30 June 2017

Public Finance

Kingdom of the Netherlands Rating Report

SCOPE AAA STABLE OUTLOOK

Credit strengths

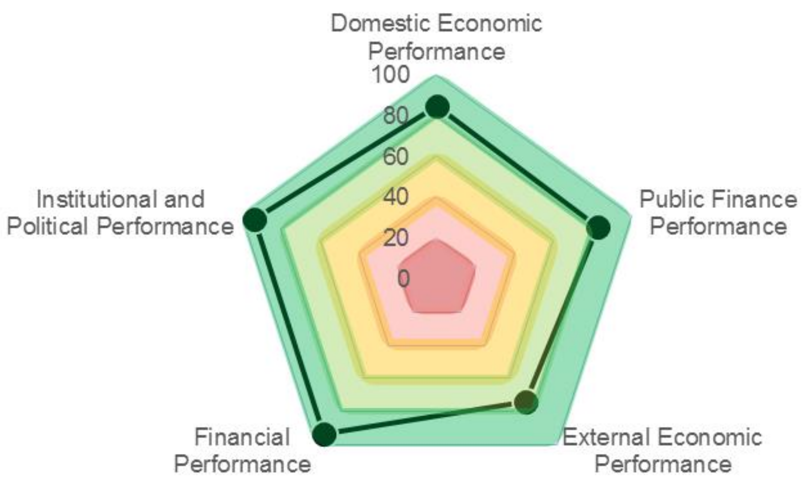
- Wealthy & diversified economy
- Strong current account balance
- Robust fiscal position

Credit weaknesses

- High household debt
- Susceptibility to external shocks
- Labour market inefficiencies

Rating rationale and Outlook: The AAA rating is supported by a wealthy, flexible and export-oriented economy, which performed strongly in 2016 following the double-dip recession. The Netherlands benefits from strong external position, prudent fiscal policy, moderate public debt underpinned by resilient GDP growth, and well-established fiscal framework. At the same time, high private-sector debt, susceptibility to external risks and labour market inefficiencies pose some concerns. The Stable Outlook reflects Scope's expectation of a continuation of the government's prudent fiscal policy, with public debt declining over the medium term.

Figure 1: Summary of sovereign rating categories



Source: Scope Ratings AG

Positive rating-change drivers

- Not applicable

Negative-rating change drivers

- Sharp GDP downturn
- Reversal of fiscal consolidation

Ratings & Outlook

Foreign currency

Long-term issuer rating	AAA/Stable
Senior unsecured debt	AAA/Stable
Short-term issuer rating	S-1+/Stable

Local currency

Long-term issuer rating	AAA/Stable
Senior unsecured debt	AAA/Stable
Short-term issuer rating	S-1+/Stable

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Bloomberg: SCOP

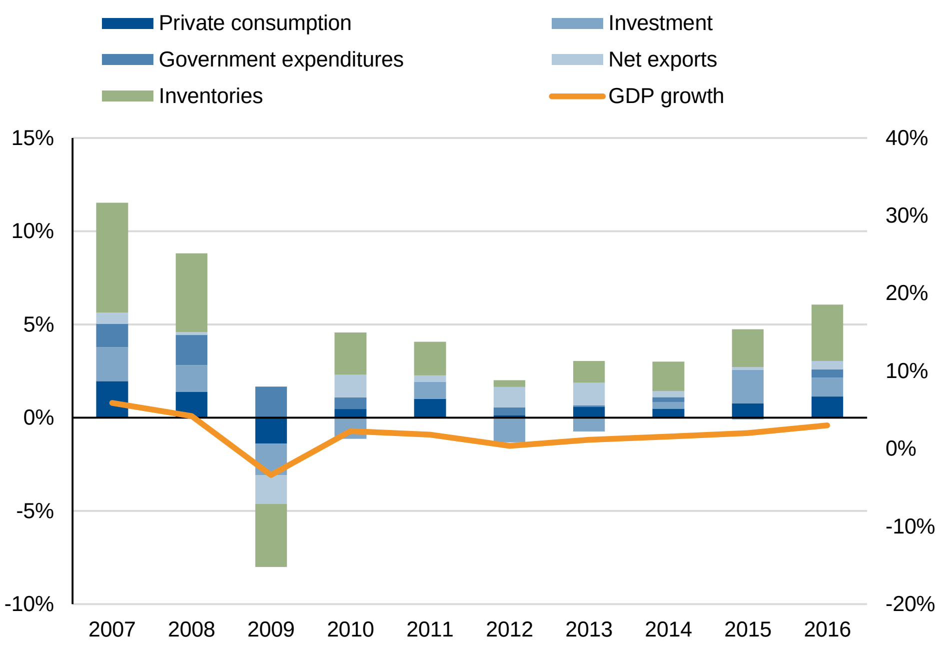
Domestic economic risk

Dutch GDP performed strongly in 2016 with a growth rate of 2.2%, marking the second year of a strong rebound following a double-dip recession in 2009 and 2012-2013. This solid performance was underpinned by strong consumption and investment, reflecting improving confidence and rising house prices, which outweighed a slowdown in net exports due to weak external demand and export performance.

