FitchRatings

Public Finance
Government-Related Entities
Netherlands

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Key Rating Drivers

Rating Derivation Summary: Fitch Ratings views Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) as a government-related entity (GRE) of the Netherlands (AAA/Stable) and equalises FMO's ratings with those of the sovereign. This reflects a score of 45 points under our *Government-Related Entities Rating Criteria*. The Outlook is Stable.

Status, Ownership and Control – 'Strong': The Dutch state is the majority owner of FMO with a 51% holding. The remaining 49% is owned by large Dutch banks and institutions, and private individuals. Fitch considers it highly unlikely that the state would give up its majority stake due to the terms of the keep-well agreement. The Ministry of Finance and the Ministry of Foreign Affairs jointly oversee FMO's activity and accounts.

Support Track Record and Expectations – 'Very Strong': The 1998 keep-well agreement has an indefinite term and its termination requires 12 years' notice from either party. Under Article 8 of the sovereign support agreement, the state is legally bound to enable FMO to meet its financial obligations on time, notably by providing liquidity. Article 7 of the agreement commits the state in most circumstances to safeguard FMO's solvency.

Socio-Political Implications of Default – 'Strong': FMO is a policy instrument for the Ministry of Development Cooperation, providing financing for private companies and financial institutions. It also manages strategic development (off-balance-sheet) funds on behalf and at the risk of the state. Its high dependence on the financial markets to fund its activities means that a default would threaten its activity and may lead to diplomatic issues. However, other development banks in Europe could fill the gap, albeit with some delay.

Financial Implications of Default – 'Very Strong': In Fitch's view, international investors consider FMO to be a proxy financing vehicle for the Dutch government that raises debt to fund some of the state's policy missions. This is illustrated by its narrow spread over the sovereign curve. On average, FMO raises between EUR1 billion and EUR2 billion of debt a year on domestic and international markets.

Due to the closeness of FMO and the state, Fitch assumes that a default of former would have a serious impact on the availability of financing for borrowers linked to the Netherlands' development policy and on the Dutch state's creditworthiness.

ESG Considerations: Fitch is no longer providing ESG scores for FMO as its ratings and ESG profile are derived from its parent. ESG relevance scores and commentary for the parent entity – Netherlands – can be found here.

Rating Sensitivities

Sovereign Rating: A change in the Netherlands' sovereign ratings would be mirrored in FMO's.

Weaker Support Factors: A downgrade could result from a weakening of the state's support through a significantly lower assessment by Fitch of the strength of linkage or incentive to support, notably through a questioning of FMO's keep-well agreement with the state.

Ratings

Foreign Currency

Long-Term IDR	AAA
Short-Term IDR	F1+

Local Currency

Long-Term IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Long-Term Local-Currency IDR	Stable

Debt Ratings

Senior Unsecured Debt – Long-Term Rating	AAA
Senior Unsecured Debt – Short-Term Rating	F1+
Subordinated Long-Term Rating	AA+

Issuer Profile Summary

FMO is a Dutch development bank created in 1970. It is majority-owned by the Dutch state with minority ownership by the private sector. FMO focuses on supporting the private sector in emerging markets. Its bonds benefit from an explicit guarantee from the Dutch state through a keep-well agreement.

Financial Data Summary

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

(EURbn)	2020	2021
Total assets	9.0	9.3
Total equity	2.9	3.4
Net income	-0.2	0.5
Net interest income/ earning assets (%)	3.5	3.3
Common equity Tier 1 capital ratio (%)	23.3	22.5
Equity/total assets (x)	32.2	36.9

Source: Fitch Ratings, FMO

Applicable Criteria

Public Sector Revenue-Supported Entities Rating Criteria (September 2021)

Government-Related Entities Rating Criteria (September 2020)

Related Research

Netherlands (April 2022)

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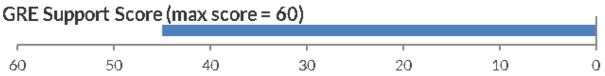
Rating Synopsis

