



Dutch State Treasury Agency
Ministry of Finance

DSTA OUTLOOK EVENT 2016





Welcome

Also to our 15 Primary Dealers for 2016

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

* Also Commercial Paper Dealer

and our 5 Single Market Specialists

BBVA	Crédit Agricole	DZ Bank
Nordea	UBS*	



Today's programme

15.00 hrs	Welcome
15.05 hrs	Introduction on Liquidity and QE by Ralph Weidenfeller (ECB)
15.20 hrs	Panel discussion led by Sander Schol (JPM)
16.00 hrs	Coffee break
16.30 hrs	Presentation Outlook 2016 by Niek Nahuis (DSTA) and Q&A
17.10 hrs	DSTA Awards
17.15 hrs	Drinks & Bites

DSTA



Dutch State Treasury Agency
Ministry of Finance

Outlook 2016

Niek Nahuis

The Hague, 11 December 2015





Overview of this presentation

- Economic and budgetary outlook
- Looking back on funding 2015
- Risk framework 2016-2019
- Funding plan 2016
- Questions & answers



Economic and budgetary outlook



Economic projections for 2015 have improved

Figures for 2015	Dec 2014	Dec 2015
GDP growth	1.50%	2.0%
Private consumption	1.25%	1.7%
Investment	3.25%	7.1%
Exports	4.50%	4.7%
Unemployment	6.25%	6.9%

Source: CPB



Economic projections 2016

	Sep 2015	Dec 2015
GDP growth	2.4%	2.1%
Private consumption	1.9%	2.2%
Investment	6.0%	6.8%
Exports	5.1%	4.4%
Unemployment	6.7%	6.7%

Source: CPB



Cash balance improved by one-offs

	2015		2016
	Dec 2014	Dec 2015	Dec 2015
EMU deficit (% GDP)	-1.8	-2.2	-1.8
EMU debt (% GDP)	69.6	66.6	65.4
	Sep 2014	Nov 2015	Sep 2015
Cash deficit (€ bn)	12.2	1.5	7.6

Sources: CPB (EMU deficit and debt), Ministry of Finance (cash deficit)



Looking back on funding 2015



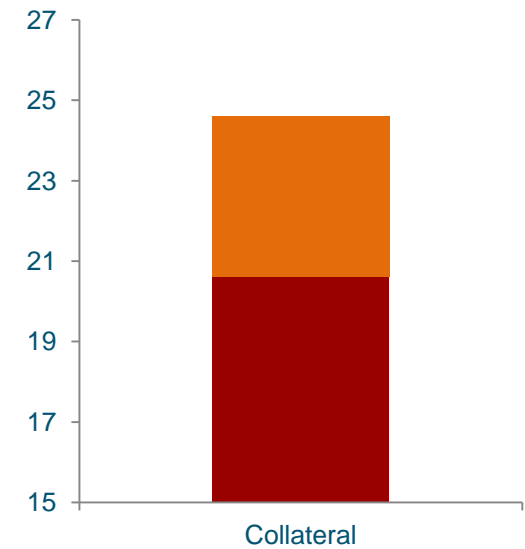
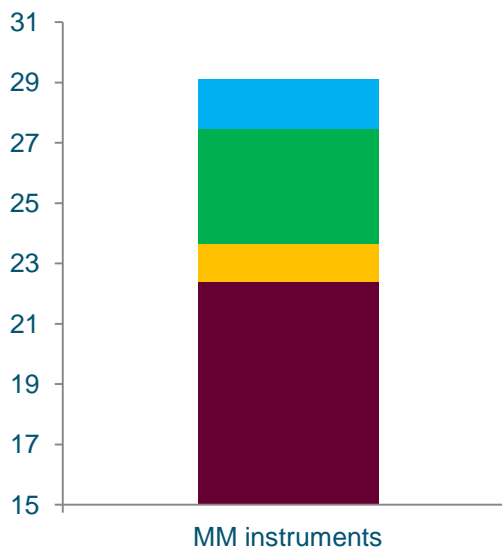
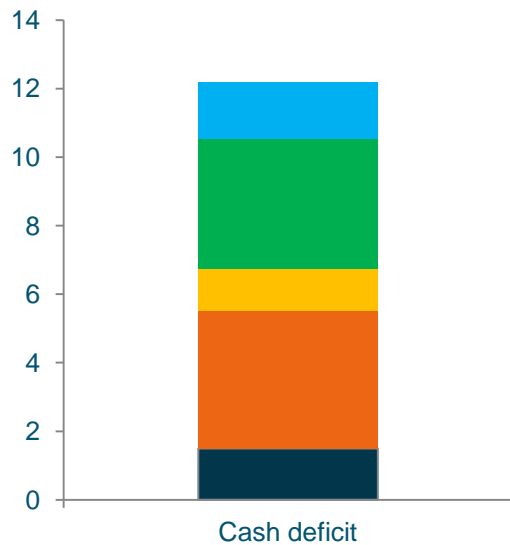
Looking back on funding 2015