Solid economic recovery is likely to continue

According to the newest CPB forecast, the Netherlands will continue to enjoy strong growth of 2.4% in 2017 followed by a slight slowdown to 2.0% in 2018 as domestic demand and investment continue to be the main growth drivers. Recent policy measures, in particular a reduction in pension contributions in 2015 and a broad package of tax cuts aimed at reducing the tax wedge in 2016, contributed to the rise in private consumption. Furthermore, should a planned overhaul of the second pension pillar lead to lower pension contributions, a further boost to domestic demand could be expected. Scope notes that uncertainty surrounding Brexit may negatively affect the Dutch economy, given its relatively large share of exports to the UK (9.43% in 2016) coupled with its strong financial ties to the country. However, the possibility of a post-Brexit move by some banking operations from London to Amsterdam could mitigate the negatives.

Figure 2: Components of nominal GDP growth



Source: IMF, Calculations Scope Ratings AG

Netherlands The country benefits from a diversified, high value-adding and flexible economic structure. It is an open economy whose level of openness exceeds most other EU economies. Its trade openness-to-GDP ratio stands at 150.35% compared to 84.4% for Germany and 100.6% for Austria, exposing it to the economic outlook of its major trading partners, the most important of which are Germany, Belgium, the United Kingdom, France and Italy. The openness of the Dutch economy also exposes it to geopolitical risks and trends in global trade.

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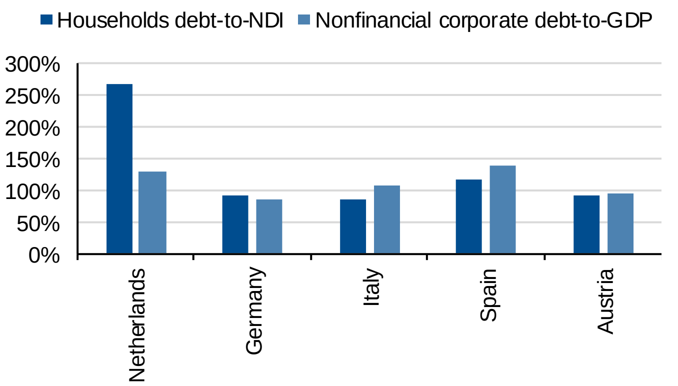
The Dutch economy is operating close to its potential

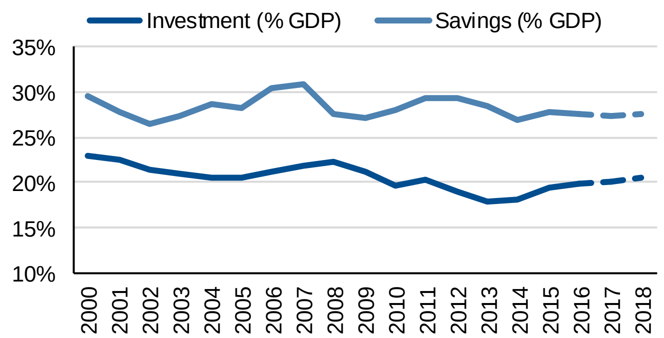
Having enjoyed a good recovery, the Dutch economy is currently operating close to its potential, being constrained primarily by a number of structural weaknesses. Among them are one of the highest private-debt levels in the EU, a high level of tax/non-tax burdens on labour, a fragmented labour market, and a big gap between savings and investment in the domestic economy (manifested as the largest current-account surplus in the EU).

Figure 3: Private debt



Source: National governments, European Commission, Calculations Scope Ratings AG

Figure 4: Savings vs investment (% of GDP)



Source: European Commission

Despite some deleveraging, private sector indebtedness remains high at about 250% of GDP in 2016. This high level is linked to both non-financial corporate sector debt (131% of GDP) and household debt (119% of GDP). Corporate debt largely stems from big multinationals with headquarters in the Netherlands and is offset by sufficiently large equity. Gross household debt is mostly linked to mortgages, and household assets cannot be used to reduce their outstanding debt. Dutch households' main asset is significant pension wealth accumulated over their working life due to relatively high compulsory pension contributions.

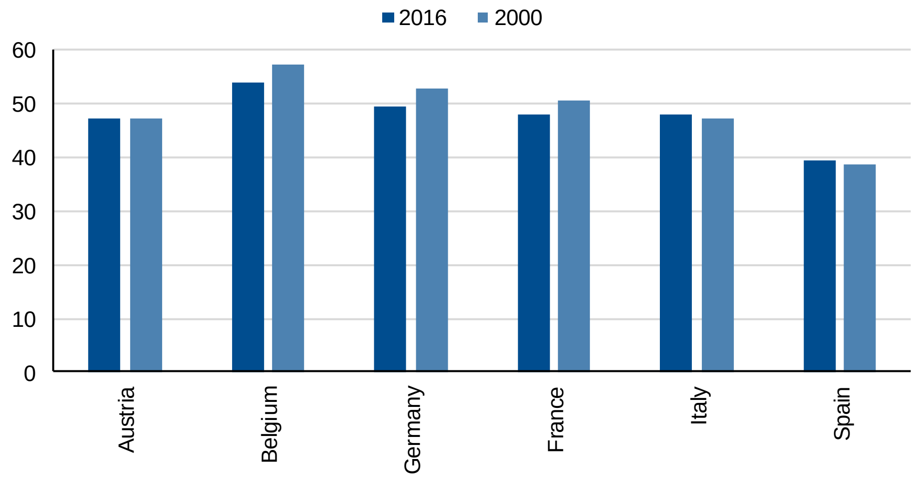
The Netherlands has the highest private-sector indebtedness in the EU

Household debt is very high at almost twice the EU average in 2016. Scope notes that the consistently high level of mortgage debt requires further deleveraging in future, as it could put a brake on the expansion of domestic demand, currently the main contributor to GDP growth. Two of the main reasons for persistently high household debt are the country's regulatory framework and taxation incentives, which encourage the Dutch to own rather than rent despite recent measures aimed at tightening mortgages.

