



Dutch State Treasury Agency
Ministry of Finance

Investor Presentation Dutch State Loan DSL July 2035

Dutch Direct Auction (DDA) on 4 March 2025

Last updated on 17 February 2025



Details new 10-year Dutch State Loan

DSL 15 July 2035	
Auction date	Tuesday 4 March 2025, start 10:00 CET
Maturity date	15 July 2035
Reference bond	DBR 2.50% 15 February 2035
Target volume	€ 4 – € 6 billion
Pricing	Aim to price on the auction date, but no later than 12:00 CET on 5 March 2025
Settlement date	Two days after the issuance price is set
Coupon	<i>To be announced on Friday 28 February 2025</i>
Initial spread guidance	<i>To be announced on Monday 3 March 2025</i>
Country ratings (Moody's/ Fitch / S&P)	Aaa/AAA/AAA



Time schedule DDA

- > Book opens **10:00 CET on Tuesday 4 March 2025**
- > Final spread guidance will be announced **no later than 15:00 CET on the auction day**
- > Book closes **at the latest 17:00 CET on the auction day**
- > Allocation communicated as soon as possible after closing the book; **preferably on the auction day but no later than 09:00 CET the following business day**
- > Pricing from 30 minutes after allocation and preferably on the auction day itself, **but no later than 12:00 CET the following business day**



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Economic Outlook





Economic outlook

Growth recovers after slowdown in 2023

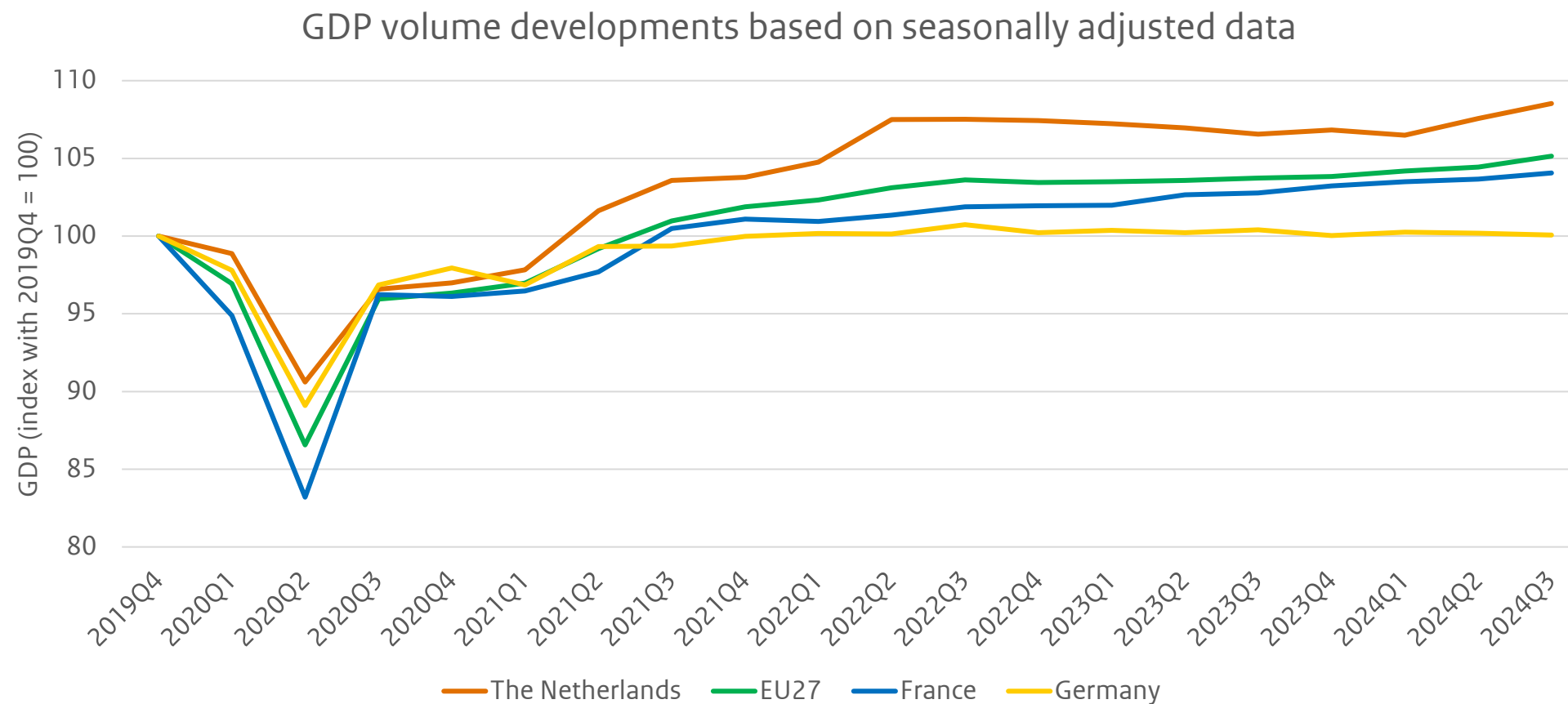
% change y-o-y	2022	2023	2024*	2025*
GDP	5.0	0.1	0.6	1.5
Household consumption	6.9	0.8	0.7	2.7
Government consumption	1.3	2.9	2.5	1.3
Investments (including inventories)	5.6	-9.1	-3.2	3.7
Imports	4.4	-1.8	-0.7	3.7
Exports	4.4	-0.5	-0.4	2.4

*Projected

Sources: *Macroeconomic Outlook 2025*. Central Bureau for Policy Analysis (CPB), September 2024.



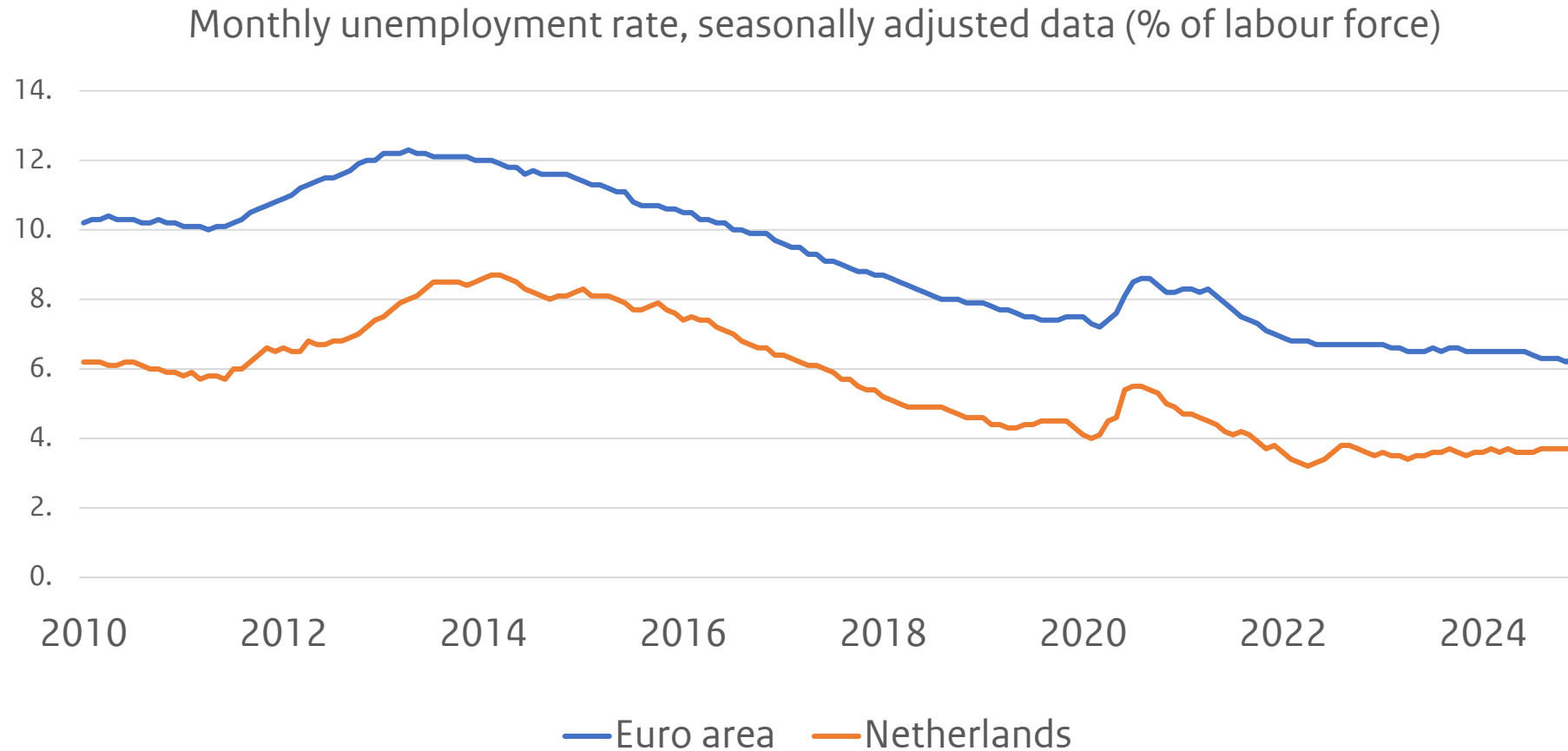
Economic performance above peers



Source: Eurostat, October 2024



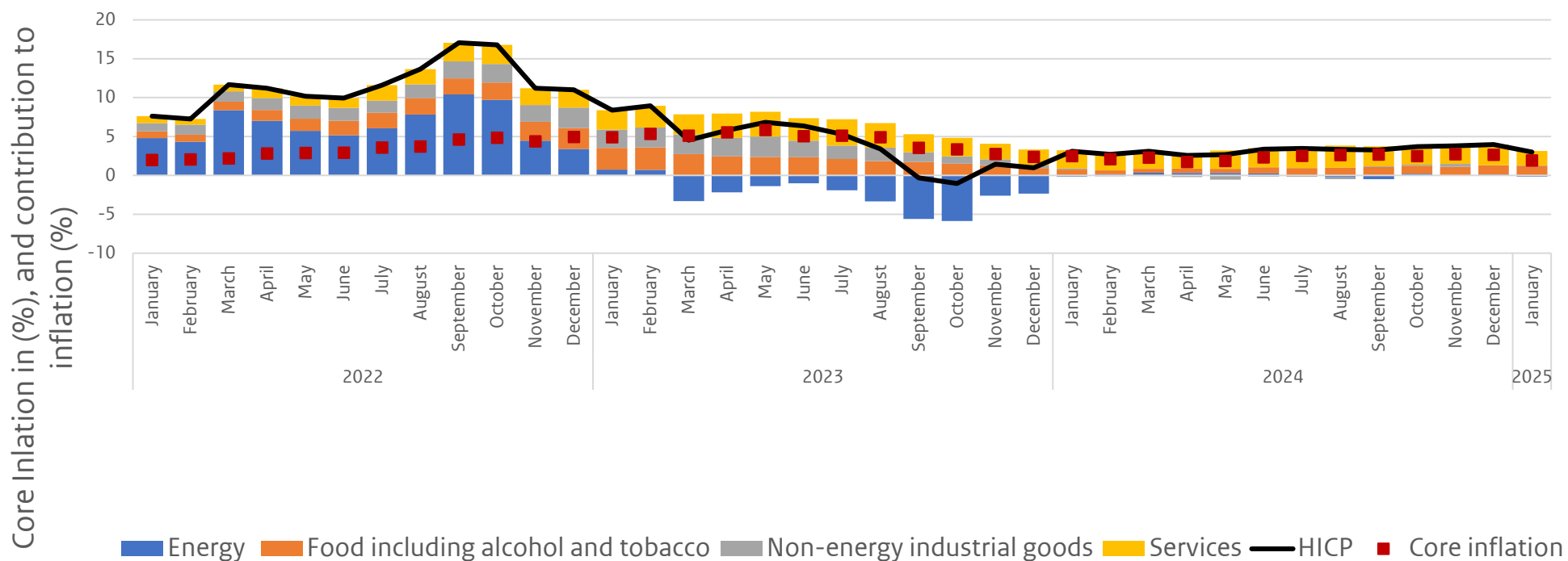
Labour market remains tight





Inflation stabilizes while wages put pressure on services inflation

Core inflation (in %) and the contribution of components to total inflation (%)





