



Ministry of Finance

Dutch State Treasury Agency

Interim investor presentation

Corona crisis update

25 May

Latest update: 20 May 2020



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Economic & budgetary outlook



Covid-19 scenarios (CPB, March 26)

	GDP growth (%)		Government budget (% GDP)		Government debt (% GDP)	
	2020	2021	2020	2021	2020	2021
Baseline before Covid-19	1,4	1,6	1,1	0,1	46,3	45,2
Scenarios:						
1: 3 months restrictive measures	- 1,2	3,5	- 1,3	- 0,5	49,9	48,4
2: 6 months restrictive measures	- 5	3,8	- 4,6	- 2,9	55,4	56,1
3: 6 months restrictive measures, severe impact economy	- 7,7	2	- 6,8	- 5,7	60,4	65,5
4: 12 mnd. restrictive measures	- 7,3	- 2,7	- 7,3	- 9,9	61,7	73,6



International Comparison (European Commission, May 6)

Country	GDP Q1 (y-o-y)	GDP forecast 2020	GDP forecast 2021	Budget forecast 2020	Unemployment forecast 2021	Debt/ GDP 2020
Austria	-2.5	-5.5	5.0	-6.1	5.8	79
Belgium	-3.9	-7.2	6.7	-8.9	7.0	113
European Union	-3.3	-7.7	6.3	-8.5	9.6	103
Finland	0.1	-6.3	3.7	-7.4	8.3	69
France	-5.8	-8.2	7.4	-9.9	10.1	116
Germany	-2.2	-6.5	5.9	-7.0	4.0	76
Italy	-4.7	-9.5	6.5	-11.1	11.8	153
Netherlands	-1.7	-6.8	5.0	-6.3*	5.9	62**
Spain	-5.2	-9.4	7.0	-10.1	18.9	116

*Note that in its own economic forecasts, the budget deficit is 11.8%

**Note that in its own forecasts, debt/GDP is set to rise to 65%



Measures taken by the Dutch government

Expenditure:

- Temporary measure to help entrepreneurs paying wages, in order to prevent unemployment (called NOW)
- The social assistance decree, aimed at self-employed persons, is expanded, meaning that the self-employed and entrepreneurs will be able to receive social assistance if they meet certain standards (called: TOZO).
- To support firms that are affected by our government's health measures - an emergency desk is introduced, through which those firms can receive a one-off lump sum allowance.
- Different measures to support specific economic sectors.

Revenue:

Businesses can request for a special deferral of payment in income tax, corporate tax, turnover tax, energy tax and wage tax. Temporarily, no penalties for failure to pay taxes (on time) will be imposed.



First indication on government finances (no forecast)

	Billion euros	% GDP
Government net lending (+)/borrowing (-) 2020	9	1,1
Autonomous effect of economic decline 7,5% (IMF)	- 45	- 5,4
Expenditure measures Covid-19	- 20	- 2,7
Revenue measures Covid-19 (including deferral of payment)	-36	-4,8
First indication government net lending/borrowing 2020*	-92	-11,8

*Second announced support package amounts to an approximate additional EUR 13 billion. This will be incorporated in an updated official government forecast after the publication of the CPB economic forecast in June



Funding and Issuance



Funding need 2020

	In bn.	29-4-2020	08-01-2020
Capital market redemptions 2020		29.9	29.9
Money market ultimo 2019 (excl. cash collateral)		14.3	14.3
Change in cash collateral (until end of March)		-0.4	0
Cash balance based on Budget 2020 figure (surplus)			-1.5
EMU-balance based on Spring Budget Memorandum 2020 estimate (deficit)		92	
		135.8	42.7

Source: DSTA, Revised Funding plan 2020, 29 April 2020



Changes in funding plan since Outlook 2020

- DSTA adjusted its anticipated capital market issuance range of 21-26 billion to a minimum amount of 35 billion to be financed via the capital market
- The majority of the increased funding need will be financed via the money market, amongst others by weekly DTC auctions
- Announced ranges for the on-the-run 10-year DSL have been changed from 1 – 2 billion to 1 – 3 billion, allowing for larger auctions
- A new 7-year DSL has been announced



DSL Issuance YTD 2020

DSL	Realised (in bn)
New 10-year DSL 2030	10.8
Reopening 20-year Green Bond	1.4
New 30-year DSL	
Off-the run	2.9
New DSL 15 January 2027	
Total DSL funding	15.1



DSL Issuance in remainder of Q2 2020

Auction Date	Details	Target volume
26 May	New DSL 15 Jan 2027	3 - 5
9 June	Reopening DSL 15 July 2030	1 - 3
23 June	Tap auction existing DSL	<i>to be determined</i>



Details of the new 7-year Dutch State Loan

Details new DSL 2027	
Auction date	Tuesday 26 May 2020
Maturity date	15 January 2027 (short first coupon)
Target volume	€ 3 - 5 bn
Auction method	MTS auction
Settlement date	Thursday 28 May 2020
Coupon	0%
Country ratings	Aaa/AAA/AAA



Auction details (1/2)

- For operational reasons, the new 7-year DSL will be launched via an auction on the MTS platform
- The same principles apply as with a regular Tap auction of the Dutch State
 - Multiprice auction
 - Size taken and price paid are immediately known
 - Participation is exclusive to Primary Dealers
- Communication during the auction will go via Bloomberg chat and our Bloomberg page ('DSTA02')



Auction details (2/2)

- In accordance with regular tap auctions, a non-competitive option will be awarded in the amount of 15% of the volume bought and is conditional on:
 - Compliance with the quotation obligation for DSLs in April
 - A minimum auction share of 3%