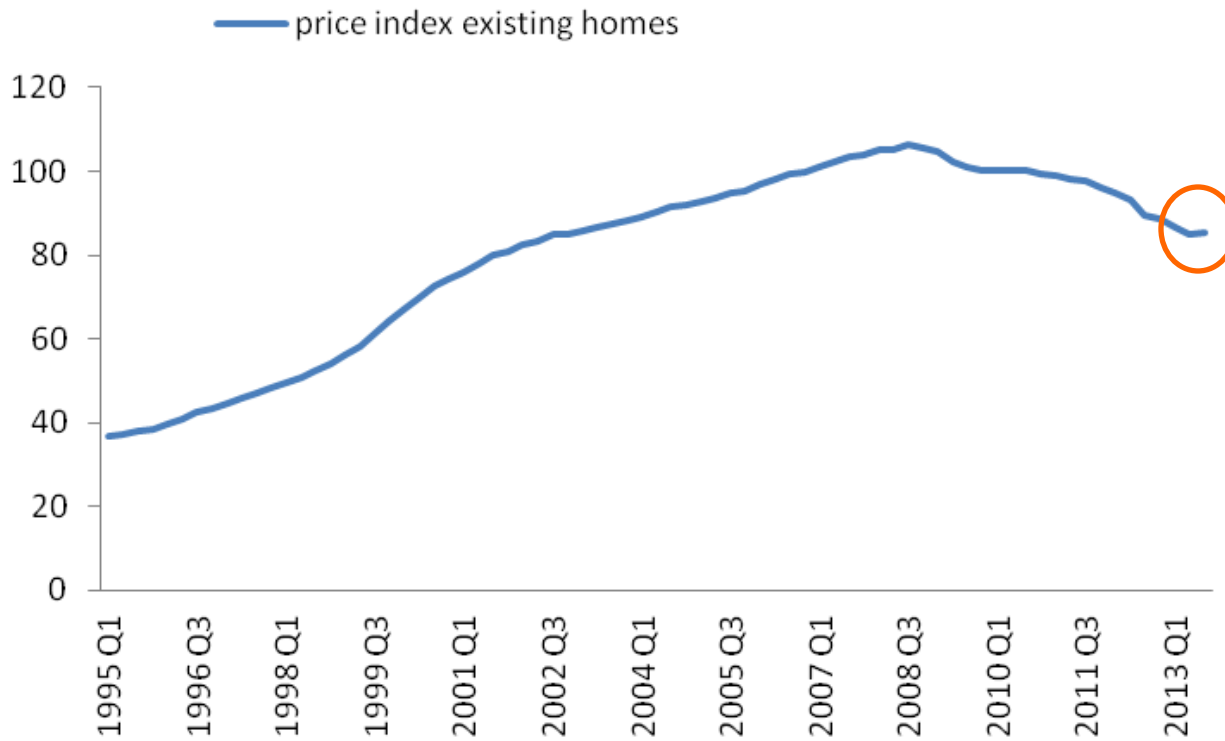


Private consumption



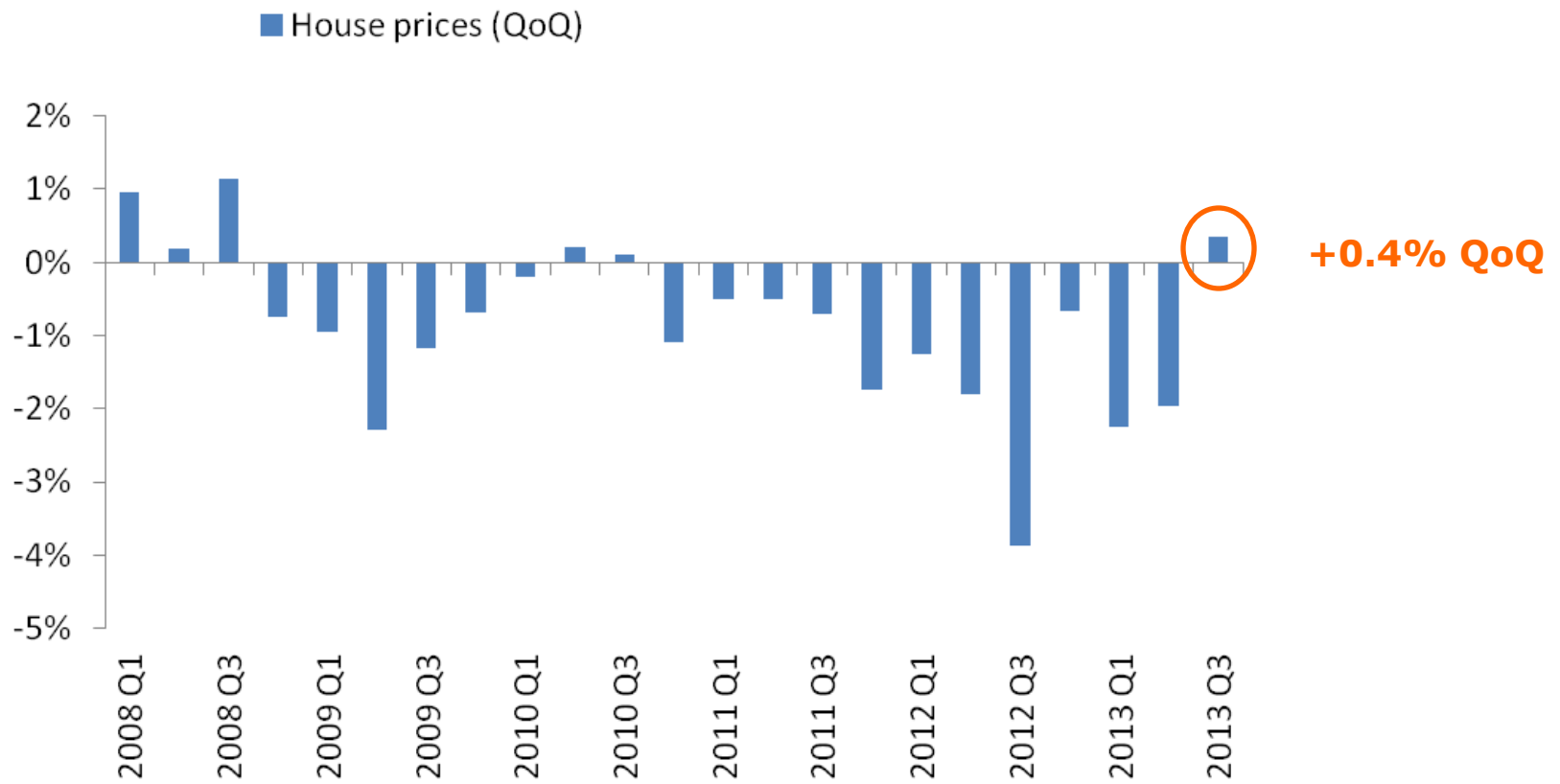