Real wages rise again, compensating previous losses in consumers purchasing power



*The data in the figure refer to collective labour agreement (CAO) wages
Source: Statistics Netherlands, February 2025



Risks to the outlook remain, but mitigating factors exist

Risks

Increased protectionism

- > Increase of tariffs in the United States can lead to a decline of exports and economic growth

Slowing growth in China

- > Property sector stress and wider growth slowdown can have negative implications for trade partners

Inflation uncertainty & higher interest rates

- > Protectionism and tight labor markets can lead to higher inflation and a rise in interest rates

Mitigating factors

Strong resilience and fundamentals

- > The Dutch public, private and financial sector have high buffers and are able to absorb macroeconomic shocks

Diverse trade relations

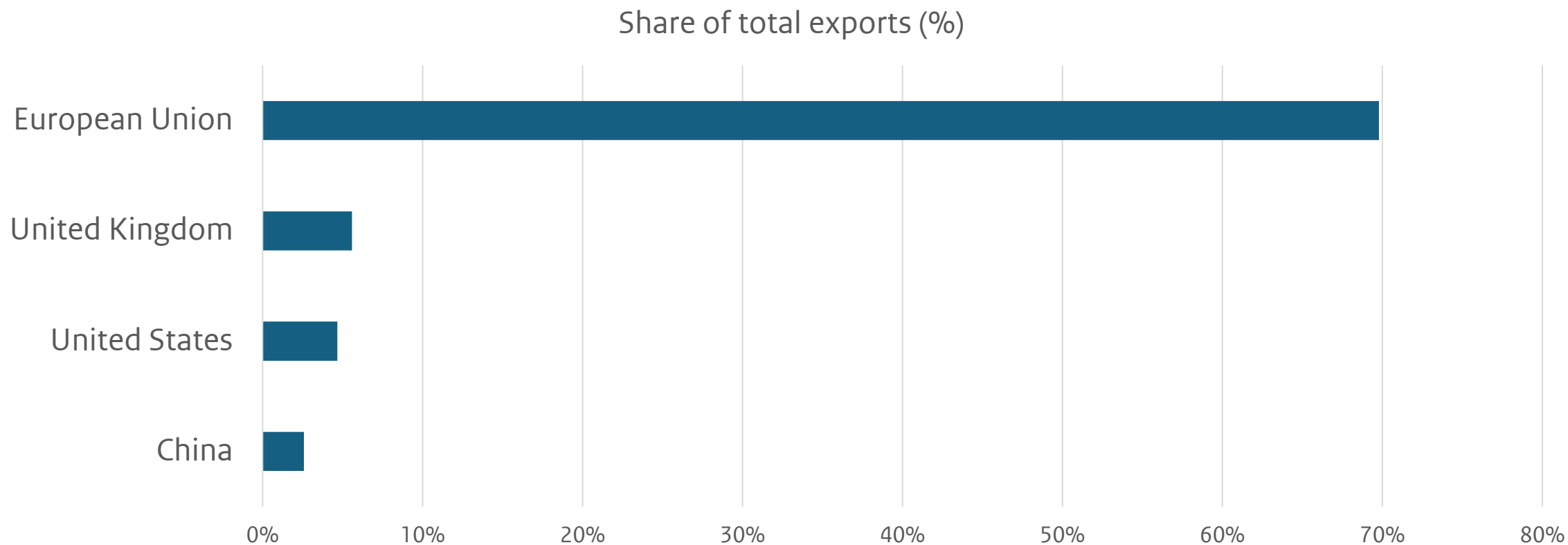
- > The Netherlands has diverse trade relations and is not too dependent on a single trade partner

Relatively low interest rate sensitivity

- > Dutch households have increased debt duration and reduced short term interest rate sensitivity



Share of United States in total exports limited



Source: CPB Netherlands Bureau for Economic Policy Analysis, November 2024



Budgetary Outlook



Budgetary outlook

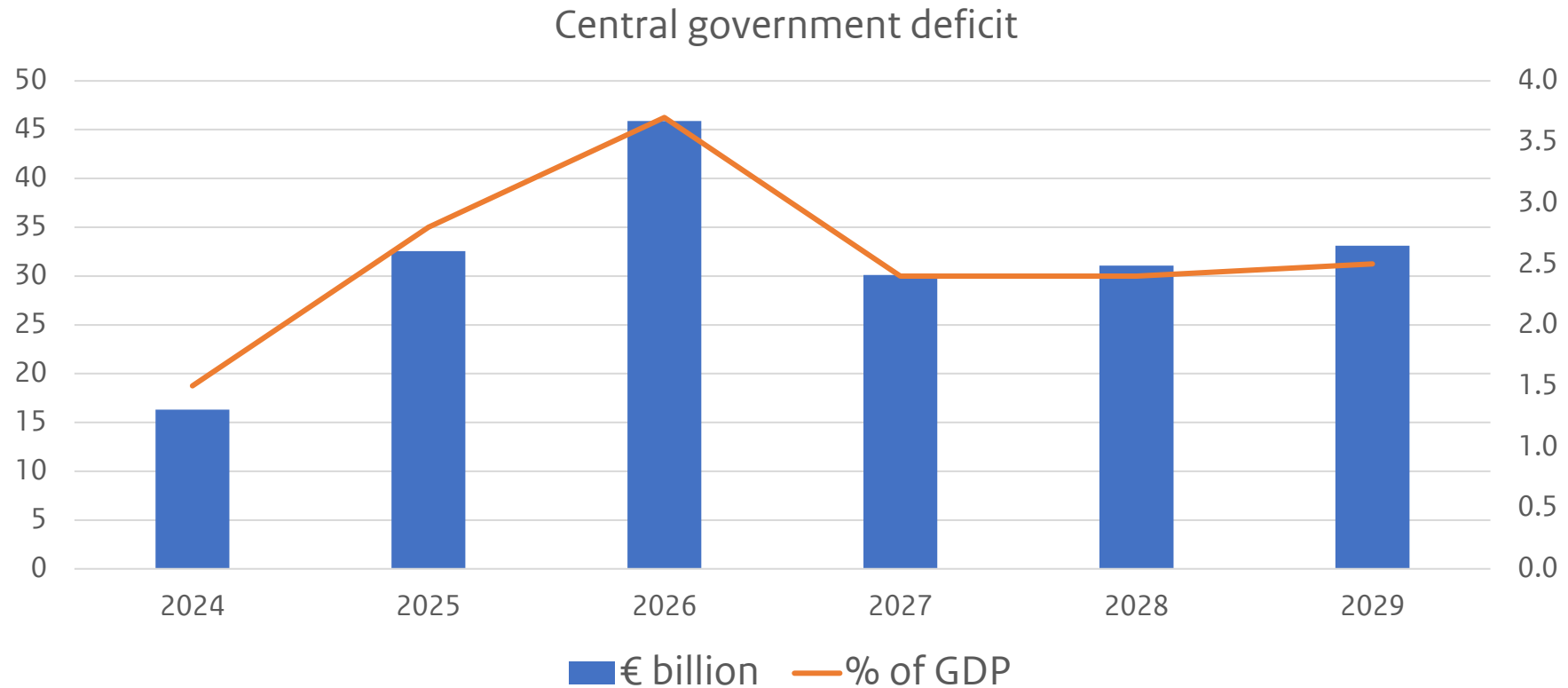
Robust and stable government finances in 2025 and beyond

% of GDP	2024	2025*	2026*	2027*
EMU balance	-1.5	-2.8	-3.7	-2.4
EMU debt	43.9	46.6	50.1	50.7

*Forecasted



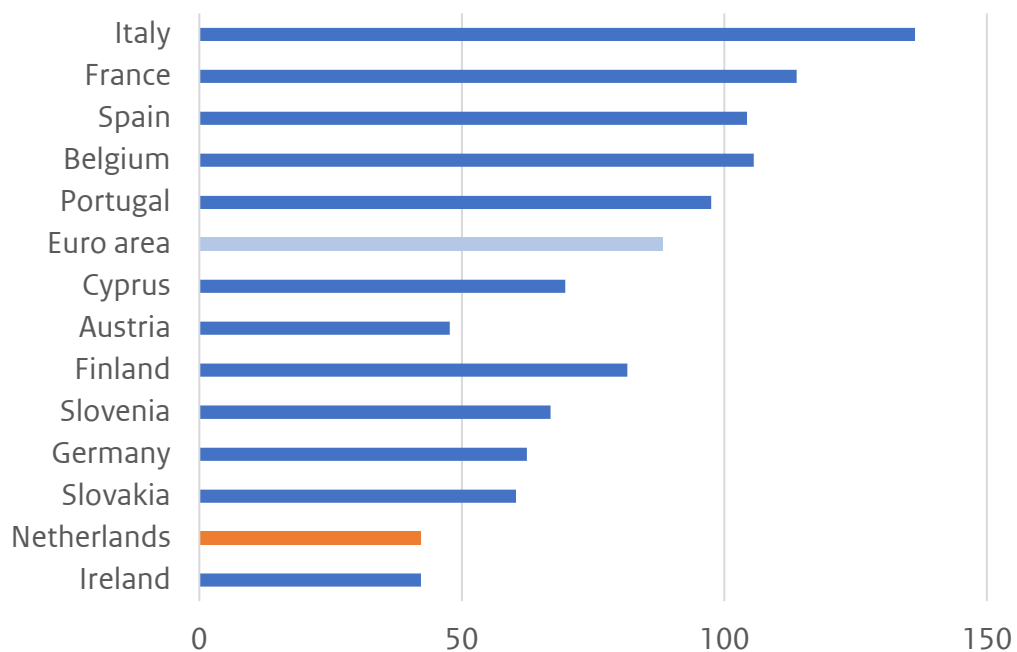
Budget deficit remains below -3%, except during one-off expense in 2026



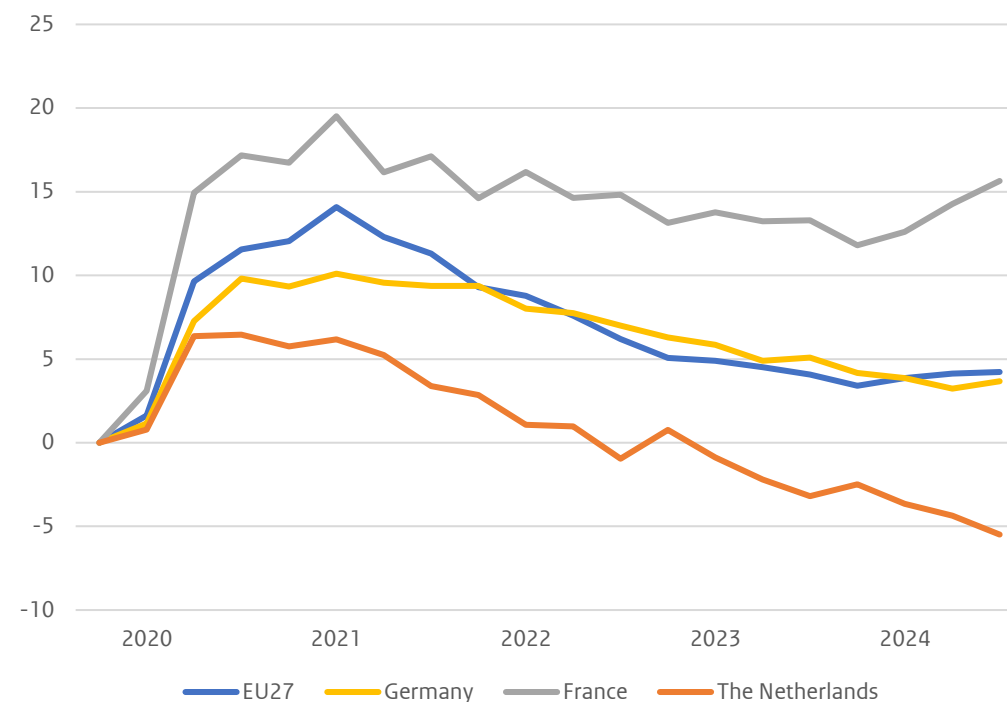


Dutch debt declined since 2020 and is low compared to peers

Government Gross Debt (% of GDP) Q4 2024



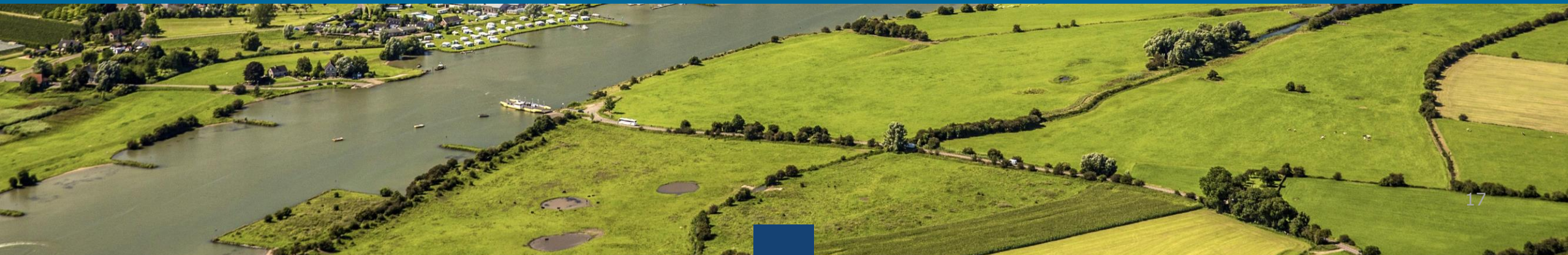
Change in gross debt since Q4 2019 (in %-points)