The labour market in the Netherlands is strong and improving: The unemployment rate declined from 7.3% in 2013 to 6% in 2016, making it the second-lowest in the euro area. However, the labour market exhibits signs of segmentation attributable to large differences in employment protection legislation between permanent and temporary contracts, as well as a large wage gap between employees with permanent and temporary contracts. The recent rise in employment was largely associated with temporary employment[1] – hence, what was already one of the highest levels of temporary contracts in the EU climbed even higher. The Netherlands has high tax burdens on labour in the EU, a result of high compulsory pension payments and obligatory health insurance contributions. High taxes and labour market segmentation contribute to the fact that domestic private-sector savings are channeled and invested abroad to a large extent, limiting the domestic investment base and lowering the country's potential growth.

[1] Country report, the Netherlands, 2017, EC, p.30

Figure 5: Tax wedges



Source: OECD

Public finance risk

Since 2010, the Netherlands has managed to achieve an impressive correction in its budget deficit. Between 2010 and 2016, the headline balance improved from -3.8% to 0.4% of GDP and the structural balance improved from -4.5% to 0.5% of GDP. It is the first time the Dutch government achieved a budget surplus since 2008. Although GDP growth played a part in this improvement (except during 2012-2013), the biggest factor was the country's well-established fiscal framework, which is based on a strict fiscal rule. The rule implies that annual expenditure ceilings for the main budgetary areas on the revenue side be allowed to fluctuate within certain limits. Compliance with the numerical fiscal rule is monitored by the Advisory Division of the Council of State[2].

The country's budget balance turned positive in 2016 after eight years of deficits

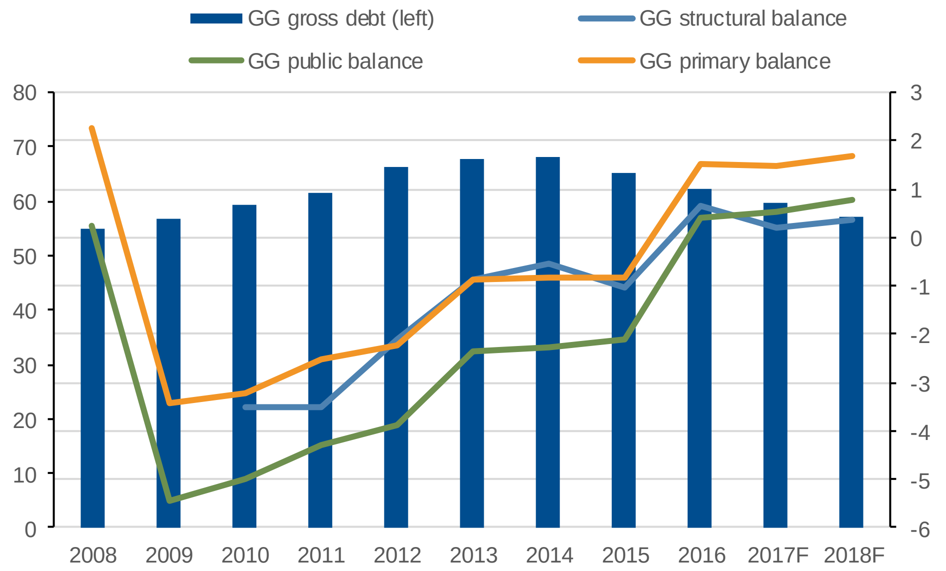
Following the improvements in the budget balance, public debt, which peaked at around 68% of GDP in 2014, started to decline and stood at about 62% at the end of 2016. Proceeds from the re-privatisation of ABN Amro, Propertise and ASR helped lower this ratio in 2016.

According to the 2017 stability program, it is expected that budget surpluses will be maintained, in order to reduce public-sector debt to around 50% at the end of 2020. It is expected that the general government debt ratio will fall below the 60% Maastricht threshold by the end of 2017.

Scope expects the Netherlands to keep its budget balance in the black as a result of economic expansion, a continued low interest rate environment, and the government's ability to keep expenditures under control despite a growing percentage of age-related expenditures.

[2] The Council of State is a constitutionally established advisory body to the Dutch Government and States General that consists of members of the royal family and members appointed by the Crown who typically have political, commercial, diplomatic or military experience.

Figure 6: Budget balances and gross budget debt projections 2008-2018, % of GDP



Source: European Commission

Medium-term sustainability of the budget depends on curbing age-related expenses

The medium-term sustainability of public finances will be addressed by policy measures aimed at curbing expenditures related to an ageing population. In particular, these measures include gradually increasing statutory retirement age to 67 by 2021, and its link to life expectancy, as well as a reform in public expenditures for long-term care, which is aimed at placing more emphasis on informal care and transferring non-residential care to municipal governments. Nevertheless, the European Commission currently projects that long-term care expenditures in terms of GDP will increase by 3.0 percentage points in the Netherlands between 2013 and 2060, compared to the EU average of 1.1 percentage points. This suggests a possible sustainability challenge in the medium and long term[3].

High level of budget guarantees

By the end of 2016, the amount of guarantees issued by the Dutch general government, including through the European Stability Mechanism (ESM), European Financial Stability Facility (EFSF) and European Financial Stability Mechanism (EFSM), stood at 28% of GDP, down from 31.2% at the end of 2014. A sizeable part of these guarantees – about 12% of GDP – are issued to meet euro-area obligations, in particular for the ESM, EFSF and EFSM, which were set up to rescue troubled euro-area economies. The bulk of these guarantees relate to Greek exposure, while the rest are distributed among Spain, Cyprus, Portugal and Ireland. An economic rebound, particularly in Spain and Ireland, has somewhat eased concerns over rescued countries, but significant uncertainties remain about a potential write-off of Greek debt.