Housing market



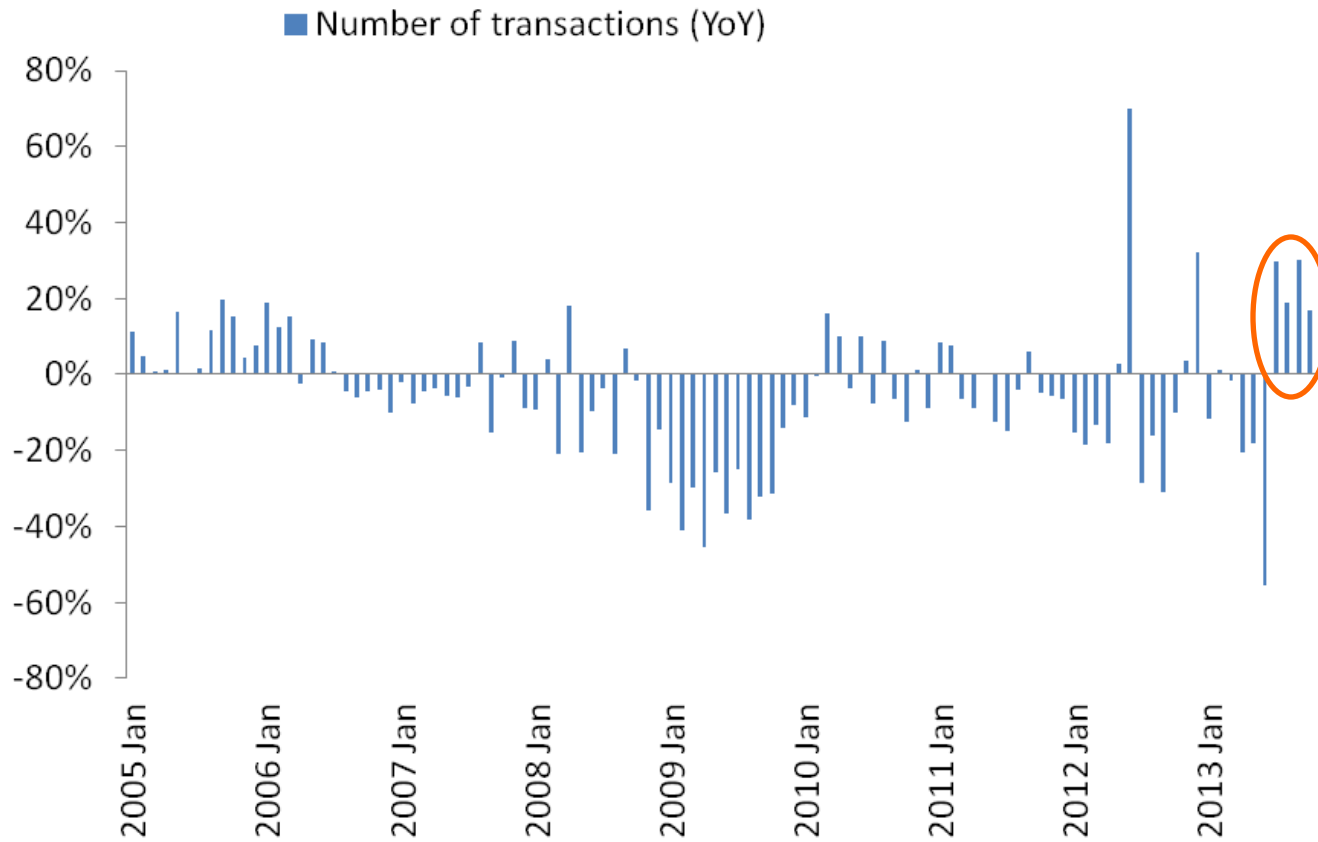


Housing market





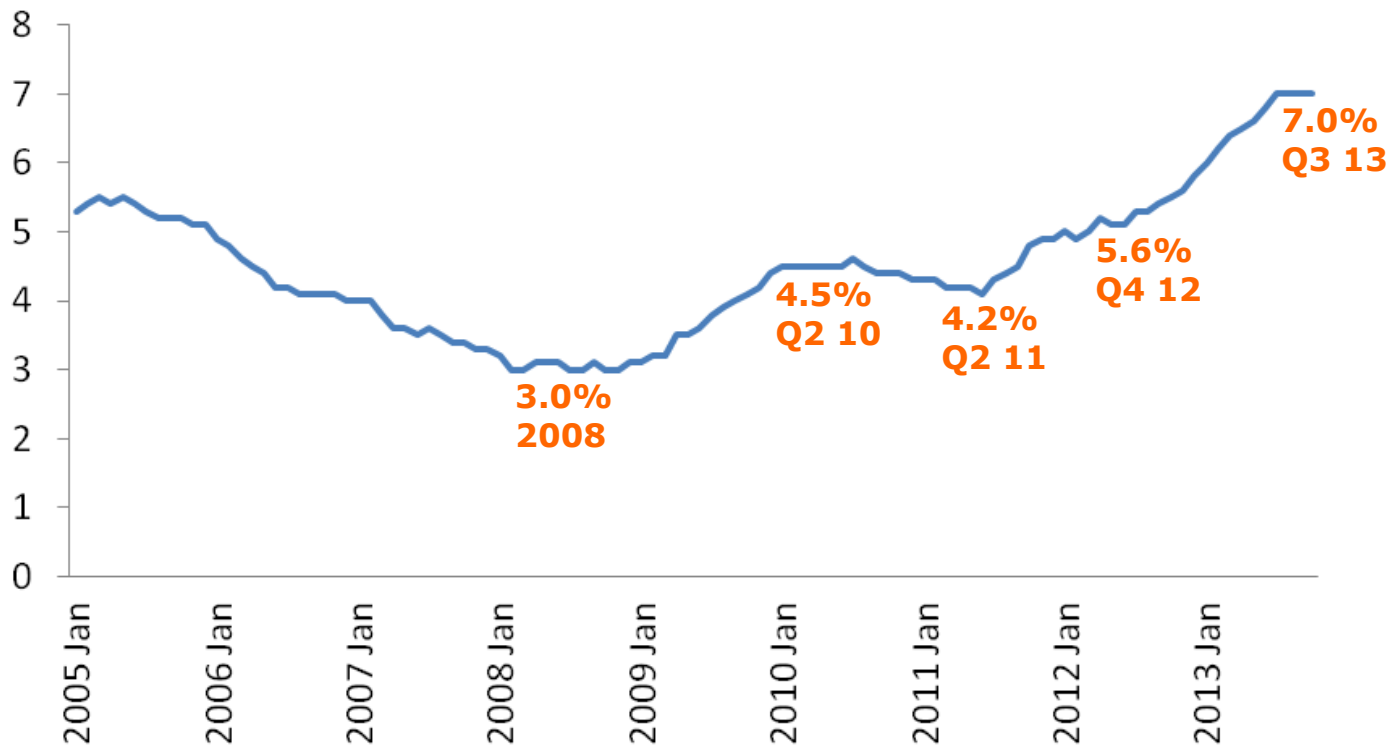