Source: Eurostat, February 2025 & European Central Bank, February 2025

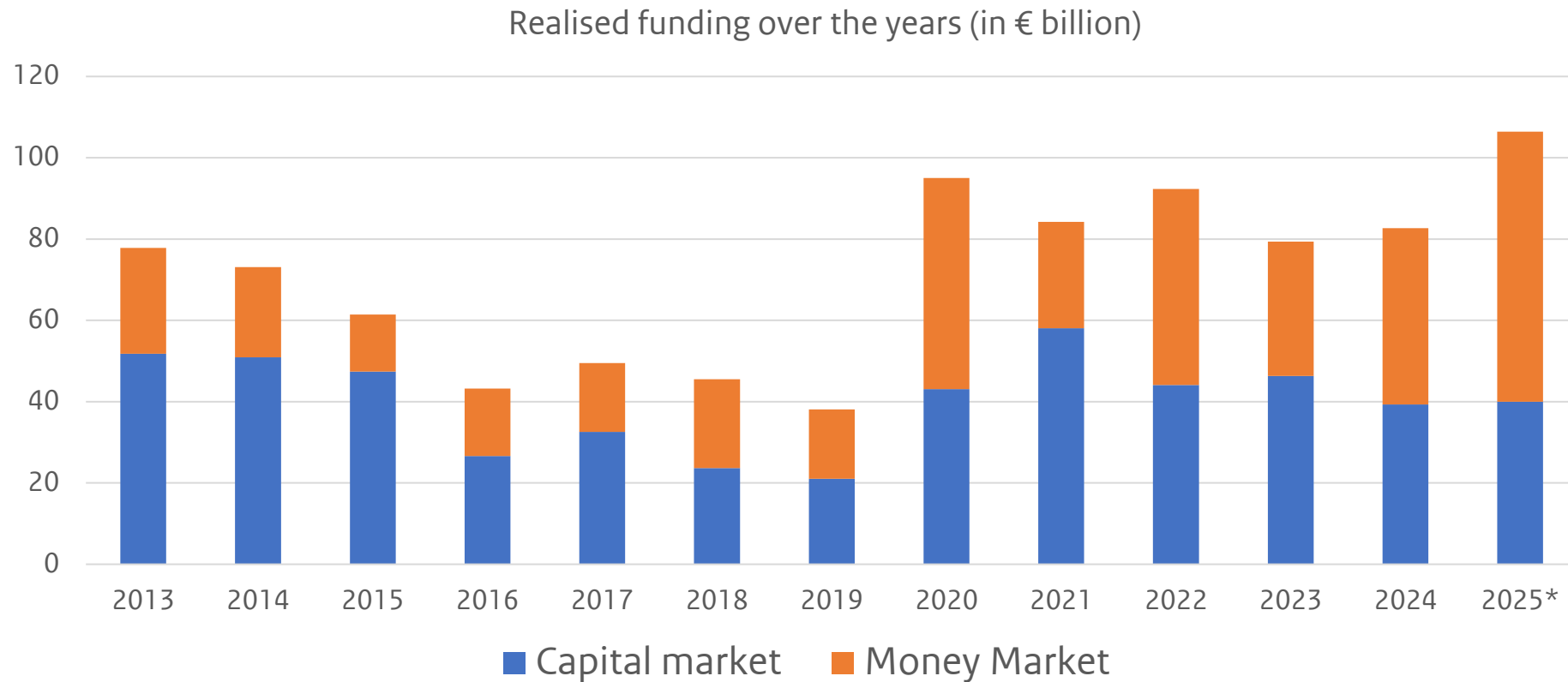


Funding and issuance





Realised funding over the years





A closer look at the funding need in 2025

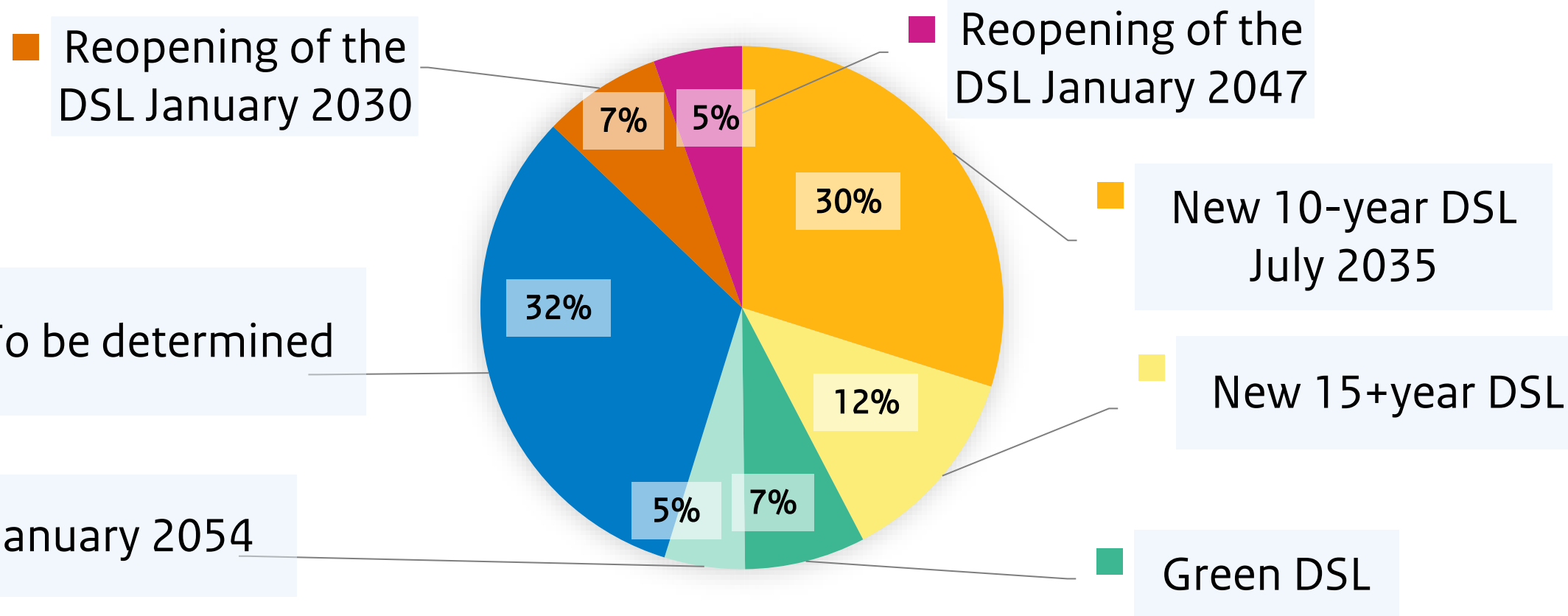
Funding need	Amounts (in € bn)
Capital market redemptions 2025	19.9
Money market ultimo 2024	37.5
Cash deficit 2025*	49.0
Total funding need 2025	106.4

** A cash deficit is shown as a positive number because it increases the total borrowing requirement*



Capital market issuance in 2025:

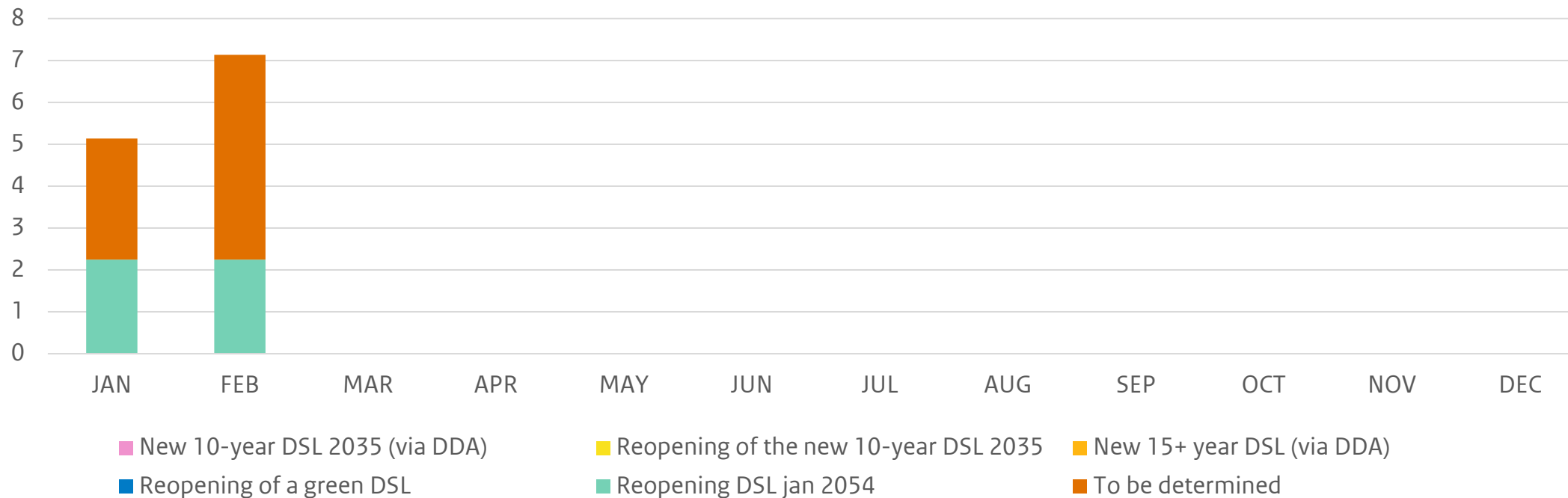
€ 40 billion nominal





DSL market

Capital market in 2025



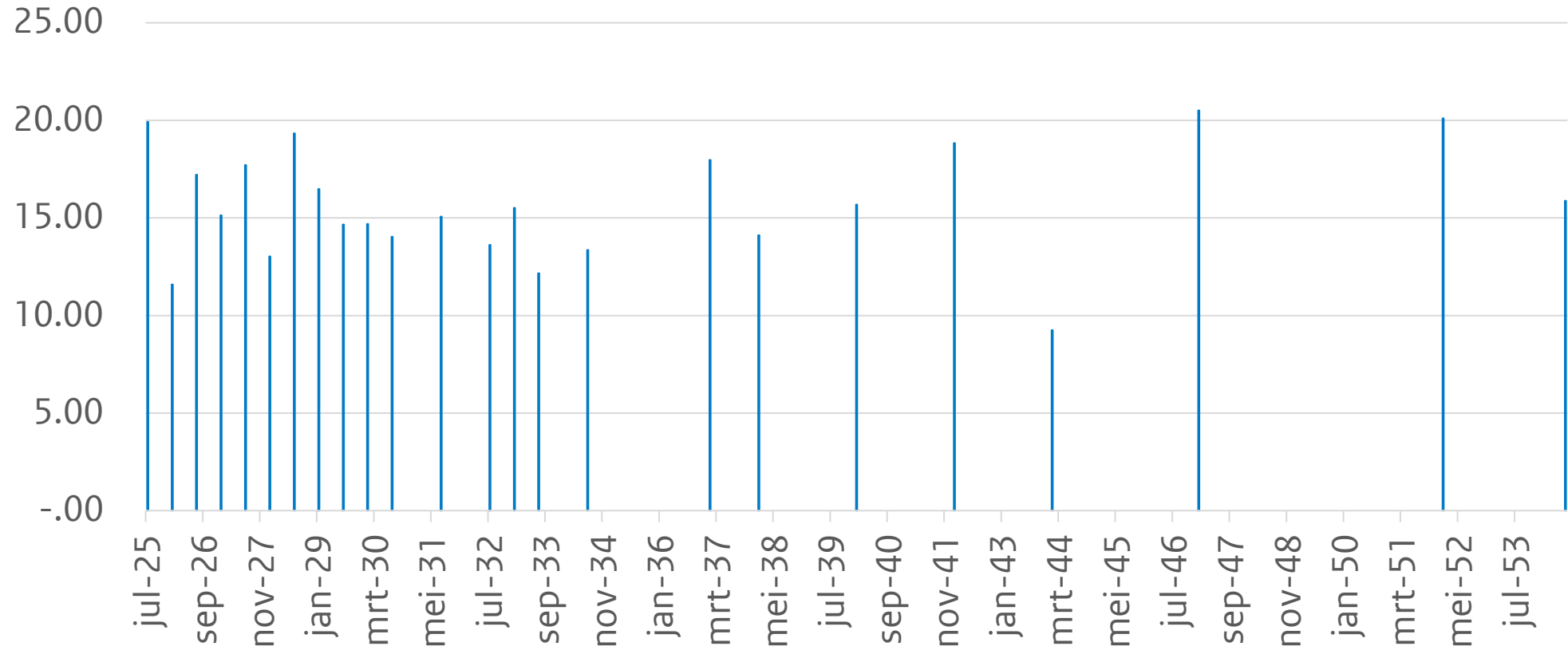


Ensuring liquidity in secondary markets

- › Clarity at start of the year on new benchmark issuances (published in December Outlook)
- › Annual issuance of a new 10-year bond
 - Outstanding amount of new 10-year bond raised to at least €12 billion within calendar year
 - Outstanding amount of new maturity less than 10-years DSLs raised to at least €12 billion within 12 months
 - Longer dated DSLs raised to at least €10 billion within several years
- › Re-opening existing DSL lines after market consultation
- › Quotation obligation for Primary Dealers to ensure tradable prices at all times
- › Repo facility available to Primary Dealers ('lender of last resort')

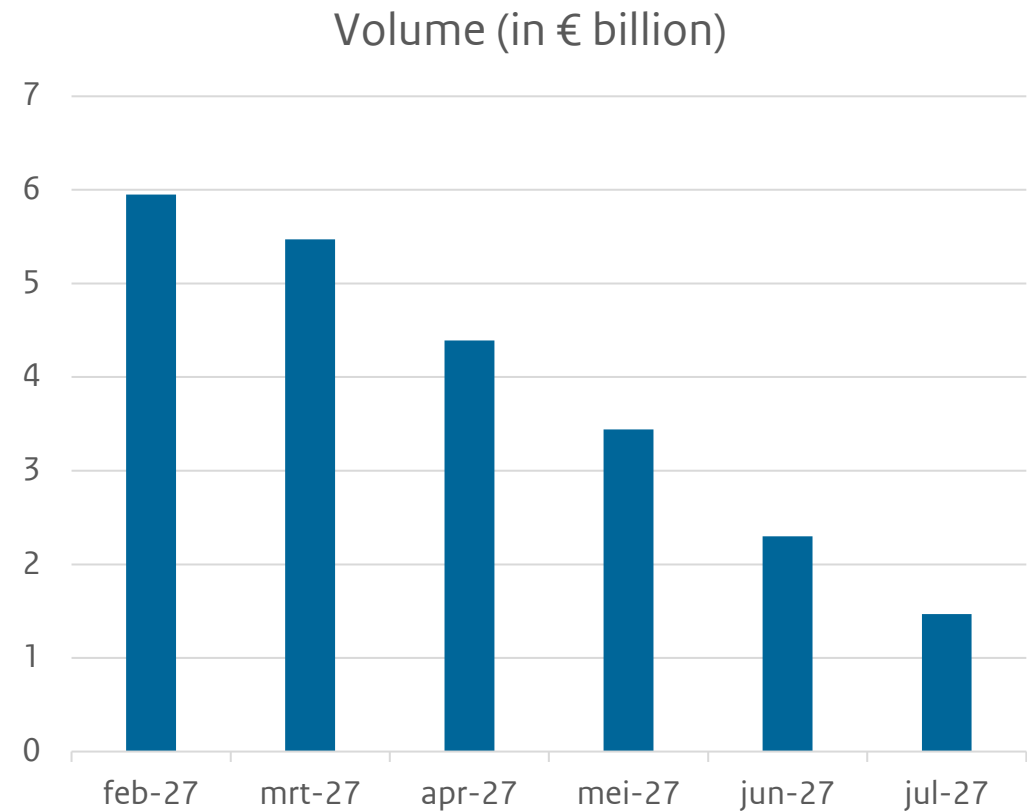
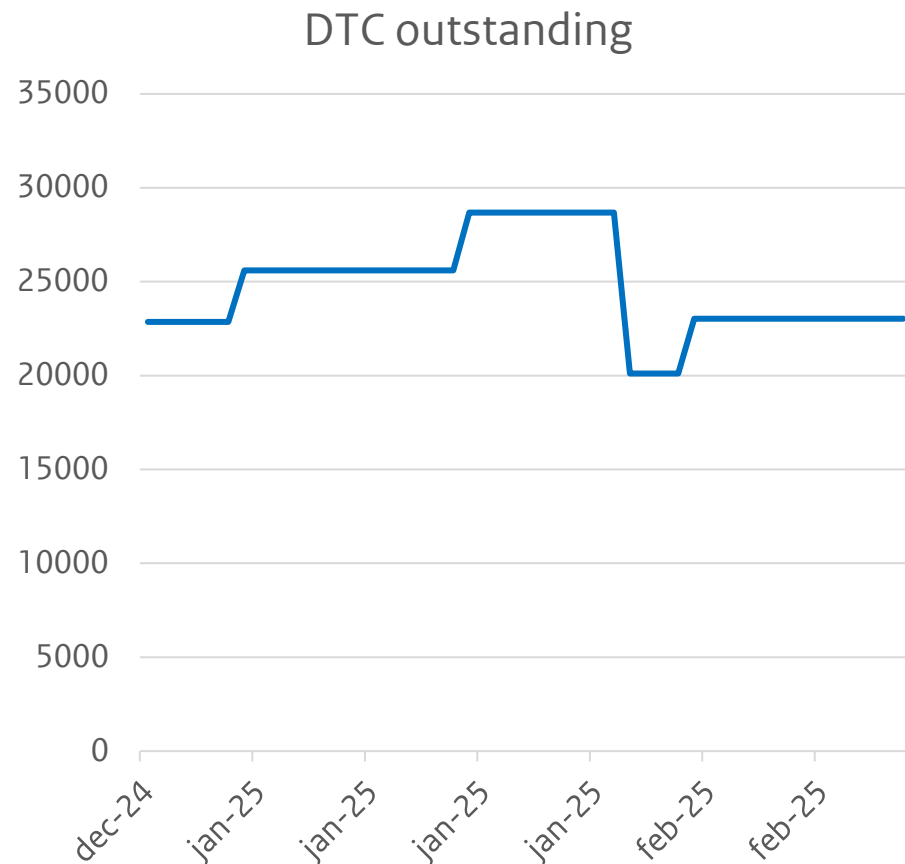


DSL outstanding amounts





DTC market





DTC issuance calendar Q1 2025

Auction date	Shorter-dated programme	Longer-dated programme
6 January 2025	28 March 2025	27 June 2025
20 January 2025	29 April 2025	27 June 2025
3 February 2025	28 May 2025	30 July 2025
17 February 2025	29 April 2025	30 July 2025
3 March 2025	27 June 2025	28 August 2025
17 March 2025	28 May 2025	28 August 2025

* Auction details will be announced on Wednesday prior to the auction. (t-5)





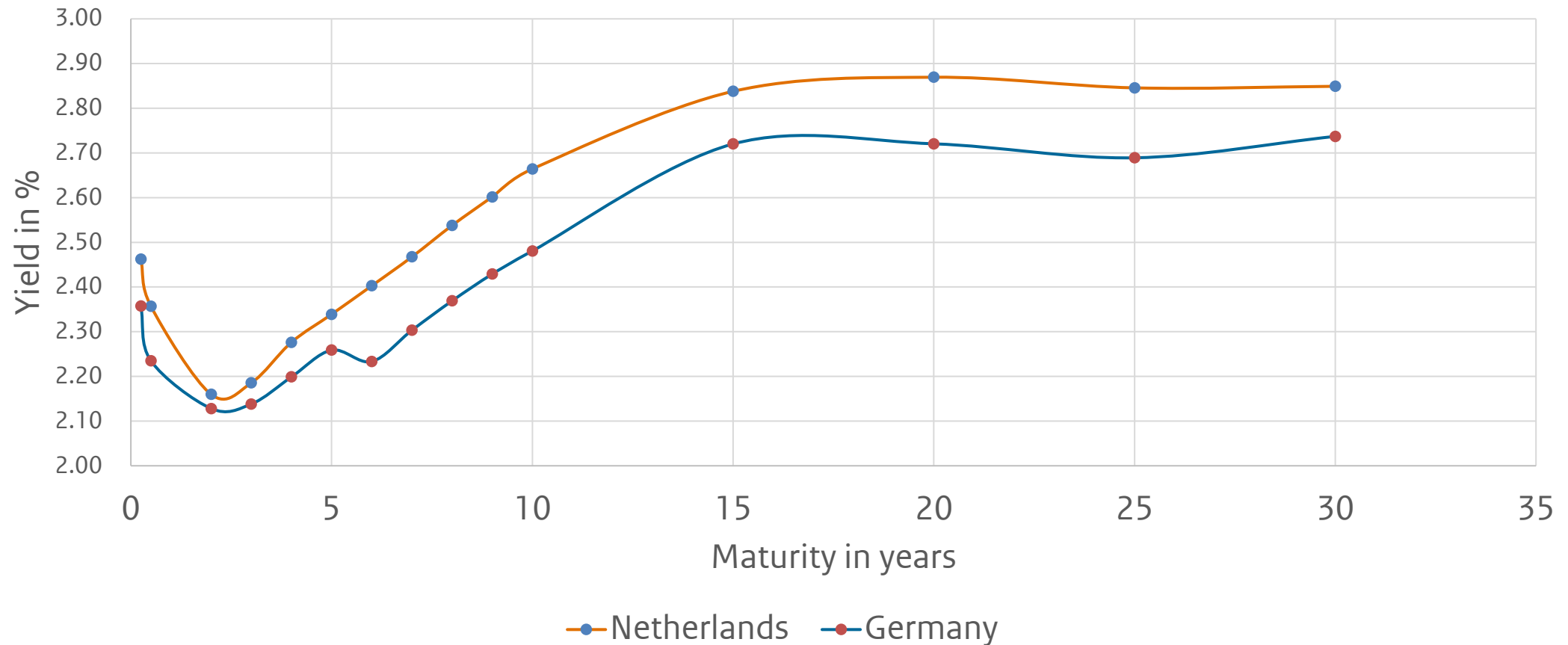
DSL issuance calendar Q1 2025

Auction date	DSL	Volume (in € billion)
14 January 2025	January 2054	2.245
28 January 2025	January 2030	2.889
11 February 2025	January 2047	1.995
4 March 2025	New July 2035 (via DDA)	4 – 6
25 March 2025*	TBD	TBD