FMO Rating Derivation Summary

GRE Key Rating Drivers and Support Score		
Status, Ownership and Control	Strong	5
Support Track Record	Very Strong	10
Socio-Political Implications of GRE Default	Strong	10
Financial Implications of GRE Default	Very Strong	20
GRE Support Score		45
Score - Notching Guideline Table		>=45

GRE Support Score (max score = 60)



Notching Guideline Table

Distance \ Score	>=45	35-42.5	27.5-32.5	20-25	15-17.5	12,5	<=10
= or above	Capped	Capped	Capped	Capped	Capped	Capped	Capped
1,2,3	=	=	=	- 1	+ 1	+ 1	SCP
4	=	- 1	- 1	- 2	+ 1	+ 1	SCP
>4	=	- 1	- 2	- 3	+2/+3	+ 1	SCP

Stylized Notching Guideline Table: refer to GRE criteria for details

Standalone Credit Profile (SCP) Derivation	
Revenue Defensibility	--
Operating Risk	--
Leverage Ratio (Rating Case Scenario)	--
Qualitative Factors Adjustments	--
GRE SCP	--
Distance - Notching Guideline Table	>4

Summary	
Sponsor IDR/CO	AAA
GRE SCP	--
Distance Sponsor IDR/CO vs GRE SCP	n.a.
GRE Support Score	45
Notching Approach	Equalised
GRE Suggested IDR/CO	AAA
Single Equalisation Factor	No
GRE IDR	AAA

Sponsor IDR	GRE SCP	GRE IDR
AAA	aaa	AAA
AA+	aa+	AA+
AA	aa	AA
AA-	aa-	AA-
A+	a+	A+
A	a	A
A-	a-	A-
BBB+	bbb+	BBB+
BBB	bbb	BBB
BBB-	bbb-	BBB-
BB+	bb+	BB+
BB	bb	BB
BB-	bb-	BB-
B+	b+	B+
B	b	B
B-	b-	B-
CCC/CC/C	ccc/cc/c	CCC/CC/C

Source: Fitch Ratings

Fitch views FMO as a GRE of the Dutch state and assigns a score of '45' to the development bank, according to our GRE criteria. The rating factors 'Status, Ownership and Control' and 'Socio-Political Implications of Default' are assessed as 'Strong', while the 'Support Track Record and Expectations' and 'Financial Implications of Default' are assessed as 'Very Strong'.

The score of '45' leads to an equalisation of FMO's ratings with the sovereign's.

Issuer Profile

FMO is the key Dutch government financial vehicle for developmental finance, providing financing for private companies in developing countries, mainly in the world's 55 poorest countries. The company finances companies, projects and financial institutions through long-term loans and equity investments in these countries, in line with the Dutch government's policy goals on development co-operation. FMO also provides guarantees for third-party investments in developing economies and plays an active role in trade financing and syndicated loans.

FMO was founded in 1970 by the Dutch government, the private sector, employers and trade unions as a joint-stock company with the goal of empowering entrepreneurs in emerging economies. It specialises in sectors where its contribution can have the highest long-term impact, such as financial institutions, energy and agribusiness. In addition to activities for its own account, FMO acts as an asset manager for several government funds. The risks of these investments are borne by the state and therefore do not weigh on FMO's solvency. An exception to these funds is Fonds Opkomende Markten (FOM), which is on FMO's balance sheet and which is on average 85% guaranteed by the Dutch state.

Support Rating Factors

FMO - Assessment of Support

Status, Ownership and Control	Support Track Record	Socio-Political Implications of Default	Financial Implications of Default	GRE score
Strong	Very Strong	Strong	Very Strong	45

Source: Fitch Ratings

Status, Ownership and Control: Strong

Legal Status and Ownership

FMO is a limited-liability company with a development bank status based in The Hague. The Dutch state, through the Ministry of Finance, has owned 51% of FMO's shares since 1977, in the form of A-shares, which may only be issued to and placed with the Dutch state. The remaining 49% is owned by Dutch banks and Dutch institutions – mainly ABN AMRO Bank N.V. (A/F1/Stable), Cooperative Rabobank U.A. (A+/F1/Stable) and ING Groep N.V. (A+/F1/Stable) – and individual investors in the form of B-shares. A-shares and B-shares have the same voting rights.