Housing market





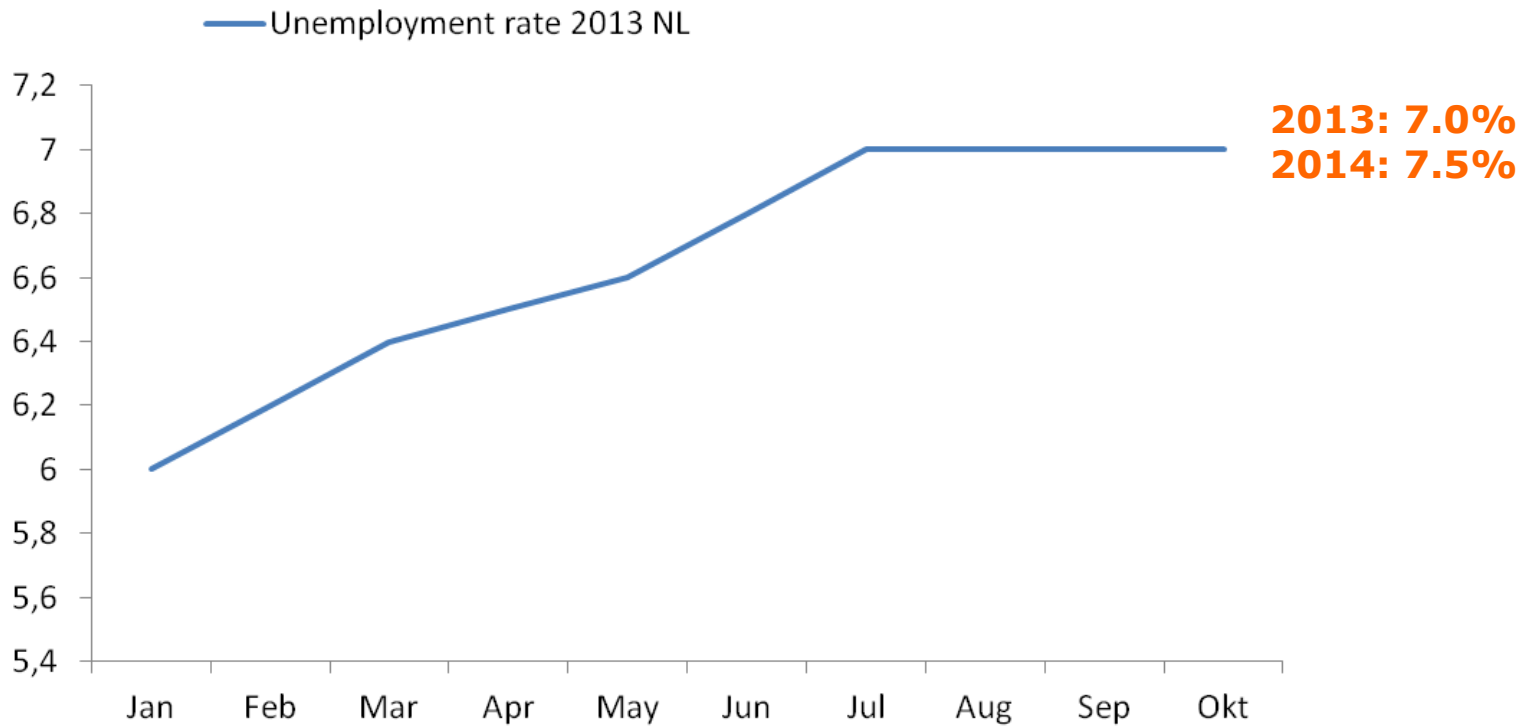
Labour market

— Unemployment rate (% labour force)