Dutch public finances are exposed to unfunded pension obligations. At present, challenges continue to be related to the second pillar of the pension system, where defined-benefit contracts still dominate. These challenges stem mainly from a low interest rate environment and an ageing population. The combination of low interest rates and defined benefits increases future liabilities, which could result in a mismatch between assets and liabilities in pension funds.

[3] Country report, the Netherlands, 2017, EC, p.21

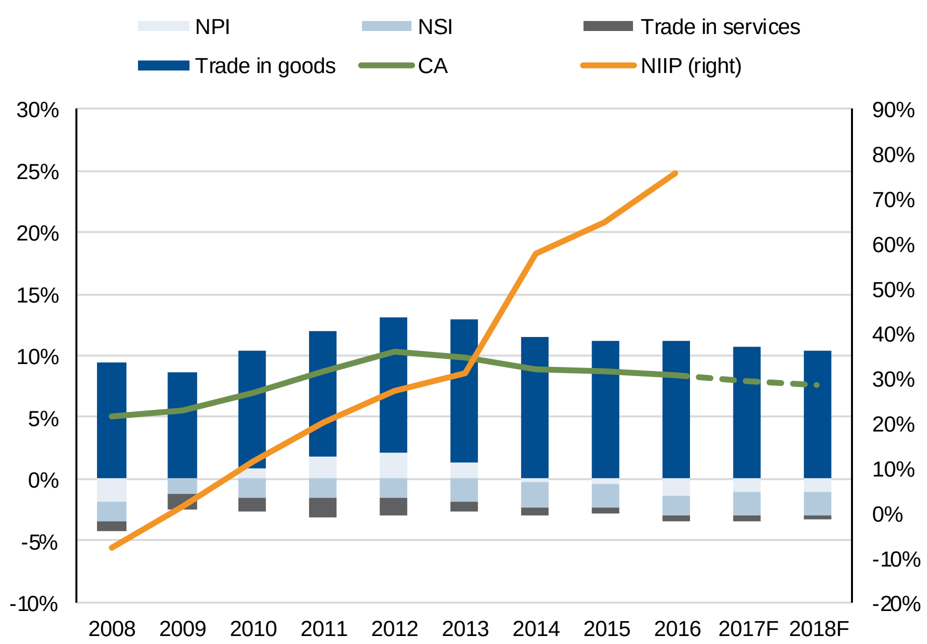
External economic risk

The Netherlands has a very strong external position. The country has been running a current-account surplus for more 30 years. In 2016, the Dutch current-account balance stood at around 8% of GDP, the highest in the euro area. The country's net international investment position was above 70% of GDP in 2016. These metrics underscore the exceptional resilience of the Netherlands to external shocks.

The Netherlands is a net exporter of capital to other countries

The trade balance is the most important component of the country's very high current-account balance. Large contributions to the positive trade balance come from chemicals and manufactured goods, where exports have doubled since 2000. About half of all incoming goods are either transit trade or re-exports, with the latter accounting for roughly 45% of total goods exports. The lower production and export of gas have led to a slowdown in trade balance growth, but increasing exports of higher-value products have more than offset the declining trend in gas exports. Beyond 2017, the current-account balance is expected to decline somewhat due to lower gas production, a less favourable external environment, and robust domestic demand, which tends to boost imports. This decline will not affect the country's strong external position.

Figure 7: Current account and net international investment position, % of GDP



Source: European Commission, Calculations Scope Ratings AG

Very high current account indicates imbalance between domestic savings and investments

The strong current-account balance is a reflection of high household savings and a high corporate savings rate, which is partially linked to international interdependencies between the corporate sector and related capital flows. Though a strong external position shields the country from external shocks, its persistent current-account surplus points to an imbalance in domestic savings and investments. This could adversely affect the allocation of resources and, as a result, for the country's growth and prosperity.

Financial stability risk

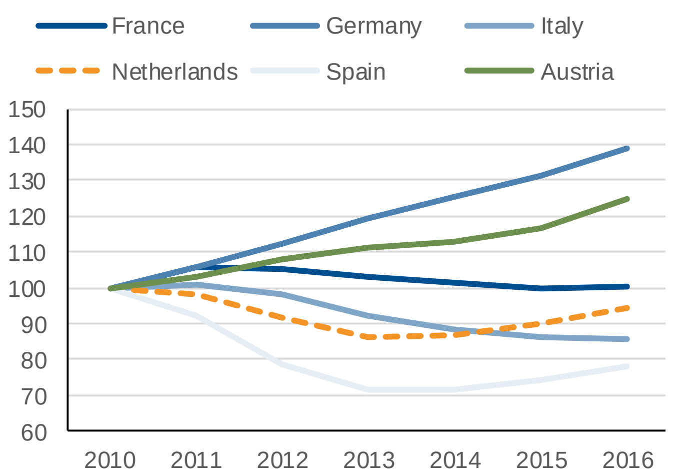
The Netherlands has low financial stability risk

The Netherlands benefits from a Stable Outlook for the banking sector underpinned by a recovery in the economy and housing market. Since 2008, Dutch banks' capital ratios have doubled, highlighting their improved resilience to financial shocks. The European Banking Authority's mid-2016 stress test concluded that Dutch banks can withstand considerable adverse circumstances. Non-performing loans stood at 2.5% of total gross loans in Q2 2016, one of the lowest percentages in the EU.