Capital market € 48 bn = "48" (€ 47.4 bn)

Money market under pressure

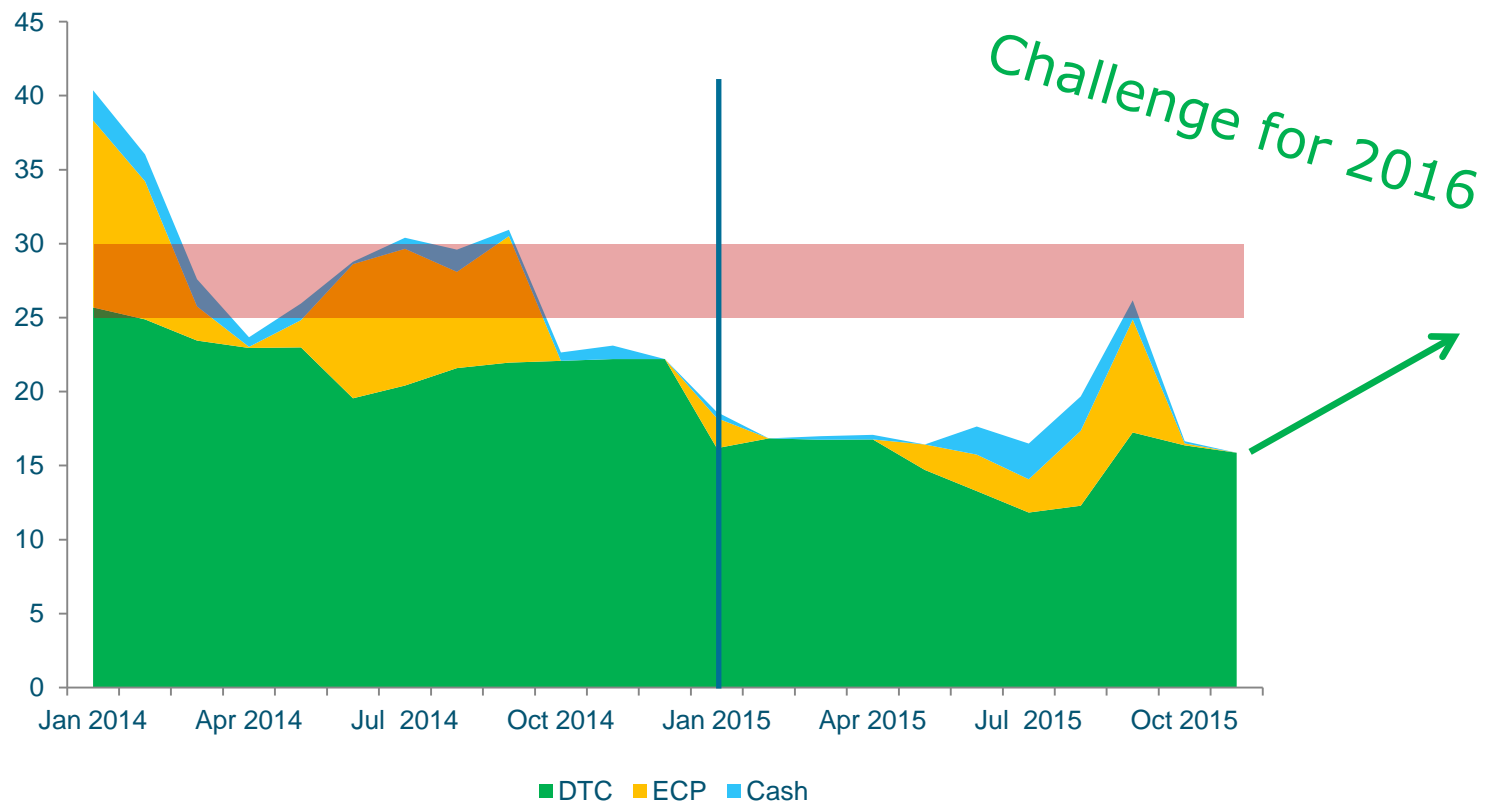


Cash deficit and money market (€ md)





Money market below desired level





Risk framework 2016-2019



Interest rate risk framework 2008 - 2015

- 7-year benchmark as the core of our risk framework
- Interest rate risk management and funding policy fully separated
- Deviations from the benchmark since 2012 led to an increased average maturity
- Recommendations evaluation 2015:
 - increase maturity
 - introduce clear risk indicators
 - and reduce dependency on swaps



Average maturity debt portfolio 2008-2019





Consequences

- Introduction of maximum refixing amount
- Funding strategy remains unchanged
- Swaps become a fine tuning instrument
- Issuance more important in risk management
- Option to revise strategy



Funding plan 2016



Borrowing requirement 2016

Borrowing requirement	(€ bn)
Capital market redemptions 2016	28.2
Money market ultimo 2015	22.4
Cash collateral ultimo 2015	20.6
Cash deficit	7.6
Total funding requirement 2016	78.8