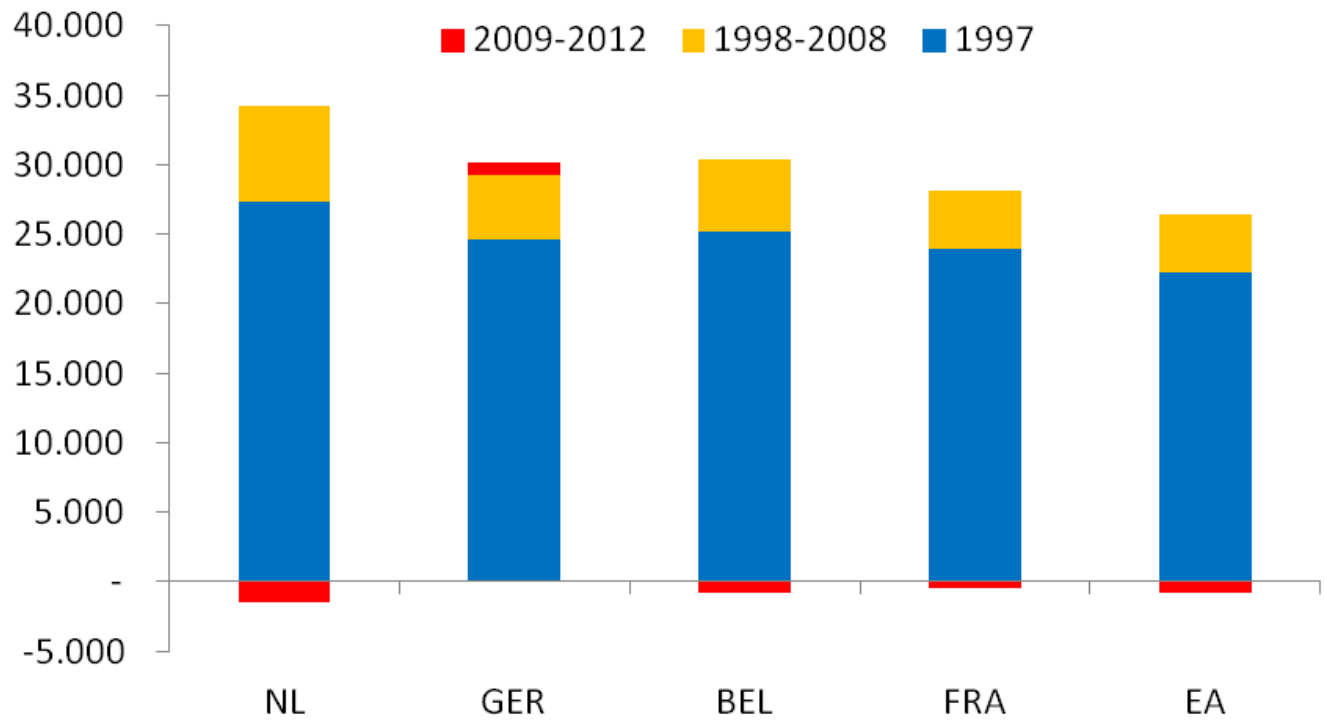


Labour market



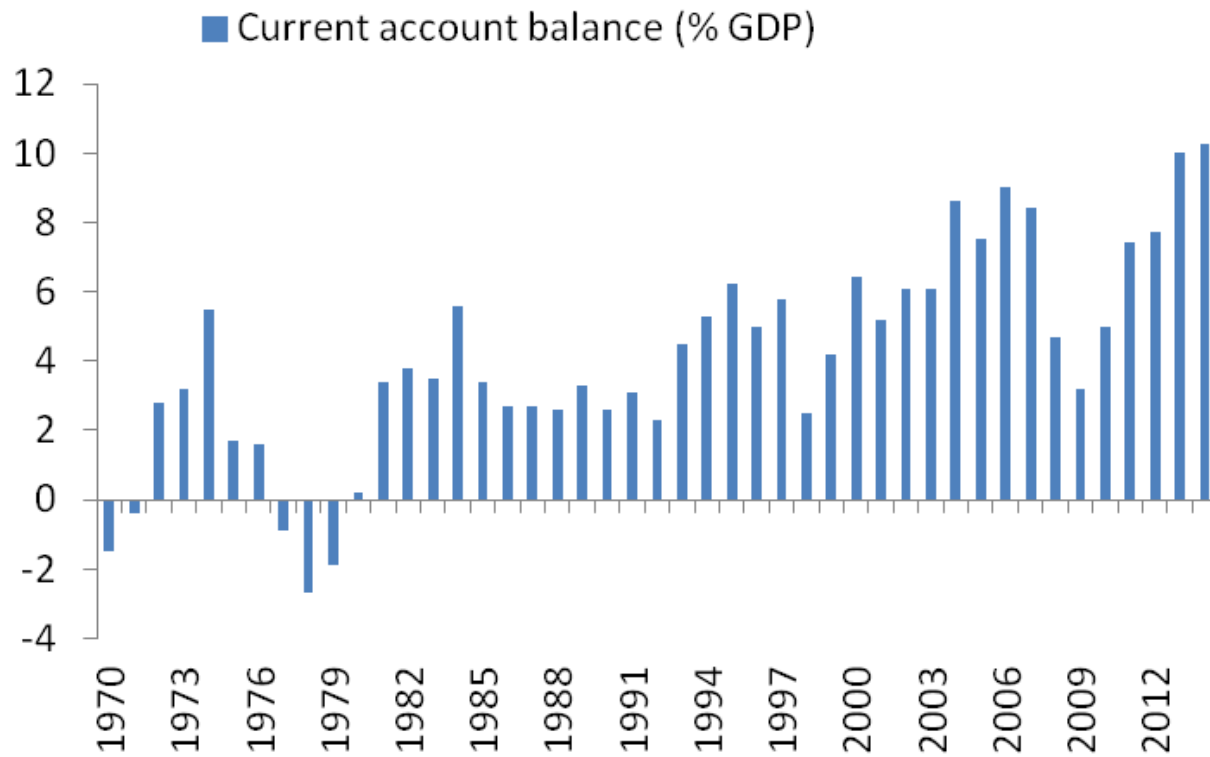


Real GDP per capita





Current account





Budgetary

Outlook



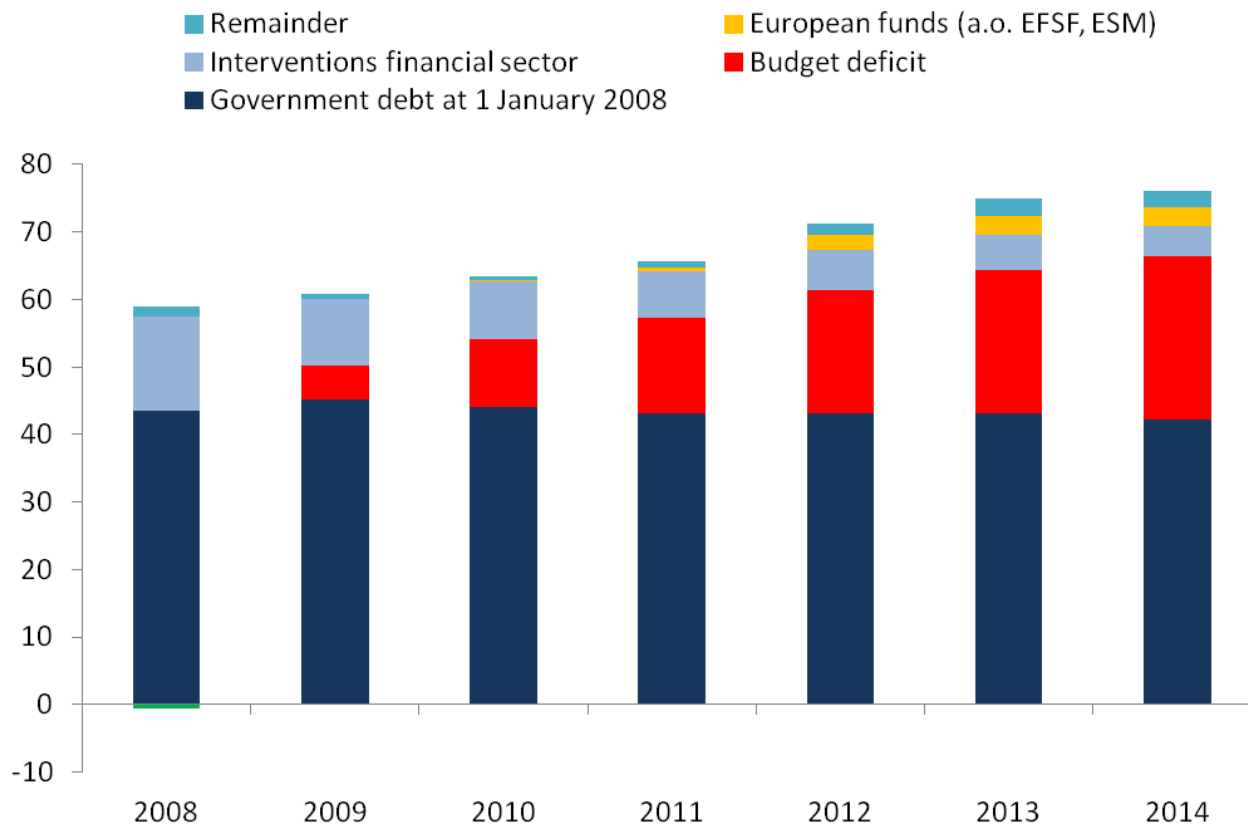
Government finances

Budgetary developments 2009-2014 in % GDP

	2009	2010	2011	2012	2013	2014
Nominal EMU-balance	-5.6	-5.1	-4.3	-4.1	-3.2	-3.3
Cyclical component/one-offs	-1.4	-0.7	-0.6	-1.6	-1.7	-2.0
Structural EMU-balance	-4.2	-4.4	-3.7	-2.5	-1.5	-1.3
EMU debt	60.8	63.4	65.7	71.3	75.0	76.1