At the same time, Dutch banks are sensitive to persistently low interest rates. The banks' dependence on net interest income is one of the highest in the EU: About 75% of their total income comes from net interest income[4]. The importance of the latter has increased since the 2008 crisis due to a shift from investment banking to more traditional banking. Difficulties arising from the low interest environment raise concerns about financial stability, as they could drive the financial sector to take excessive risks in a context of over-leveraged households.

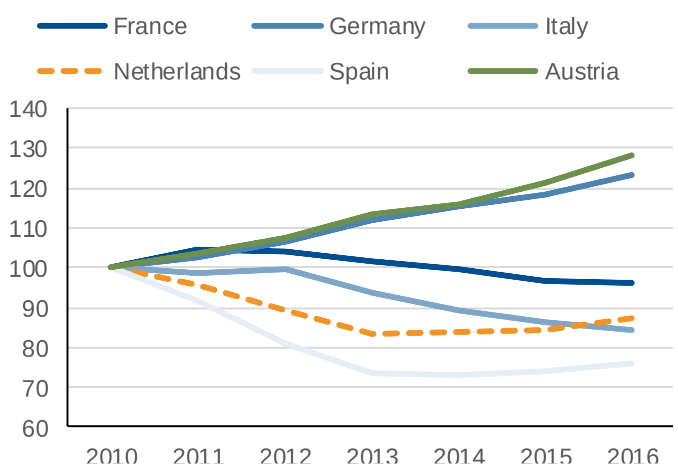
Scope highlights a moderation of risk relating to the potential materialisation of contingent liabilities from the banking sector, as the EU Bank Recovery and Resolution Directive has been transposed into national law, limiting state involvement in bank bailouts.

Figure 8: Nominal house price indices



Source: OECD, Index: 2010=100

Figure 9: Housing price-to-income ratio



Source: OECD, Index: 2010=100

Risk of housing bubble is limited

Despite an upswing in house prices since 2013, banking sector exposure to macro-economic vulnerabilities associated with housing bubbles is limited. Although house prices are recovering, average prices have not yet achieved pre-crisis levels. Similarly, the Dutch affordability ratio (measured by house prices to income) is still far from the 2010 level. In that metric, the Netherlands lags behind most of the EU countries except Spain (Figure 8). The speed of recovery, however, varies across the country: The highest growth is concentrated in large cities such as Amsterdam, where prices are already well above the pre-crisis level[5], pointing to overheating. Relatively generous mortgage interest deductibility continues to fuel household debt, negatively affecting the shock resilience of households and the economy.

[4] De Nederlandsche Bank Financial Stability Report, Autumn 2016, p. 22
[5] De Nederlandsche Bank Financial Stability Report, Autumn 2016, p. 14

Institutional and political risk

Following general elections on 15 March 2017, the coalition of the People's Party for Freedom and Democracy (VVD) and the Labour Party (PvdA) that ruled the country since 2012 became unsustainable when both partners lost their seats in the parliament. The PvdA's loss of seats was massive compared to that of the VVD. Despite this setback, the VVD managed to retain its position as the largest party in the Dutch parliament.

No coalition government since March 2017 general elections

Attempts to form a multi-party coalition have been unsuccessful so far. Given the wide dispersion of seats across the parties, a four or even five-party coalition is required to form a majority in the 150-seat parliament. This is likely to make forming a new government a challenging and protracted process. Moreover, once formed, a multi-party government could run the risk of not serving its full term. Nevertheless, Scope does not expect a significant change in economic and fiscal policies from the new government that could negatively affect the country's strong credit fundamentals.

Methodology

The methodology applicable for this rating and/or rating outlook "Public Finance Sovereign Ratings" is available on www.scoperatings.com.

Historical default rates of Scope Ratings can be viewed in the rating performance report on https://www.scoperatings.com/governance-and-policies/regulatory/esma-registration. Please also refer to the central platform (CEREP) of the European Securities and Markets Authority (ESMA): http://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml. A comprehensive clarification of Scope's definition of default, definitions of rating notations can be found in Scope's public Credit Rating methodologies on www.scoperatings.com.

The rating outlook indicates the most likely direction of the rating if the rating were to change within the next 12 to 18 months. A rating change is, however, not automatically ensured.

I. Appendix: CVS and QS Results

Sovereign rating scorecards

Scope's Core Variable Scorecard (CVS), which is based on the relative rankings of key sovereign credit fundamentals, signals an indicative (aaa) rating range on the long-term foreign-currency issuer rating scale for the Netherlands. The Qualitative Scorecard (QS) can adjust this indicative rating range by up to three notches depending on the size of relative credit strengths or weaknesses versus peers based on analysts' qualitative analysis.

For the Netherlands, the following relative credit strengths were identified for the following analytical categories: debt sustainability, market access and funding sources, current-account balance, external debt sustainability, vulnerability to short-term external risks and perceived willingness to pay. Relative credit weakness is signalled for the macroeconomic stability and imbalances.

Our combined CVS and QS analysis signals a AAA sovereign rating for the Netherlands. A rating committee discussed and confirmed these results.

Rating overview	
CVS category rating range	aaa
QS adjustment	AAA
Final rating	AAA

To calculate the rating score within the CVS, Scope uses a minimum-maximum algorithm to determine a rating score for each of the 22 indicators. Scope calculates the minimum and maximum of each rating indicator and places each sovereign within this range. Sovereigns with the strongest results for each rating indicator receive the highest rating score; sovereigns with the weakest results receive the lowest rating score. The score result translates to an indicative rating range that is always presented in lower-case rating scores.