* Target volume and other details will be announced at a later stage

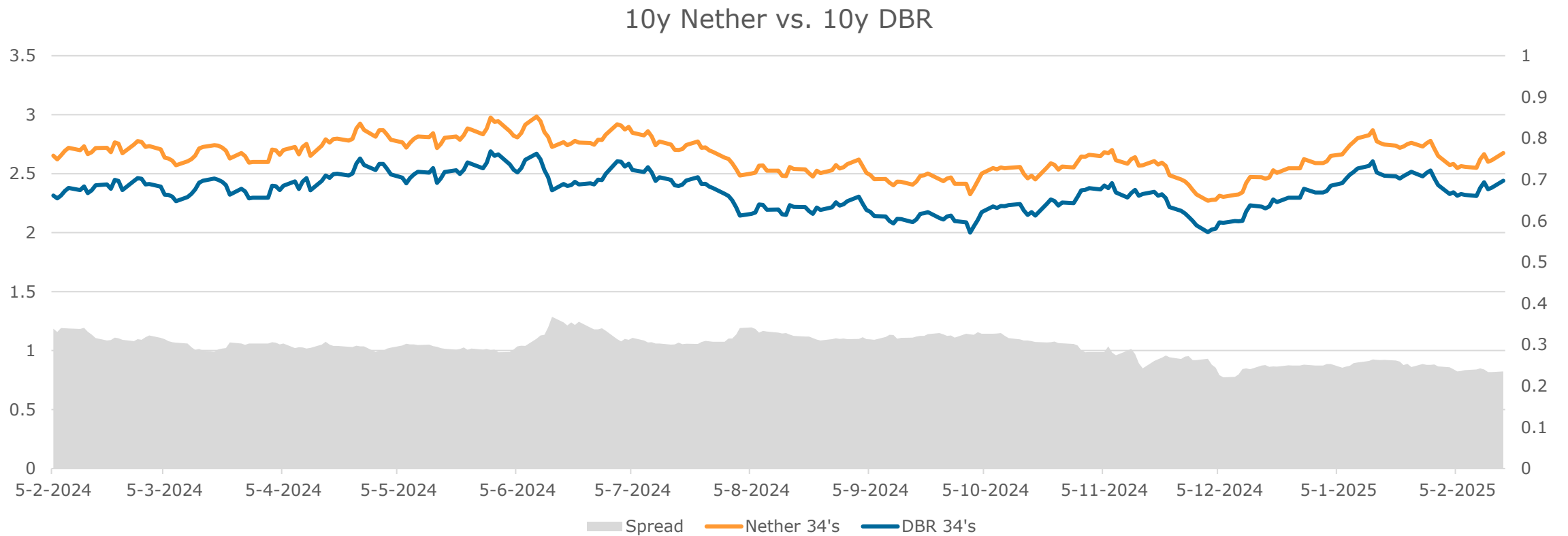


Dutch and German yield curve



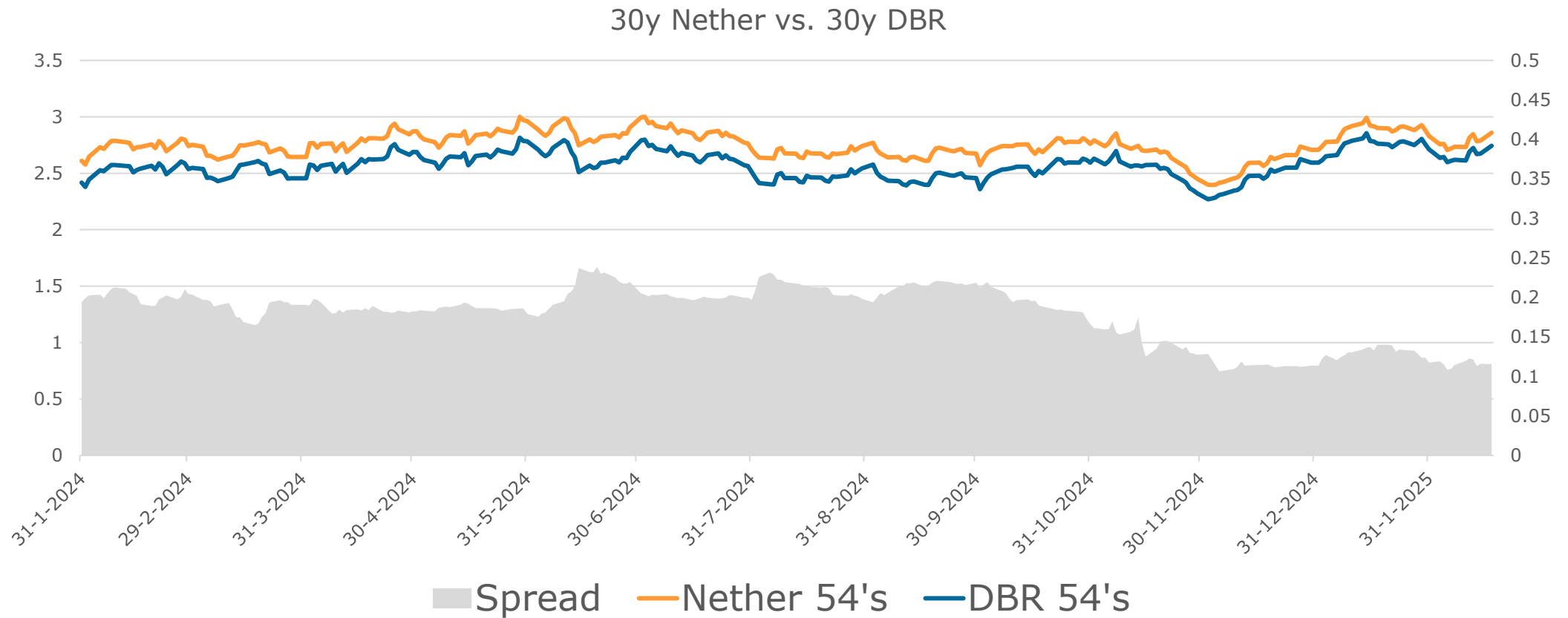


Dutch 10-year yield attractive vs German 10-year yield





30-year benchmark vs DBR





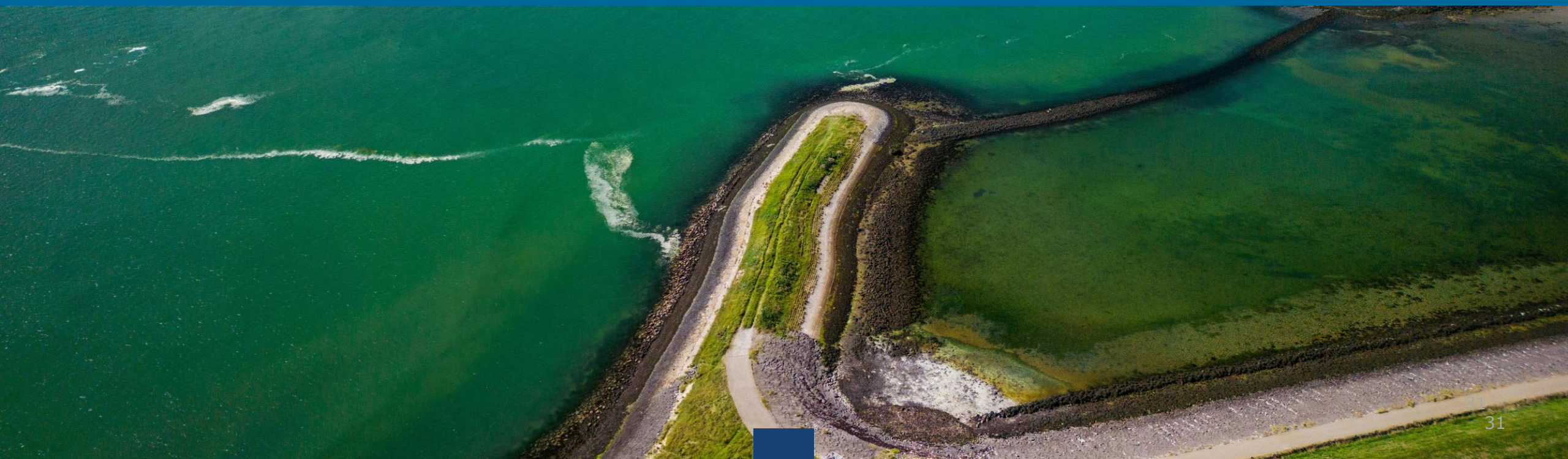
Policy framework debt management

2020-2025

	Realisation 2024 (30 Dec)	Target 2025
Average maturity (end of year)	<i>8.55 years</i>	<i>A minimum of 8 years</i>
12-month refixing amount average of year (% of State debt)	<i>16.5%</i>	<i>At most 25%</i>



Dutch Direct Auction Details





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Thank you for joining us today

Please contact DSTA@minfin.nl or
visit [English.DSTA.nl](https://www.english.dsta.nl) for additional
information about the DDA



Supplement: The DDA explained



A short overview of the DDA

- › Rule-based auction → all investors receive equal treatment
- › Primary auction with direct participation of end-investors
- › A single uniform price → winner's curse avoided
- › Bids can be placed via Primary Dealer(s) of choice and orders can be split via several dealers, maximum amount per bid € 300 million
- › Primary Dealers receive a total of € 17,000,000 including advisory fees for their performance during the launch of the 10 year DSL and the Green 20-year DSL
- › The DSTA is the sole book runner
 - Level playing field among all Primary Dealers
 - Confidential participation of investors
- › PDs must sign a DDA Allocation and Price Compliance Statement as indicated in the [General Conditions](#) for PDs
- › The DDA rules can be found on our [website](#)

The proces of the DDA is also set out in this short [video clip](#)



Auction methods

- > Dutch State Loans: Dutch Direct Auction (DDA)
- > Dutch State Loans: Tap Auction
- > Dutch Treasury Certificates: Single-price DTC Auction



Extras





What is the DSTA?

- › Directorate of the Dutch Ministry of Finance
- › Finances the Dutch State by efficiently managing the national debt and public money in the treasury, and by setting up the state's payment system.



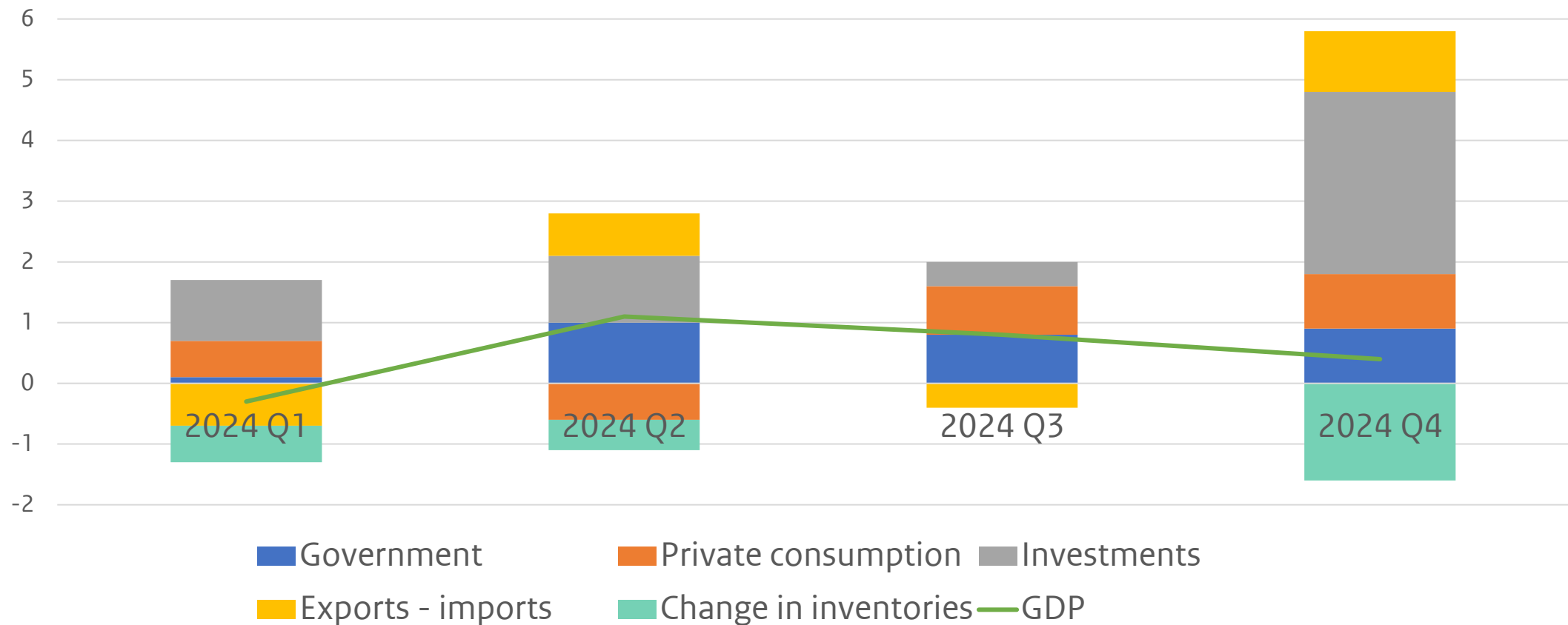


TenneT can borrow from Dutch State to finance investment needs in electricity grid