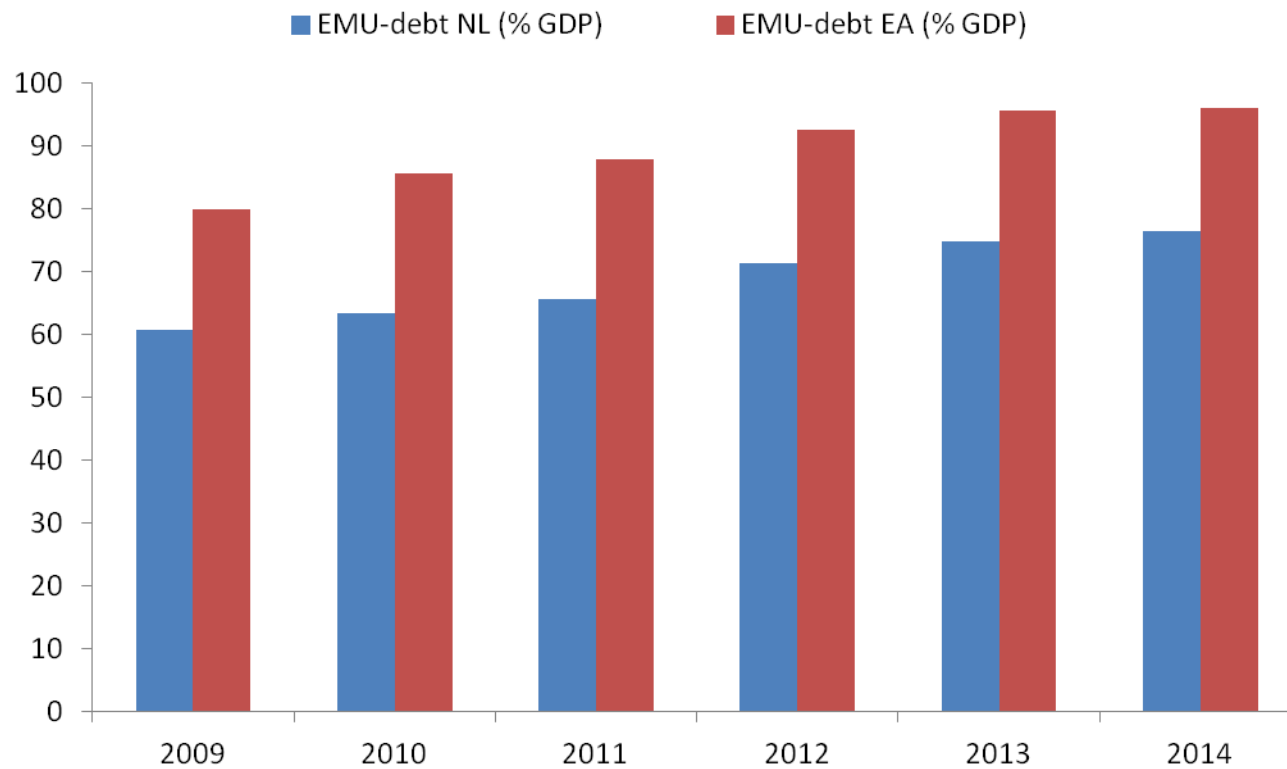


Government finances





Government finances



Funding and issuance





Funding in 2013 (€ bln)

	December 2012	December 2013
Capital market redemptions 2013	31.8	28.7
Money market ultimo 2012*	49.3	53.2
Net cash deficit 2013	9.2	15.7
Total borrowing requirement	90.3	97.6

	December 2012	December 2013
Capital market funding	50	51.8
Money market funding*	40.3	45.8

* Including cash collateral



Capital market issuance (€ bln)

Year	Outlook (y-1)	Actual	Deviation
2013	50	51.8	1.8
2012	60	60.4	0.4
2011	50	53.0	3
2010	50	51.9	1.9
2009	48	48.1	0.2

...in line with commitment



Money market serves as a buffer

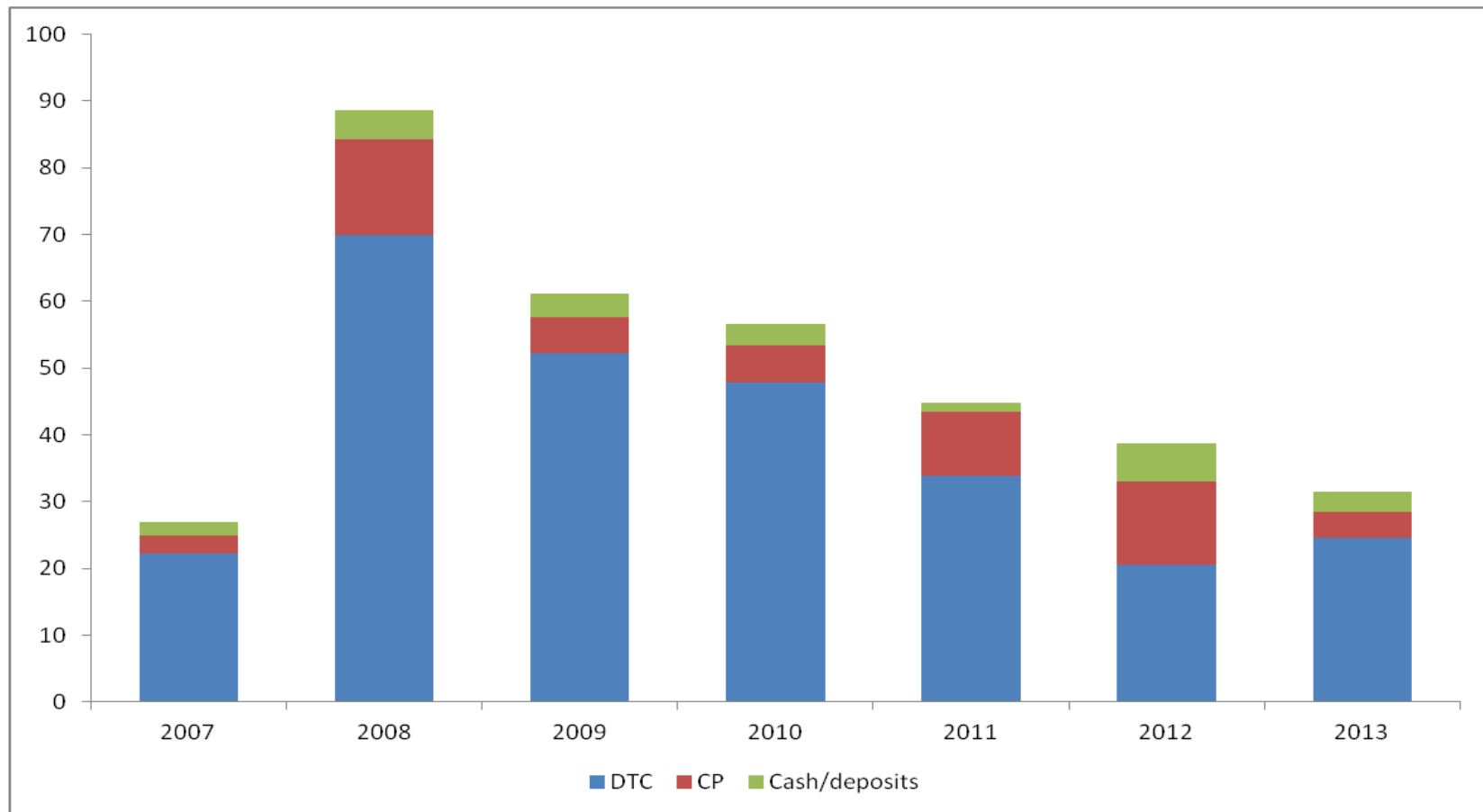
Changes in outstanding funding need can result from:

- A changing economic environment
- Inflow of deposits from local governments
- Sale/acquisition of assets by the State

Long-run target outstanding volume (excl. collateral): approx. € 30 bln



Development of money market 2009-2013 (ultimo)





Funding plan 2014 (€ bln)

Borrowing requirement

Capital market redemptions	32.2
Money market ultimo 2013*	47.6
Cash deficit	13.9
Total external funding requirement	93.7