Funding need 2016

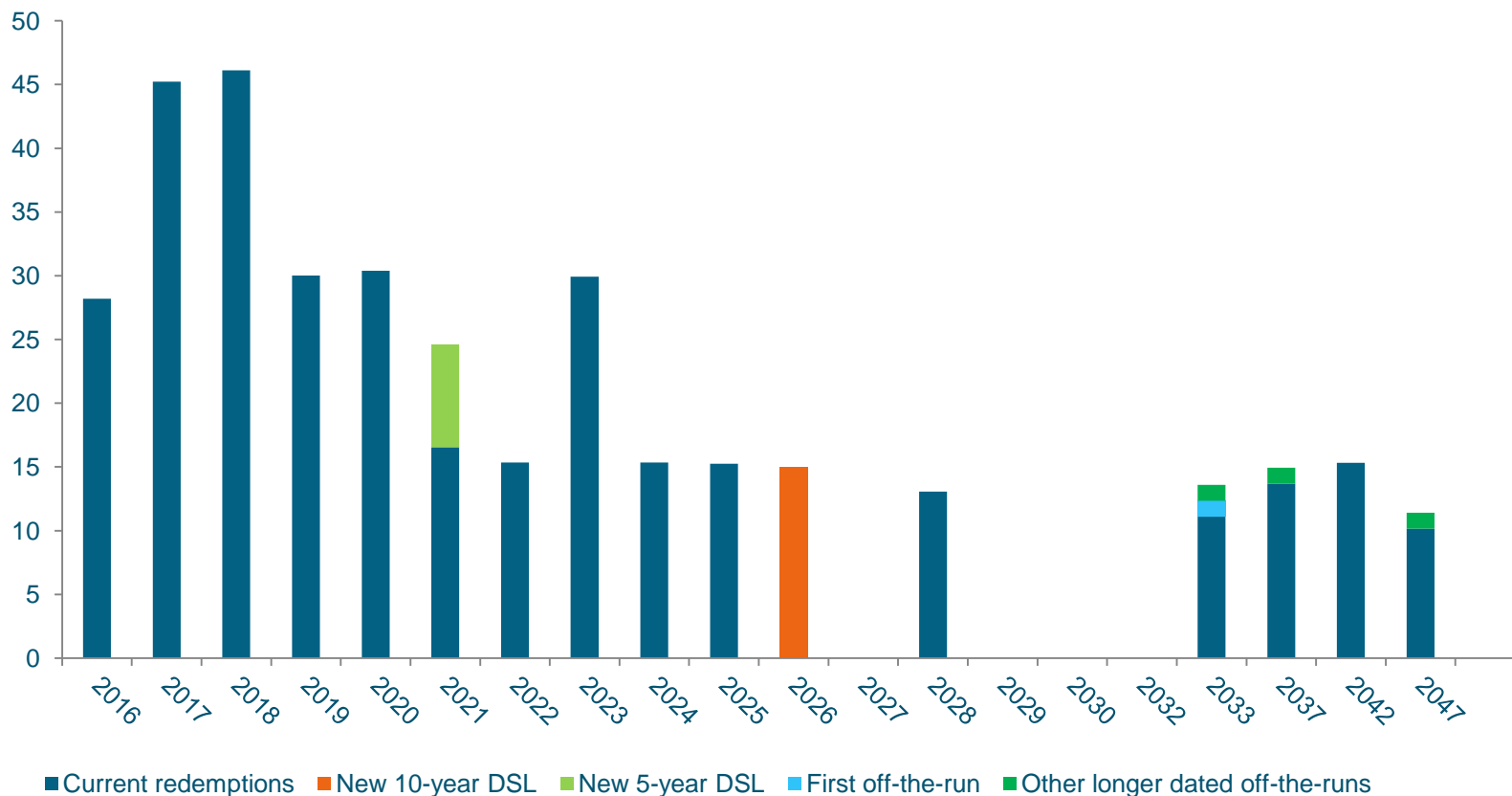
Funding	(€ bn)
Capital market	25 – 30
Money market	28.2 – 33.2
Cash collateral ultimo 2016*	20.6
Total funding requirement 2016	78.8

* No estimation possible, cash collateral ultimo 2015

- Money market remains primary buffer
- New in 2016: target range capital market



Redemption profile new issuance 2016





Issuance in 2016

DSL	Indicative amount (€ bn)
New 10-year DSL	15
New 5-year DSL	7.5 – 10*
Reopening longer dated off-the-run DSLs	2.5 - 5
Total DSL funding	25 - 30

* Will be reopened again in 2017 to reach € 15 bn

- DSL issuance every 2nd Tuesday, 4th Tuesday as reserve date
- DTC issuance every 1st and 3rd Monday of the month

Q & A





DSTA Awards



DSTA Awards

Quotation achievements in 2015

Best DTC quoting bank

Commerzbank

Best DSL quoting bank

ING Bank



DSTA Awards

Top 3 CP-dealers

1 Rabobank

2 ING Bank

3 Citigroup



DSTA Awards

Top 3 DTCs

1 Commerzbank

2 ING Bank

3 HSBC France





DSTA Awards

Top 3 DSLs

1 ABN Amro Bank

2 Royal Bank of Scotland

3 ING Bank



Highlights Outlook 2016

- Capital market funding: target range € 25 - 30 bn
- New 5-year DSL before the summer. DSL will reach € 7.5 bn - € 10 bn in 2016; the rest in 2017
- New 10-year DSL March. DSL will reach € 15 bn in 2016
- A minimum of two reopenings of longer dated off-the-run bonds in 2016