All decisions in the general assembly of shareholders need a simple majority, with the exception of motions to amend the Articles of Association and dissolve the company and resolutions for a legal merger or divestiture.

Fitch considers it highly unlikely that the Dutch state would give up its majority stake, given that the state guarantee can only be revoked with a 12-year notice period.

Governance

FMO's strategy is implemented by a management board with five directors – Chief Executive Michael Jongeneel, Chief Investment Officer Huib-Jan de Ruijter, Chief Finance Officer Fatoumata Bouaré, Chief Risk Officer Franca Vossen and Peter Mihla.

Members of the management board are appointed by a five-strong supervisory board, whose members are appointed by the general meeting of shareholders. The supervisory board's chairman is Dirk Jan van den Berg, who has been a member since 2016. The supervisory board has two dedicated committees – an audit and risk committee, and a selection, appointment and remuneration committee.

Control

Fitch considers the control and oversight by the state as highly supportive of FMO's credit quality. Within the mandates assigned to it by the keep-well agreement, FMO has substantial operational independence, although it consults the state on important strategic decisions. In case it becomes likely that FMO will need financial support from the Dutch state, the state can give "reasonable instructions" according to Article 10 of the Agreement to the management board, under exceptional circumstances.

The Ministry of Finance supervises FMO's risks policy and position on a quarterly basis through a report by the chief risk officer. The Ministry of Foreign Affairs assesses the alignment of FMO's activities with its general development co-operation policy on an annual basis. Within a month of the end of each quarter, FMO has to provide the Ministers of Finance and Foreign Affairs with a summary for the calendar year, including the current quarter on the balance sheet at the end of that quarter, and the profit and loss account compared with the budget.

The Ministers of Finance and Foreign Affairs meet with FMO at least twice a year for the purposes of policy consultation, and to discuss whether FMO's activities have been performed in accordance with its activity criteria. Changes to the regulatory framework may be made with the consent of both the state and FMO.

The state also intervenes in FMO's management and operations as, notably, it must be consulted for exceptional investments higher than 30% of FMO's capital, and as FMO's remuneration policy is subject to a non-binding proposal from the Ministry of Finance.

FMO has a Dutch banking licence and is therefore also supervised by the Dutch banking regulator (De Nederlandse Bank, DNB – the Dutch central bank).

Support Track Record: Very Strong

Keep-Well Agreement

State backing for FMO's solvency and liquidity is strong and formalised. It applies to all debt issued in the capital markets, irrespective of tenor and rank. The relationship between the state and FMO is set out in a formal agreement first signed in 1991 and amended in 1998, which is viewed as a state guarantee on FMO's financial obligations. The agreement has an indefinite term and its termination requires 12 years' notice from either party, which is in line with FMO's self-imposed 12-year maturity limit on its bond issues. Article 8 of the 1998 agreement says that "the state shall prevent situations arising in which FMO is unable to meet its financial commitments on time."

The article comprehensively lists the types of obligations covered by this undertaking. This obligation exists solely between the state and FMO. In the exceptional case that the Dutch state has suspended its obligations, a third party cannot take legal action to force the Dutch state directly to honour its payment obligations. However, Fitch considers that the state support is to FMO and the pledge from the state effectively ensures that FMO's obligations are strongly backed up by the Netherlands' credit standing.

Under Article 7 of the 1998 agreement, the state has a "maintenance obligation" to FMO, which, unlike the guarantee on the company's financial obligations, can be suspended. Under this obligation, the state is committed to covering all of FMO's losses from unforeseen and non-provisioned operational risks that cannot be covered by the general reserve risk fund.