As part of the QS assessment, the analyst conducts a comprehensive review of qualitative factors. This includes but is not limited to an economic scenario analysis, review of debt sustainability, fiscal and financial performance and policy implementation assessments.

There are three assessments per category, which gives a total of fifteen. For each assessment, the analyst examines the relative position of a given sovereign within its peer group. For this purpose, additional comparative analysis beyond the variables included in the CVS is conducted. These assessments are then aggregated using the same weighting system as in the CVS.

The result is the implied QS notch adjustment, which forms the basis for the analyst's recommendation to the rating committee.

Foreign- versus local-currency ratings

The Netherlands primarily issues debt in euros. Because of its history of openness to trade and capital flows as well as the reserve currency status of the euro, Scope sees no reason to believe that the Netherlands would differentiate among any of its contractual debt obligations based on currency denomination.

II. Appendix: CVS and QS Results

CVS

Rating indicator	Category weight
Domestic economic risk	**35%**
Economic growth	
Real GDP growth	
Real GDP volatility	
GDP per capita	
Inflation rate	
Labour & population	
Unemployment rate	
Population growth	
Public finance risk	**30%**
Fiscal balance	
GG public balance	
GG primary balance	
GG gross financing needs	
Public debt	
GG net debt	
Interest payments	
External economic risk	**15%**
International position	
International investment position	
Importance of currency	
Current-account financing	
Current-account balance	
T-W effective exch. rate	
Total external debt	
Institutional and political risk	**10%**
Control of corruption	
Voice & accountability	
Rule of law	
Financial risk	**10%**
Non-performing loans	
Liquid assets	
Credit-to-GDP gap	
Indicative rating range	**aaa**
QS adjustment	**AAA**
Final rating	**AAA**

QS

Maximum adjustment = 3 notches

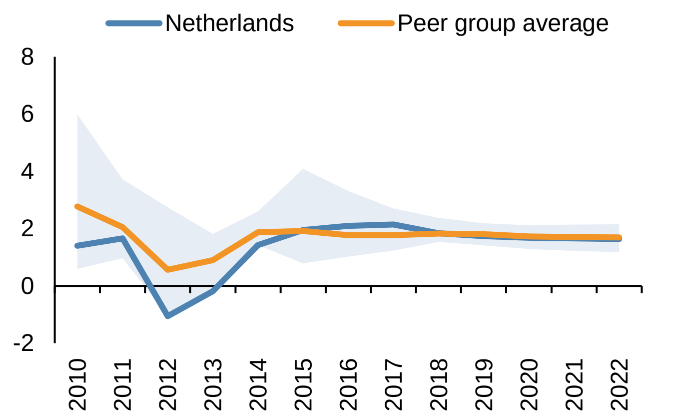
	+2 notch	+1 notch	0 notch	-1 notch	-2 notch
Growth potential of the economy	○ Excellent outlook, strong growth potential	○ Strong outlook, good growth potential	◉ Neutral	○ Weak outlook, growth potential under trend	○ Very weak outlook, growth potential wel under trend or negative
Economic policy framework	○ Excellent	◉ Good	○ Neutral	○ Poor	○ Inadequate
Macroeconomic stability and imbalances	○ Excellent	○ Good	○ Neutral	◉ Poor	○ Inadequate
Fiscal performance	○ Exceptionally strong performance	○ Strong performance	◉ Neutral	○ Weak performance	○ Problematic performance
Debt sustainability	○ Exceptionally strong sustainability	◉ Strong sustainability	○ Neutral	○ Weak sustainability	○ Not sustainable
Market access and funding sources	○ Excellent access	◉ Very good access	○ Neutral	○ Poor access	○ Very weak access
Current account vulnerabilities	○ Excellent	◉ Good	○ Neutral	○ Poor	○ Inadequate
External debt sustainability	○ Excellent	◉ Good	○ Neutral	○ Poor	○ Inadequate
Vulnerability to short-term shocks	○ Excellent resilience	◉ Good resilience	○ Neutral	○ Vulnerable to shock	○ Strongly vulnerable to shocks
Perceived willingness to pay	○ Excellent	◉ Good	○ Neutral	○ Poor	○ Inadequate
Recent events and policy decisions	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Geo-political risk	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Financial sector performance	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Financial sector oversight and governance	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate
Macro-financial vulnerabilities and fragility	○ Excellent	○ Good	◉ Neutral	○ Poor	○ Inadequate

*** Implied QS notch adjustment = (QS notch adjustment for Domestic Economic Risk)*0.35 + (QS notch adjustment for Public Finance Risk)*0.30 + (QS notch adjustment for External Economic Risk)*0.15 + (QS notch adjustment for Institutional and Political Risk)*0.10 + (QS notch adjustment for Financial Stability Risk)*0.10**