- > TenneT is a 100% state-owned transmission system-operator
- > € 27 bn loan facility for TenneT to finance investment needs in additional grid capacity in 2024 and 2025, of which approx. €14.2 bn in 2025
- > Loans must be repaid:
 - between 2030 and 2040; or
 - upon completion of sale of TenneT Germany [*NB: repayment may also be substantial part*]
- > Negotiations with potential buyer of TenneT Germany still ongoing

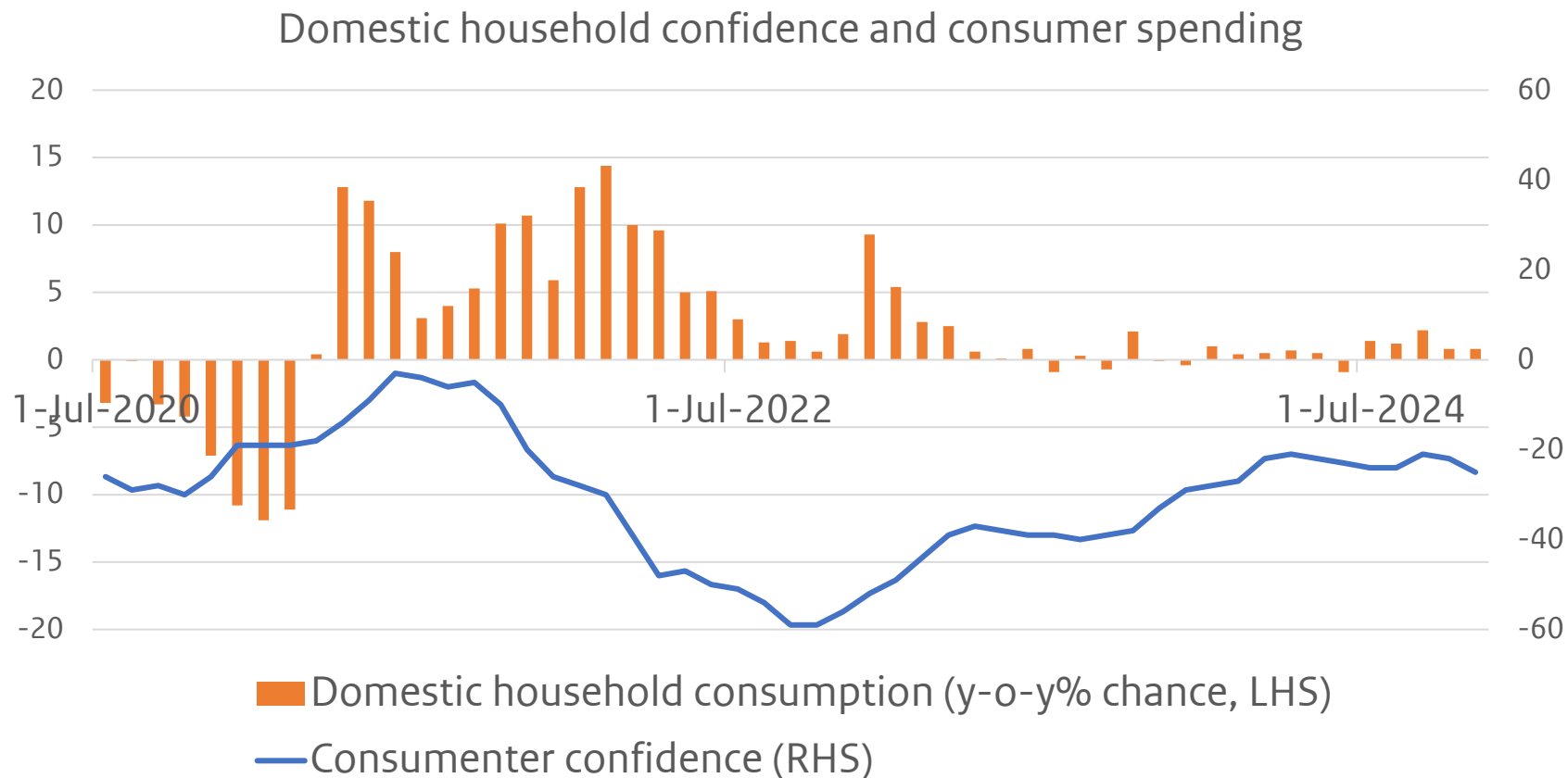


Growth recovery in 2024 driven by consumption and investments



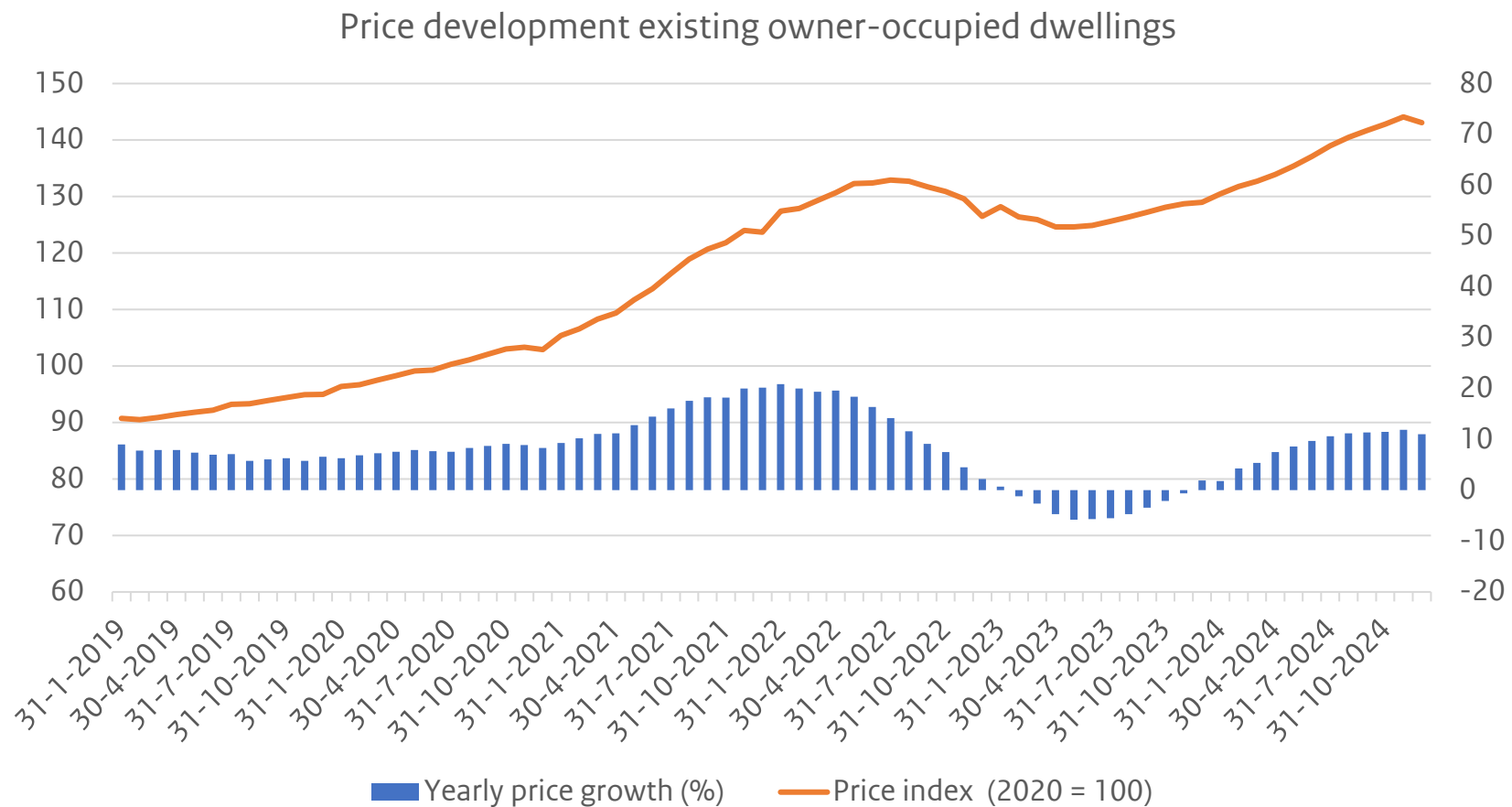


Consumer confidence back at normal levels, consumption remains resilient





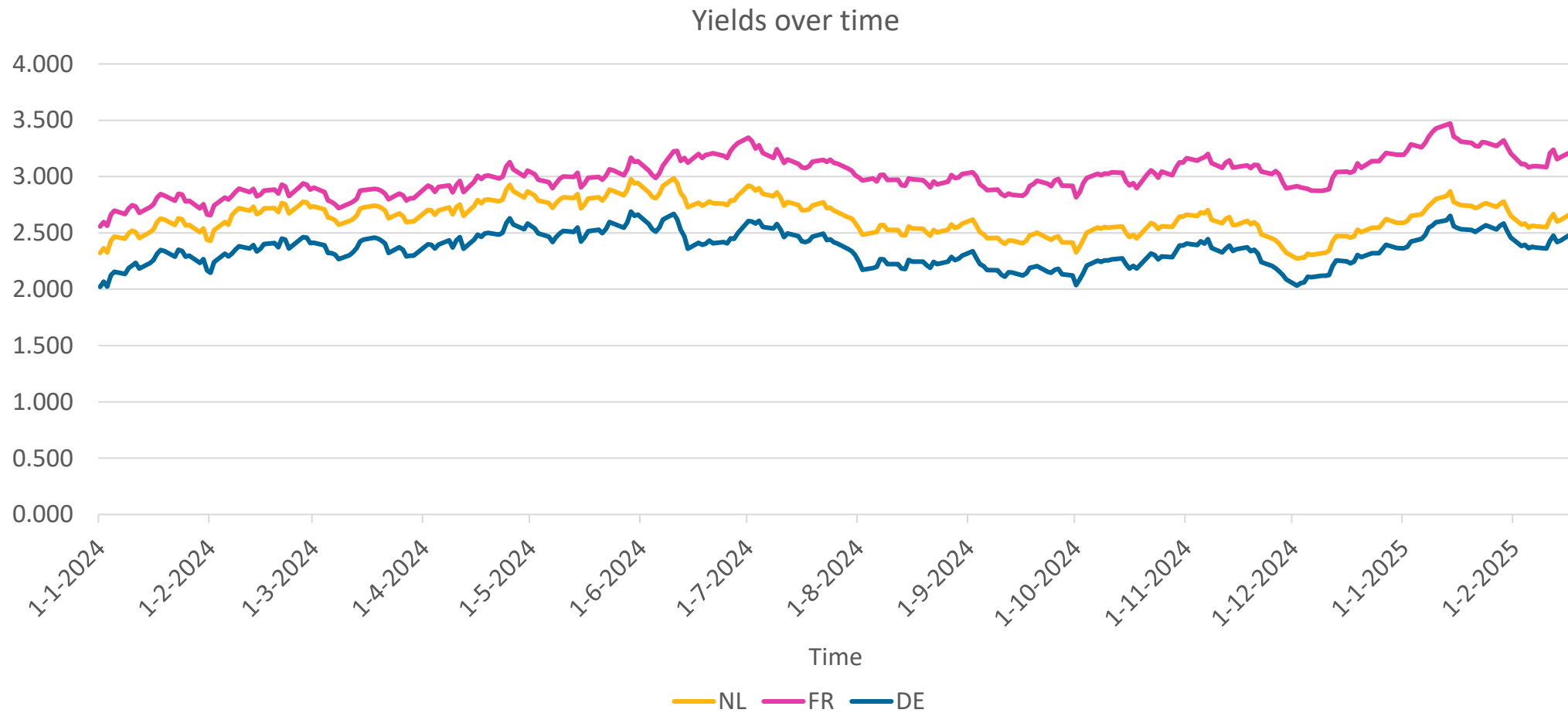
House prices increasing after falling in 2023