Funding

Capital market	50
Money market*	43.7
Total funding	93.7

* Including cash collateral



DTC calendar: the usual pattern

Indicative DTC calendar 2014

Auction date	Settlement date	3-month DTC-programme	6-, 9-, 12-month DTC-programme
06-01-2014	08-01-2014	31-03-2014	06-01-2015
20-01-2014	22-01-2014	29-04-2014	30-06-2014
03-02-2014	05-02-2014	29-04-2014	31-07-2014
17-02-2014	19-02-2014	30-05-2014	29-08-2014
03-03-2014	05-03-2014	30-05-2014	30-09-2014
17-03-2014	19-03-2014	30-06-2014	30-09-2014
07-04-2014	09-04-2014	30-06-2014	06-01-2015
22-04-2014*	24-04-2014	31-07-2014	31-10-2014
05-05-2014	07-05-2014	31-07-2014	28-11-2014
19-05-2014	21-05-2014	29-08-2014	28-11-2014
02-06-2014	04-06-2014	29-08-2014	06-01-2015
16-06-2014	18-06-2014	30-09-2014	30-01-2015



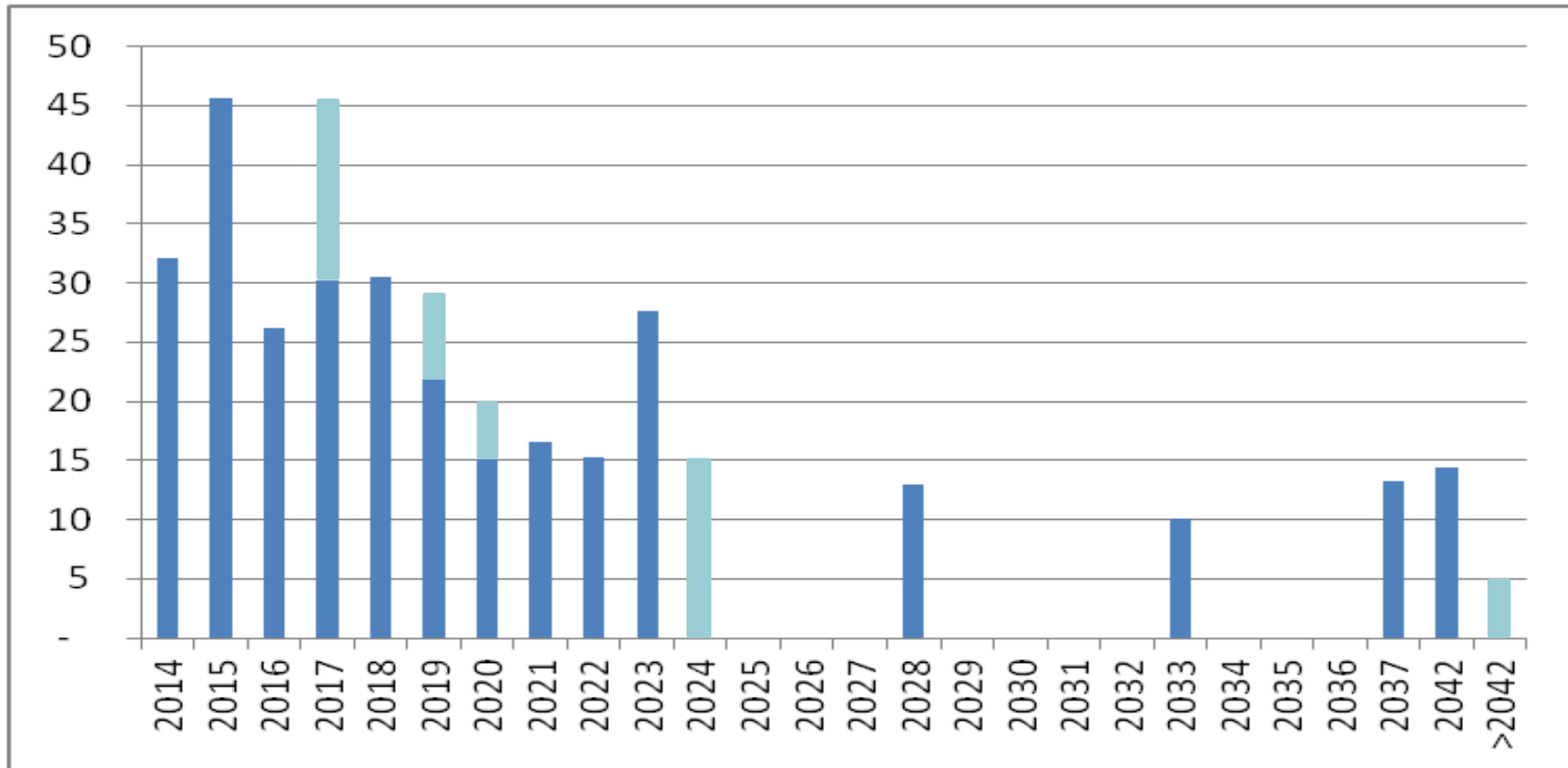
DSL issuance in 2014 (€ bln)

Total funding	50
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New 3-year DSL	15
On-the-run 5-year DSL	7
New 5-year DSL	5
New 10-year DSL	15
Off-the-run facility	3
New 30-year DSL	5



Issuance in 2014 in relation to current redemptions (€ bln)



Excl. issuance in off-the-run auctions (total € 3 bln)



DSL calendar

Indicative DSL calendar 2014

Month of issuance	Auction Date		Auction date		DDA window
	2nd Tuesday	Details	4th Tuesday	Details	
January	14	Tap new 3-year: DSL 15 April 2017	28	Off-the-run	
February	11	Tap 5-year: 1.25% DSL 15 January 2019	25	No tap	New 10-year New 30-year
March	11	Reopening new 3-year	25	No tap	
April	8	Tap	22	Tap	
May	13	Tap	27	Tap	
June	10	Tap	24	Off-the-run	
July	8	Tap	22	No tap	
August	Reserve dates				
September	9	Tap	23	No tap	New 5-year
October	14	Tap	28	No tap	
November	11	Tap	25	Tap	
December	Reserve dates				

The timing of the DDA's may lead to changes in the DSL calendar

Announcement of OTR bonds to be reopened will be on the Wednesday before the auction

Looking ahead...