If FMO's financial situation were to deteriorate to the extent that it could be expected to invoke the state's obligations, the Ministry of Finance would be entitled to direct its financial and economic policies. Under such a scenario, FMO's failure to comply with the minister's directions could result in the suspension of the maintenance obligation, but the record of smooth and tight cooperation between the state and FMO is strong, so we consider that such a suspension is unlikely. If FMO were liquidated, its capital reserves would revert to a state obligation after settlement of the contractual return to shareholders.

High Level of Reserves

The Article 6 of the keep-well agreement requires FMO to keep in the General Risks Reserve Fund (GRRF) a defined share of its annual profits: [(prior year's equity – amount compulsorily paid by shareholders – general reserve – share premium reserve) / prior year's equity]. After this contractual amount is transferred to the GRRF, the rest is available for distribution to shareholders.

As per the 1998 agreement and FMO's statuses (Articles of Association), FMO can pay dividends to the state. FMO's dividend payout ratio generally stands at a maximum of 5% of net profit, of which 51% is paid out to the Dutch state. There have been discussions with the state with regard to a potential increase of the dividend payout ratio, but this would require an amendment of the Articles of Association. To date, there have been no initiatives to implement such an amendment. Limited Impact of the BRRD

FMO's bank status also provides it with access to the ECB refinancing operations, if needed.

Fitch does not consider the validity of the keep-well agreement to be threatened by European regulation on state aid and the BRRD. As an entity of lesser significance according to the ECB with a clear public ownership and public policy mandate, Fitch considers that the BRRD would not prevent the state from supporting FMO according to the prescriptions of the keep-well agreement.

Limited Impact of the BRRD

FMO's bank status also provides it with access to the ECB refinancing operations, if needed.

Fitch does not consider the validity of the keep-well agreement to be threatened by European regulation on state aid and the Bank Recovery and Resolution Directive (BRRD). As an entity of lesser significance according to the ECB with a clear public ownership and public policy mandate, Fitch considers that the BRRD would not prevent the state from supporting FMO according to the prescriptions of the keep-well agreement.

Socio-Political Implications of Default: Strong

External Funding Essential for Debt Refinancing

To refinance its outstanding bonds FMO relies on access to international and domestic capital markets. FMO issues between EUR1 billion and EUR2 billion of bonds a year to fund its operations. At end-2021, FMO had about EUR5.4 of bonds outstanding on the capital markets, or about 58% of its total assets. As of end-September 2021 FMO's refinancing needs are limited to less than EUR400 million (out of a EUR1 billion threshold for 2022) of maturing bonds, while in 2023 the amount is about EUR1.1 billion. With the relatively modest cash flow before financing activities in 2021, market access is vital for FMO to refinance its bonds.

Strategic Importance for the Netherlands

FMO's operations are of strategic importance for the state, which Fitch considers highly supportive of its credit quality. FMO implements one of the state's core responsibilities and is a policy arm for the Ministry of Foreign Affairs and Ministry for development cooperation, hence qualifies as a strategically important entity.

FMO manages several government funds off its balance sheet, at the state's risk. At end-2021, these funds consisted of loans and equity investments totalling EUR1.2 billion accounting for about 13% of FMO's balance sheet. The MASSIF (EUR540 million of committed funds), Building Prospects (EUR460 million) and AEF (EUR163 million) funds represent the bulk of the risk that FMO manages on behalf of the state. The assignment of FMO to manage these funds illustrates the instrumental role it plays in the Dutch state's development co-operation strategy and implementation.

Most of FMO's financing operations are development in nature, representing deals in which commercial banks are reluctant to participate due to the risks involved. Regular commercial banks without a state guarantee would face difficulties obtaining funding for the activities in which FMO is involved. One of FMO's goals is to involve commercial banks in its deals to improve the development of the financial systems of emerging market and developing countries.