Source: CBS, February 2025

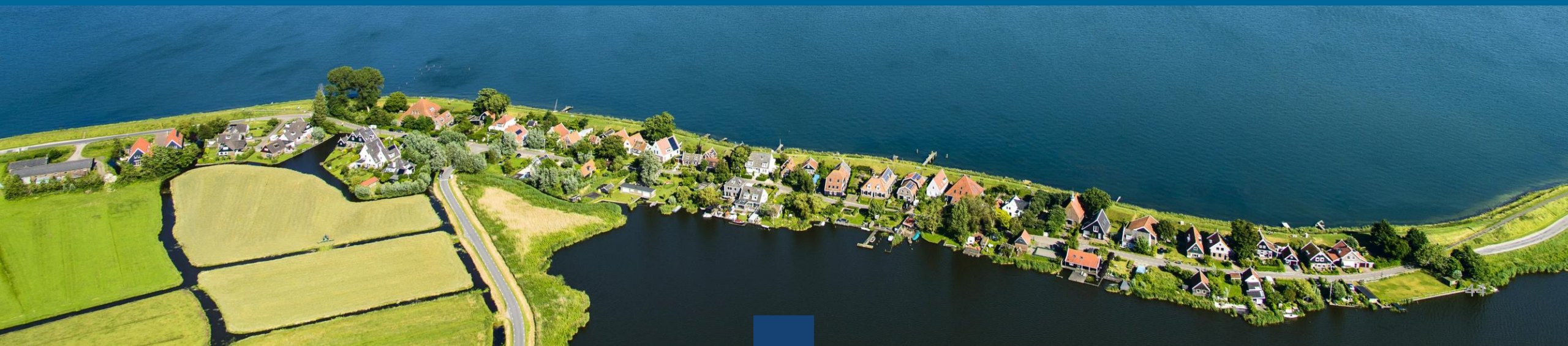


Dutch, German and French 10-year yield



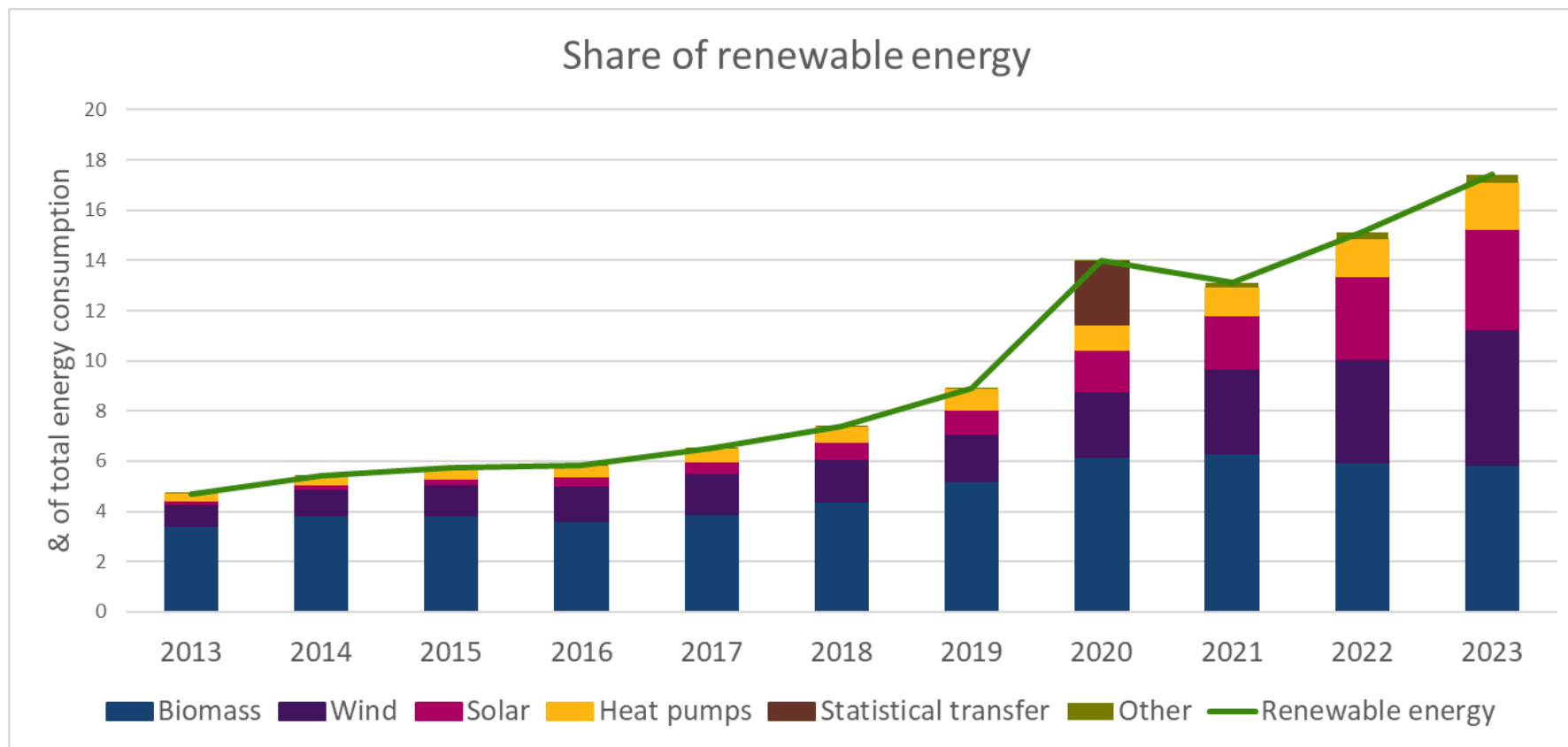


Climate Outlook





Share of renewable energy increasing



Source: Statistics Netherlands, December 2023

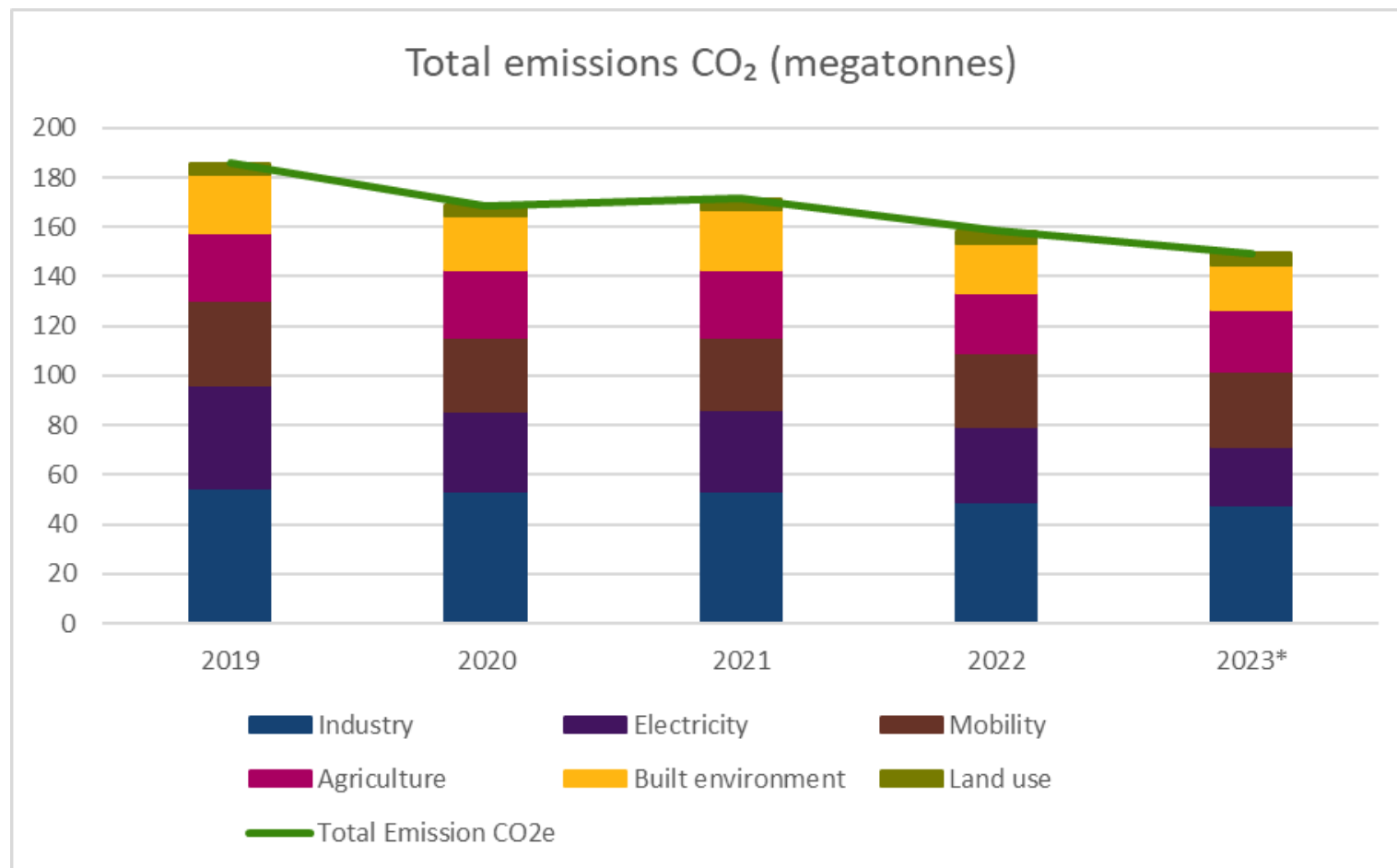


Netherlands sets out clear climate ambitions

- Target 2030: **at least 55% GHG-reduction**
- The independent Netherlands Environmental Assessment Agency annually projects the impact of current policy:
 - The most recent publication projects a GHG reduction of 44%-52% in 2030
 - The government promised to announce additional climate policies



Green house gas emissions declining

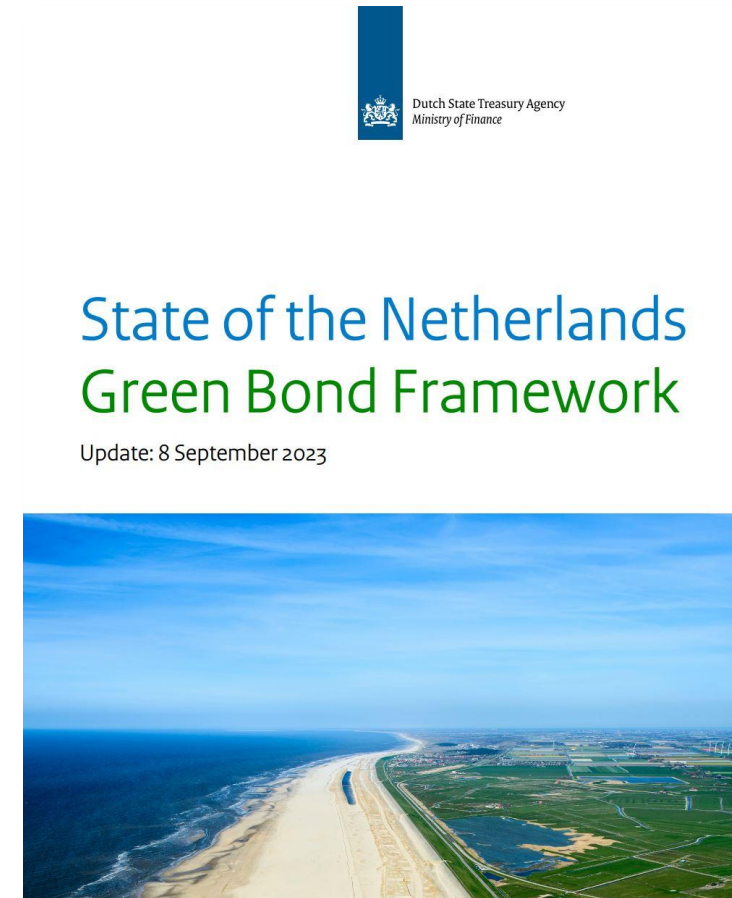


- > The target for 2030 is to achieve 55% GHG-reduction (from 1990 levels)
- > The PBL projects a GHG reduction of 44-52% in 2030, showing a gap with the 2030 target