Source: Scope Ratings AG

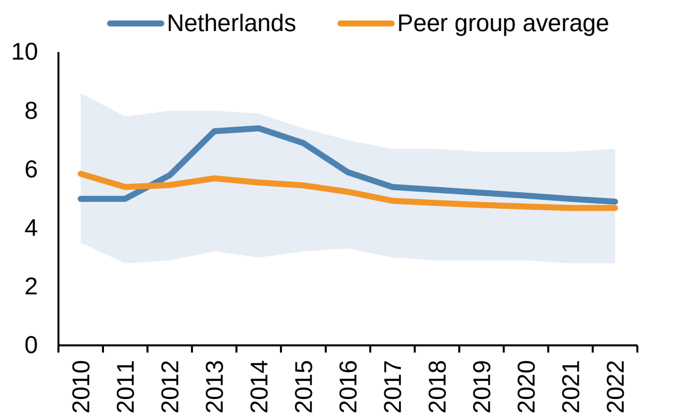
III. Appendix: Peer comparison

Figure 10: Real GDP growth



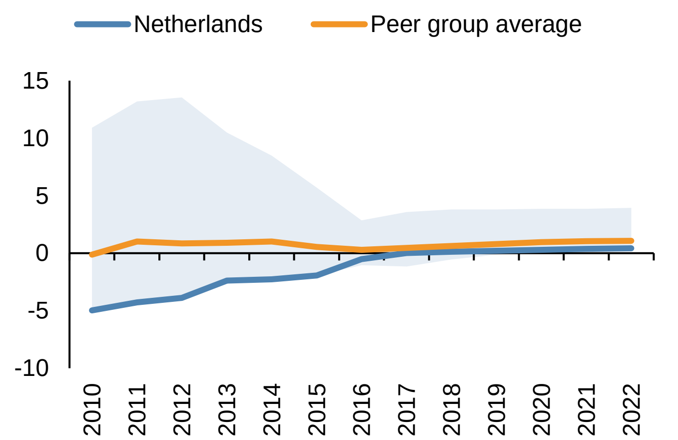
Source: IMF, Calculations Scope Ratings AG

Figure 11: Unemployment rate, % labour force



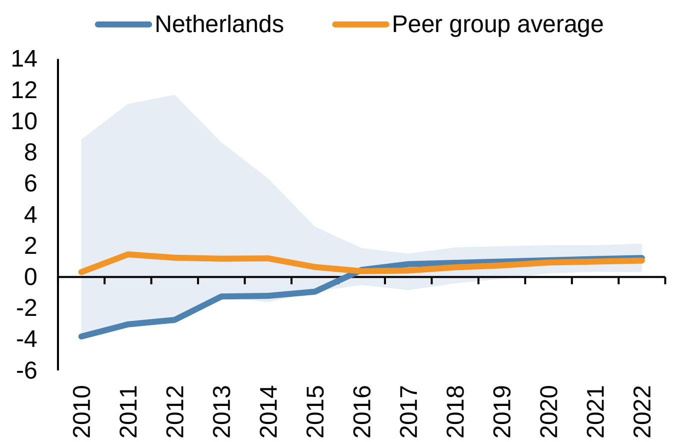
Source: IMF, Calculations Scope Ratings AG

Figure 12: General government balance, % of GDP



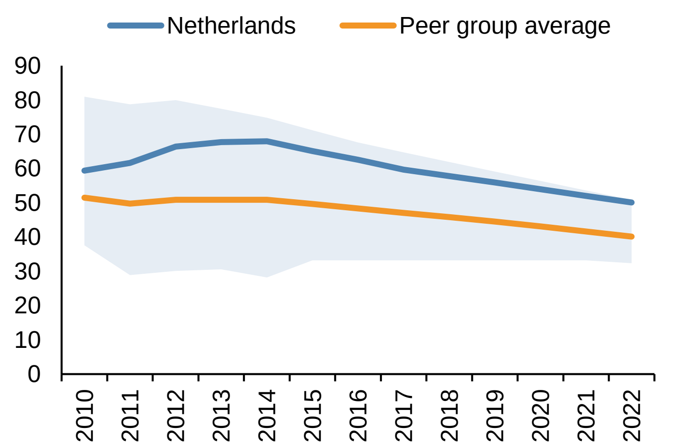
Source: IMF, Calculations Scope Ratings AG

Figure 13: General government primary balance, % of GDP



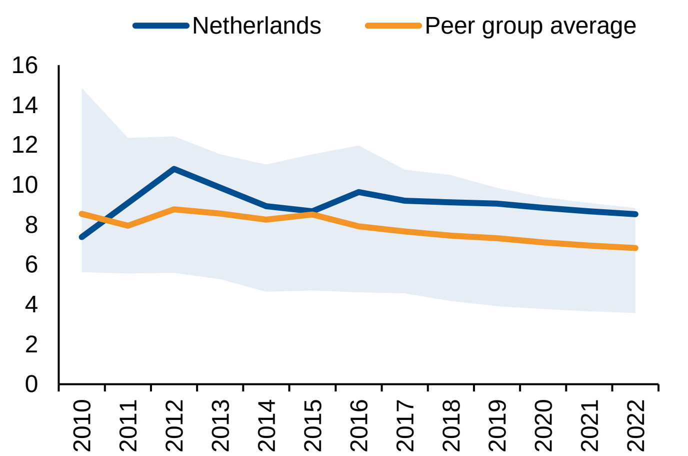
Source: IMF, Calculations Scope Ratings AG