FMO also contributes to promoting Dutch interest by supporting Dutch SME's investing abroad with a variety of trade finance tools. This activity is financed on FMO's own account but only under the funds managed on behalf of the state. However, this activity can be taken over by standard commercial banks.

The Netherlands has two other promotional public banks: BNG Bank N.V. (AAA/Stable), tasked with financing Dutch local authorities, and Nederlandse Waterschapsbank N.V., which finances Dutch local authorities, water authorities and other infrastructure projects. Fitch does not consider that they could easily replace FMO as their business models and risk are very different. They operate solely in the Dutch public sector, while FMO operates in higher-risk geographies mostly with private borrowers.

Strong Socio-Political Implications of Default

Relying on the above-mentioned considerations Fitch assumes that a default by FMO on its financial obligations would automatically lead to an activity standstill as its inability to access the capital markets would be a threat to its operations. Fitch also views FMO as strategically important entity for Dutch foreign relations and exporters, although its failure would not directly affect the Dutch public.

Financial Implications of Default: Very Strong

Well-Established Presence on the Financial Markets

FMO benefits from a solid and sustained presence on the financial markets with its EUR7 billion Euro Debt Issuance Programme, its EUR1.5 billion Euro Commercial Paper Programme, its AUD1 billion Australian and New Zealand Note Issuance Programme and Frontier Issuances in local currencies. FMO is a large issuer with EUR5.4 billion of market debt outstanding at end-2021 and has access to both domestic and international financial markets. It has also issued green and sustainability bonds to finance green and inclusive finance projects. FMO's financial debt reached EUR5.7 billion at end-2021, or 1.5% of the Dutch central government debt (estimated at EUR372 billion at end-2021 by the Dutch State Treasury Agency).

High Contagion Risk

FMO's issues are also eligible for the ECB's Public Sector Purchase Programme. This is a feature it shares only with two other Dutch issuers, BNG and Nederlandse Waterschapsbank, both of which are significant credit institutions supervised by the ECB, are active in the markets and share a common pool of investors. A default by FMO could therefore affect the two other public banks' cost of funding, with a direct impact on the availability of funds for the Dutch public sector.

Operating Performance

Risk Appetite

FMO's fairly high risk appetite is consistent with its policy mission to promote sustainable economic growth in emerging markets, the top five countries being India (BBB-/Stable), Turkiye (B/Negative), South Africa (BB-/Stable), Armenia (B+/Stable) and Argentina (CCC). FMO invests in loans, equity (including private equity), guarantees and associates. Its main sectors of interest are financial institutions, energy and agribusiness.

As a result of its exposure to emerging markets, FMO exhibits a high exposure to foreign currencies, the bulk of its investment portfolio being denominated in US dollars (76% at end-June 2022), followed by euros (14%) and local currencies (10%). Most loans granted in local currencies are then swapped to US dollars. FMO partly benefits from a natural hedge as a significant part of its funding is in US dollars. For its private equity investments, however, FMO maintains an unhedged foreign-currency position.

Asset Quality

The credit quality of FMO's loan portfolio slightly deteriorated in 2021-1H22, remaining largely adequate, mostly due to country crises in FMO key markets (e.g. the war in Ukraine, a military coup in Myanmar), and lowered production level caused by pandemic disruptions, travel restrictions, and regulatory and compliance restrictions. FMO's total assets were up 3% in 2021, after contracting by 4% in 2020, on the back of bounced new loans productions.

Liquid assets comprise a portfolio of low-risk and are exclusively made of investment-grade instruments including Dutch, German, Swedish, French, Finnish and supranational bonds.

Earnings and Profitability

FMO's revenue is driven by net interest income. The net interest margin is fairly solid and stable at slightly more than 3% on average over the past five years as FMO, backed by the Netherlands, borrows at low rates to lend at higher rates (which remain competitive in emerging markets). Fitch expects profitability to remain broadly stable in the next four years, as long as FMO's funding rate remains low.