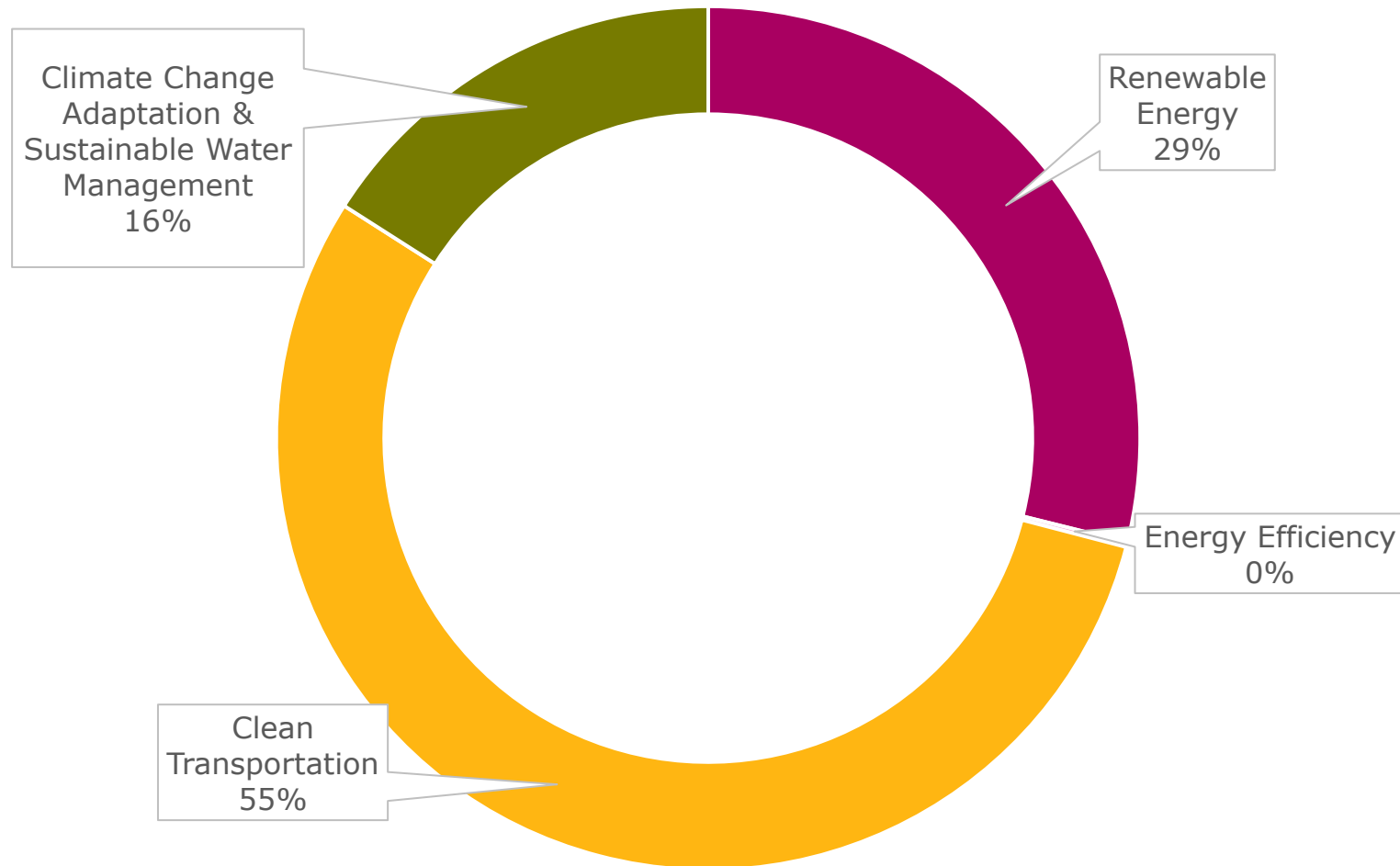
Green bond: Two taps in 2024

- Allocated size: € 4,271,000,000
- Framework with near ‘full’ adherence to EU-taxonomy
- Blue expenditures fully mapped to criteria relating to flood protection and climate adaption



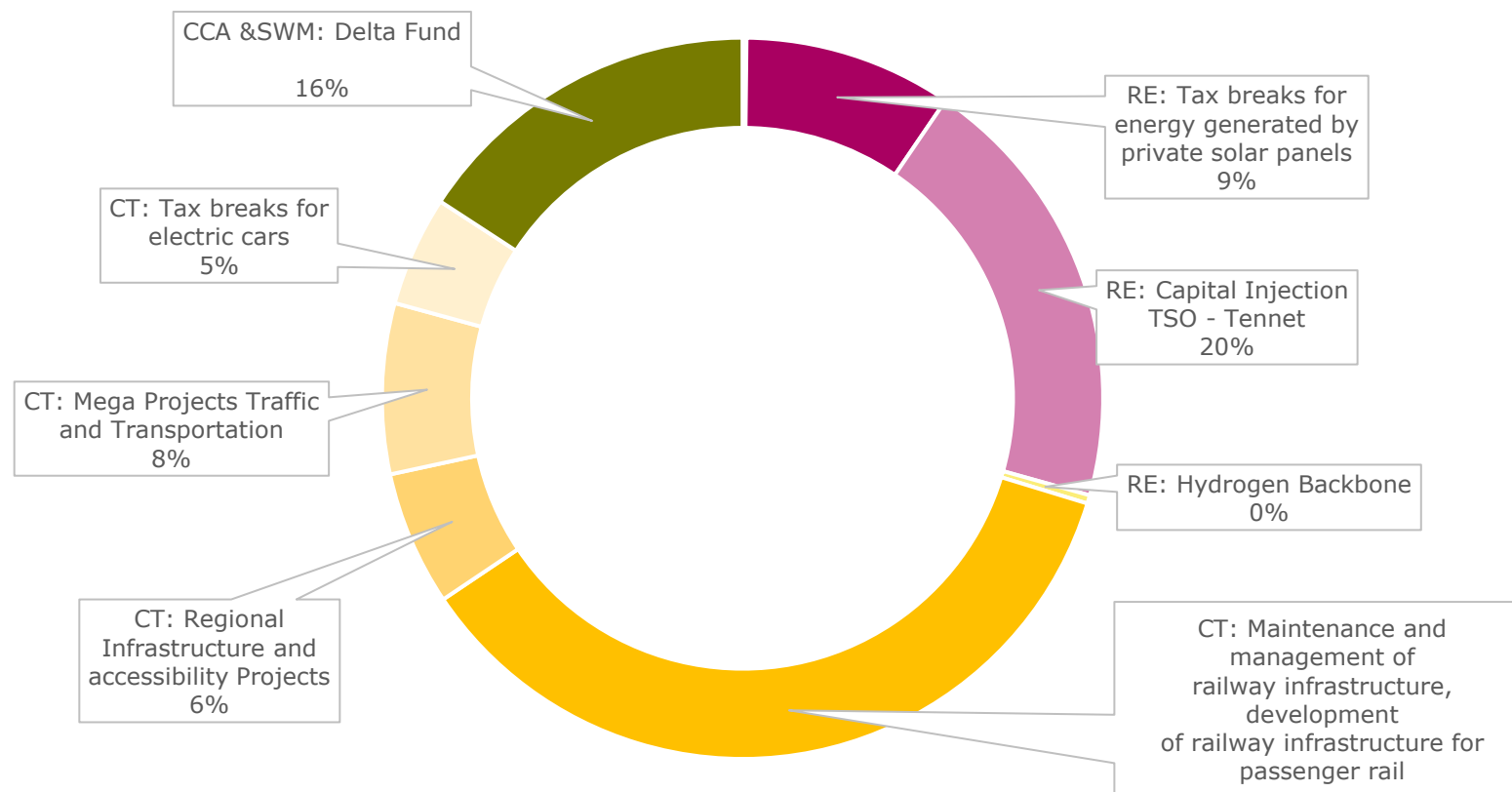


DSTA Green Bond Report 2023: Breakdown by category





DSTA Green Bond Report 2023: Further breakdown





2023 Green Bond Framework

Characteristics of the Green Bond Framework

- › “Blue” expenditures fully mapped to criteria relating to flood protection and climate adaptation

The Framework adheres to best market practices

- › Green Bond Principles 2021 (with June 2022 appendix), as administered by ICMA
- › EU Taxonomy 2021 Delegated Act
- › EU Taxonomy 2023 Environmental Delegated Act and Climate Delegated Act

The Green Bond Framework is published on [the DSTA website](#)





2023 Green Bond Framework: Sustainable Quality Score of “Very good” (SQS2) by Moody’s

The DSTA appointed Moody’s for a Second Party Opinion (SPO) on the Framework.

According to Moody’s, the 2023 Green Bond Framework:

- is assigned a Sustainable Quality Score of “Very good” (SQS 2)
- is considered to be aligned with the four core components of the Green Bond Principles version 2021 (with June 2022 Appendix)
- demonstrates a high overall contribution to sustainability

Second Party Opinion dated 29 May 2024 can be found on [Moody’s website](#)





2023 Green Bond Framework: Overview

1. Use of Proceeds

Four eligible categories:

Climate Change Adaptation & Water Management		
Energy Efficiency	Renewable Energy	Clean Transportation

2. Process for Evaluation & Selection

Annually by Interdepartmental Green Bond Working Group

3. Management of Proceeds

- Monitoring via the National Financial Annual Report
- Intention to allocate at least 50% to expenditures in the budget year of issuance or future budget years (look-back period: maximum two years)
- Full allocation targeted within two years after the issuance

4. Allocation & Impact Reporting

- Annual until full allocation
- On timely basis in case of material developments

5. External Reviews

Pre-issuance: SPO by Moody's

Post-issuance: Verification by the Independent Central Government Audit Service



In Depth: All expenditures mapped to 12 economic activities of EU Taxonomy

GBP Category and SDG's

Climate Change Adaptation & Sustainable Water Management



EU Taxonomy Economic Activity

EU Environmental Objective: Climate Change Adaptation

- 5.1. Construction, extension and operation of water collection, treatment and supply systems
- 14.2. Flood risk prevention and protection infrastructure*

EU Environmental Objective: Sustainable use and protection of water and marine resources

- 3.1. Nature-based solutions for flood and drought risk prevention and protection*

* Commission Proposal published in June 2023

Renewable Energy



EU Environmental Objective: Climate Change Mitigation

- 3.10. Manufacture of Hydrogen
- 4.1. Electricity generation using solar photovoltaic technology
- 4.3. Electricity generation from wind power
- 4.9. Transmission and distribution of electricity
- 4.14. Transmission and distribution networks for renewable and low-carbon gases

Energy Efficiency



EU Environmental Objective: Climate Change Mitigation

- 4.15. District heating/cooling distribution

Clean Transportation



EU Environmental Objective: Climate Change Mitigation

- 6.5. Transport by motorbikes, passenger cars and light commercial vehicles
- 6.13. Infrastructure for personal mobility, cycle logistics
- 6.14. Infrastructure for rail transport



In Depth: Do No Significant Harm-check

EU economic activity	3.1 (nature based solutions for flood and drought risk prevention and protection)	3.10 (manufacture of hydrogen)	4.1 (electricity generation using solar photovoltaic technology)	4.3 (electricity generation from wind power)	4.9 (transmission and distribution of electricity)	4.14 (transmission and distribution networks for renewable and low-carbon gases)	4.15 (district heating/cooling distribution)	5.1 (construction extension and operation of water treatment, collection and supply systems)	6.5 (transport by motorbikes, passenger cars and light commercial vehicles)	6.13 (infrastructure for personal mobility, cycle logistics)	6.14 (infrastructure for rail transport)	14.2 (flood risk prevention and protection infrastructure)
Climate change adaptation	☑	☑	☑	☑	☑	☑	☑	N/A	☑	☑	☑	N/A
Sustainable use and protection of water and marine resources	☑	☑	N/A	☑	N/A	☑	☑	☑	N/A	☑	☑	☑
Transition circular economy	☑	N/A	☑	☑	☑	N/A	N/A	N/A	☑	☑	☑	☑
Pollution prevention and control	N/A	☑	N/A	N/A	☑	N/A	N/A	N/A	☒	☑	☑	N/A
Protection and restoration of biodiversity and ecosystems	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑	☑