Figure 14: General government gross debt, % of GDP



Source: IMF, Calculations Scope Ratings AG

Figure 15: Current account balance, % of GDP



Source: IMF, Calculations Scope Ratings AG

IV. Appendix: Statistical tables

	2012	2013	2014	2015	2016	2017E	2018F
Economic performance							
Nominal GDP (EUR bn)	645.2	652.7	663.0	676.5	696.9	718.0	740.2
Population ('000s)	16,789.1	16,839.7	16,889.4	16,938.5	16,987.3	17,035.9	17,084.5
GDP per capita PPP (USD)	46,707.3	48,710.3	49,055.4	49,587.0	-	-	-
GDP per capita (EUR)	38,505.8	38,844.8	39,312.7	39,944.0	40,920.2	42,038.5	43,208.2
Real GDP growth, % change	-1.1	-0.2	1.4	2.0	2.2	2.1	1.8
GDP growth volatility (10-year rolling SD)	2.2	2.2	2.2	2.2	2.1	1.9	1.9
CPI, % change	2.82	2.56	0.32	0.22	0.11	0.93	1.43
Unemployment rate (%)	5.8	7.3	7.4	6.9	5.9	5.4	5.3
Investment (% of GDP)	19.2	18.2	18.5	19.3	19.7	20.2	20.7
Gross national savings (% of GDP)	30.0	28.1	27.3	27.9	29.3	29.4	29.9
Public finances							
Net lending/borrowing (% of GDP)	-3.9	-2.4	-2.3	-2.1	0.4	0.5	0.8
Net Lending/Borrowing Excluding Interest (% of GDP)	-2.2	-0.9	-0.8	-0.8	1.5	1.5	1.7
Revenue (% of GDP)	43.2	43.9	43.9	43.2	44.0	44.4	44.2
Expenditure (% of GDP)	47.1	46.3	46.2	45.3	43.6	43.9	43.4
Interest Payments (% of GDP)	1.6	1.5	1.4	1.3	1.1	1.0	0.9
Interest Payments (% of Revenue)	3.8	3.5	3.2	2.9	2.5	2.2	2.0
Gross debt (% of GDP)	66.4	67.7	67.9	65.2	62.3	59.8	57.2
Net debt (% of GDP)	28.3	31.3	33.1	34.4	33.9	32.9	31.8
Gross debt (% of revenue)	153.6	154.3	154.7	150.7	141.4	134.6	129.5
External vulnerability							
Gross external debt (% of GDP)	519.5	514.5	538.4	539.8	525.0	-	-
Net external debt (% of GDP)	52.3	52.2	51.8	39.3	25.2	-	-
Current-account balance (% of GDP)	10.3	9.9	8.9	8.8	8.4	7.9	7.6
Trade balance [FOB] (% of GDP)	-	11.5	11.5	11.3	11.3	10.7	10.4
Net direct investment (% of GDP)	0.6	10.1	-5.0	1.0	7.7	-	-
Official forex reserves (EOP, USD m)	10,414.0	11,440.0	10,046.0	8,933.0	5,985.0	-	-
REER, % change	-1.8%	2.7%	0.0%	-3.1%	1.2%	-	-
Nominal exchange rate (EOP, USD/EUR)	1.3	1.4	1.2	1.1	1.1	-	-
Financial stability							
Non-performing loans (% of total loans)	3.1	3.2	3.0	2.7	2.5	-	-
Tier 1 ratio (%)	12.3	12.9	15.4	16.6	17.9	-	-
Private debt (% of GDP)	258.1	252.7	252.8	257.3	251.7	-	-
Domestic credit-to-GDP gap (%)	-13.1	-18.7	-18.5	-21.4	-23.4	-	-

Source: IMF, European Commission, European Central Bank, World Bank, United Nations, Scope Ratings AG

V. Regulatory disclosures

This credit rating and/or rating outlook is issued by Scope Ratings AG.

Rating prepared by Dr Ilona Dmitrieva, Lead Analyst

Person responsible for approval of the rating Dr Stefan Bund, Chief Analytical Officer

The ratings /outlook was first assigned by Scope as subscription rating on January 2003. The subscription ratings/outlooks were last updated on 05.05.2017.

The senior unsecured debt ratings as well as the short term issuer ratings were assigned by Scope for the first time.

As a "sovereign rating" (as defined in EU CRA Regulation 1060/2009 "EU CRA Regulation"), the ratings on the Kingdom of Netherlands are subject to certain publication restrictions set out in Art 8a of the EU CRA Regulation, including publication in accordance with a pre-established calendar (see "Sovereign Ratings Calendar of 2017" published on 30.06.2017 on www.scoperatings .com). Under the EU CRA Regulation, deviations from the announced calendar are allowed only in limited circumstances and must be accompanied by a detailed explanation of the reasons for the deviation. In this case the deviation was due to the recent revision of Scope's Sovereign Rating Methodology and the subsequent putting the ratings under review, in order to conclude the review and disclose these ratings in a timely manner, as required by the Article 10(1) of the CRA Regulation.

Solicitation, key sources and quality of information

The rating was initiated by Scope and was not requested by the rated entity or its agents. The rated entity and/or its agents did not participate in the ratings process. Scope had no access to accounts, management and/or other relevant internal documents for the rated entity or related third party.

The following material sources of information were used to prepare the credit rating: public domain and third parties. Key sources of information for the rating include: the Ministry of Finance, the Dutch State Treasury Agency, Nederlandsche Bank, Statistics Netherlands, Netherlands Bureau for Economic Policy Analysis, the IMF, the OECD, the European Commission, the European Central Bank and Haver Analytics.

Scope considers the quality of information available to Scope on the rated entity or instrument to be satisfactory. The information and data supporting Scope's ratings originate from sources Scope considers to be reliable and accurate. Scope does not, however, independently verify the reliability and accuracy of the information and data.

Prior to publication, the rated entity was given the opportunity to review the rating and/or outlook and the principal grounds upon which the credit rating and/or outlook is based. Following that review, the rating was amended before being issued.

Conditions of use / exclusion of liability

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