FMO's net profit increased markedly to EUR491 million in 2021 from a loss of EUR205 million in 2020 as a result of negative effects related to downward re-evaluation of fair value of the equity portfolio, US dollar depreciation and increased impairments.

FMO's profitability in 2021 was on par with solid and resilient trajectory over the recent years, with a net interest margin of above 3%. The healthy net interest margin reflects its low funding costs linked to the Netherlands' 'AAA' environment, and the typically high yields generated by businesses conducted in emerging market countries. In 2021, the net interest margin was stable at 3.3% (2020: 3.5%).

Capitalisation and Leverage

FMO reported sound risk-weighted regulatory capital ratio (fully loaded common equity Tier 1 (CET1) ratio of 22.5% at end-2021 (end-2020: 23.3%) due to its high level of contractual reserves made mandatory under Article 6 of the keep-well agreement with the state.

At end-2021, FMO consistently surpasses the minimum EU regulatory leverage ratio of 3% owing to profit retention: the leverage ratio remained solid at 29% in 2021 (2020: 28%). Changes to the EU's Capital Requirement Regulation, which became effective in 2021, resulted in the exclusion of promotional loans from the leverage exposure measure. This in part supported stability of FMO's leverage ratio as a material share of its loans qualifies as promotional.

Debt and Liquidity Analysis

FMO is reliant on its market access to fund its operations and manage its balance sheet. The bank strives to diversify its investor base and maintain a low cost of funding by issuing internationally and in various currencies, including 'frontier' issuances. FMO's debt issues qualify in the EU as level one (highest-quality) liquid assets for the purpose of calculating the liquidity coverage ratio.

Refinancing risk is mitigated by prudent liquidity management. In addition to annual refinancing needs ranging between EUR1 billion and EUR2 billion, the FMO's liquidity is sensitive to market fluctuations as it may be required to post additional cash collateral on derivatives used to hedge market risk. At end-2021, liquid assets comprising cash and highly liquid securities was EUR2.1 billion. The bank could use its entire solvency-free portfolio as collateral to obtain funding from the ECB, if needed. FMO regulatory liquidity position remains robust, with company's own calculation for liquidity coverage ratio of 970% and a net stable funding ratio of 117% at end-2021 (end-2020: 1116% and 127%, respectively).

Debt Ratings

FMO's Tier 2 notes are rated one notch below the entity's Long-Term Issuer Default Rating (IDR), reflecting the risk of repayment subordination to senior unsecured debtholders in case of liquidation, bankruptcy or emergency regulation being declared applicable to FMO by the supervisory authority as per provisions of the bond memorandum (or other deliberations), despite the state support extended to all FMO's debt liabilities.

Peer Analysis

Peers

	Sponsor	GRE score	IDR	Rating approach
FMO	Netherlands	45	AAA	Equalised
Agence Francaise de Developpement	France	50	AA	Equalised
EPIC Bpifrance	France	50	AA	Equalised
New Zealand Local Government Funding Agency Limited (LGFA)	New Zealand	45	AA+	Equalised
HSH Portfoliomanagement AoeR	Germany	50	AAA	Equalised

Source: Fitch Ratings

FMO's IDR benefits from its 45 points GRE score that it shares with French EPIVs – Agence Francaise de Developpement, the promotional bank operating mostly in emerging markets, and EPIC Bpifrance , which provides financing to domestic SMEs. Other peers are HSH Portfoliomanagement AoeR, a German lending entity with a policy role that benefits from a deficiency guarantee and a maintenance obligation from the states of Hamburg and Schleswig-Holstein, and New Zealand Local Government Funding Agency Limited (LGFA), a borrowing vehicle for New Zealand's local authorities.

ESG Considerations

Fitch is no longer providing ESG scores for FMO as its ratings and ESG profile are derived from its parent. ESG relevance scores and commentary for the parent entity, the Netherlands, can be found here.