DSL issuance - looking further ahead

Funding need for year t is sum of:

- Capital market redemptions
- Outstanding money market $t-1$
- Cash deficit

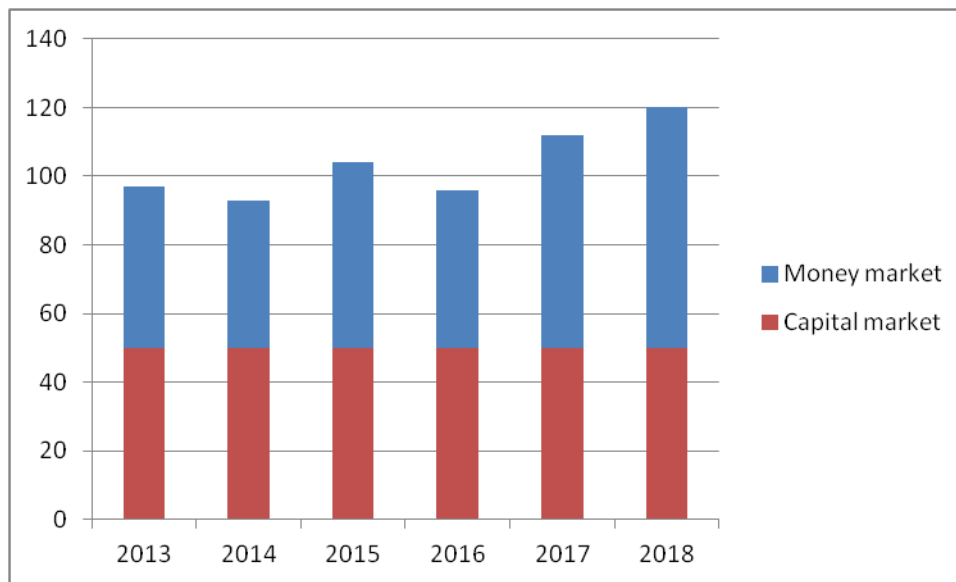
Several scenarios...



Scenario 1:

Estimate funding need based on:

- Deficit projections 2013-2018 in Budget Memorandum
- Constant capital market issuance of € 50 bln/year



Outstanding
money market
(incl. collateral)

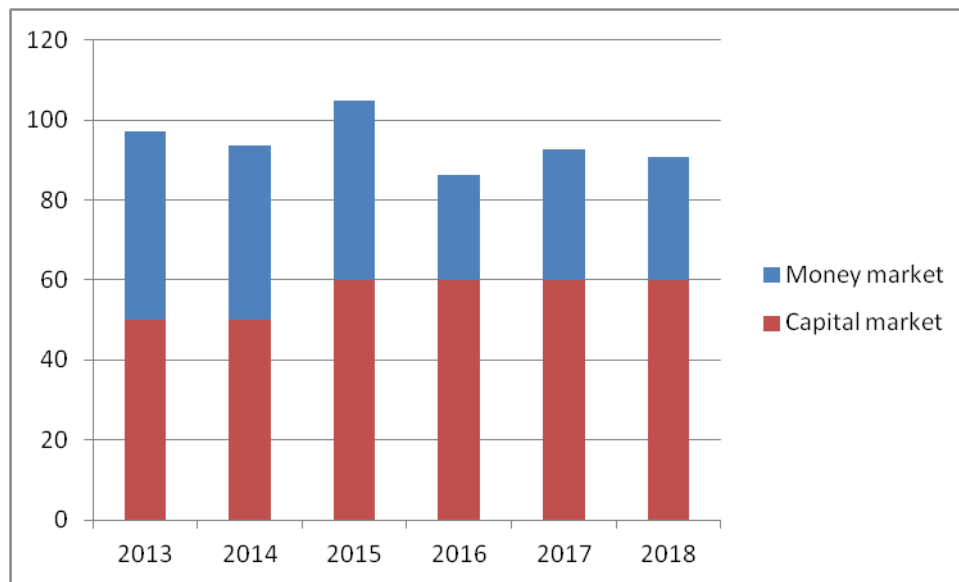




Scenario 2:

Estimate funding need based on:

- Deficit projections 2013-2018 in Budget Memorandum
- Increase capital market issuance to **€ 60 bln/year**



Outstanding
money market
(incl. collateral)





Alternative scenarios:

Total funding need is uncertain. Cash deficit may differ from projections in the Budgetary Memorandum:

- State may divest assets, economic growth may surprise on the upside
 - lower cash deficit; capital market issuance may tend towards € 50 bln.
- Economic recovery may falter -> higher cash deficit
 - higher cash deficit; capital market issuance may tend towards € 60 bln.



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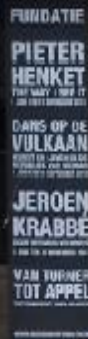
DSTA Awards

MUSEUM DE FUNDATIE

FUNDATIE
BEDANKT!



FUNDATIE
PIETER
HENKET
1942-1997
DANS OP DE
VULKAAN
JEROEN
KRABBE
VAN TURNER
TOT APPEL





The 2013 DSTA Awards!

First division

- Best CP Dealer:
- Best DTC quoting bank:
- Best DSL quoting bank:

Rabobank

Commerzbank

Deutsche Bank

Premier League

- No. 1 for DTC primary issuance
- No. 1 for DSL primary issuance



And the **2013 DSTA AWARDS** go to ...

Top 3 DTCs

- 1 Commerzbank**
- 2 ING Bank
- 3 Deutsche Bank

Top 3 DSLs

- 1 Rabobank**
- 2 ABN AMRO Bank
- 3 Commerzbank

Highlights for 2014

- Funding need: ± € 97 bln
- DSL issuance: ± € 50 bln
- Four new DSLs
 - New 3-year via tap
 - New 5-, 10- and 30-year via DDA
- Reopening on-the-run 5-year DSL
- Off-the-run facility continued
- Possible issuance of USD bond in case of favourable market conditions