Appendix A: Financial Data

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

(EUR 000)	2017	2018	2019	2020	2021
Income statement					
Interest revenue	284,622	324,877	376,259	323,633	266,563
Interest expenditure	-84,739	-123,973	-161,041	-82,645	-35,854
Net interest income	199,883	200,904	215,218	240,988	230,709
Net fees and commissions	35,383	33,958	26,047	33,535	37,954
Other operating income	192,511	73,436	108,533	-175,643	322,852
Personal expenses	-71,559	-79,291	-90,250	-101,193	-73,121
Other operating expenses	-27,111	-27,464	-40,169	-42,957	-41,029
Net gains and losses on securities and trading	16,103	-22,239	-20,000	-10,808	-26,419
Net operating income (loss)	345,210	179,304	199,379	-56,078	450,946
Provisions	-15,068	-11,631	-91,928	-78,382	9,066
Other non-operating items	-37,626	-1,802	11,077	-66,416	63,902
Transfers and grants from public sector	0	0	0	0	0
Taxation	-37,281	-14,738	1,884	-4,391	-33,268
Net profit (loss)	255,235	151,133	120,412	-205,267	490,646
Balance sheet					
Assets					
Cash and cash equivalents	71,763	54,642	64,626	46,775	95,873
Liquid securities	622,318	650,203	651,474	833,345	699,644
Deposits with banks	1,544,118	1,147,851	1,373,477	1,297,361	1,343,179
Loans	4,139,381	4,770,821	5,030,622	4,758,464	4,774,691
Other earning assets	274	494	1,194	678	648
Long term investments	1,710,315	1,797,519	2,165,432	1,983,896	2,315,987
Fixed assets	12,866	15,182	45,874	29,504	27,243
Intangible assets	18,045	32,805	53,470	20,867	17,958
Other long-term assets	203,849	20,597	25,824	27,217	28,066
Total assets	8,322,929	8,490,114	9,411,993	8,998,107	9,303,289
Liabilities & equity					
Customer deposits	0	0	0	0	0
Deposits from banks	0	0	0	0	0
Short-term borrowing	125,935	76,051	94,339	341,199	123,359
Other short-term liabilities	0	0	0	0	0
Debt maturing after one year	5,101,288	5,139,881	5,808,182	5,485,949	5,426,596
Other long-term funding	147,424	221,347	260,003	129,806	193,242
Other provisions and reserves	46,588	54,547	49,440	66,190	27,592
Other long-term liabilities	71,741	14,480	72,992	78,262	98,861
Share capital	2,429,266	2,966,035	3,093,955	2,870,501	3,402,729
Reserves and retained earnings	400,687	17,773	33,082	26,200	30,910
Equity and reserves	2,829,953	2,983,808	3,127,037	2,896,701	3,433,639
Total liabilities and equity	8,322,929	8,490,114	9,411,993	8,998,107	9,303,289
Memo:					
Guarantees and other contingent liabilities	1,853,288	1,884,255	1,881,252	1,615,878	1,534,562

Source: Fitch Ratings, Fitch Solutions, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Appendix B: Financial Ratios

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

(%)	2017	2018	2019	2020	2021
Performance					
Interest revenue on loans/loans	6,7	5,8	6,1	6,5	5,6
Interest expense/borrowings and deposits	1,6	2,3	2,6	1,4	0,6
Net interest income/earning assets	3,1	3,0	3,0	3,5	3,3
Net operating income/net interest income and other operating revenue	80,7	58,2	57,0	-56,7	76,2
Net operating income/equity and reserves	12,2	6,0	6,4	-1,9	13,1
Net operating income/total assets	4,2	2,1	2,1	-0,6	4,9
Credit portfolio					
Growth of total assets	-2,7	2,0	10,9	-4,4	3.4
Growth of loans	-10,2	13,2	7,1	-5,3	-0,3
Impaired loans/total loans	5,6	8,1	4,3	5,9	3,5
Reserves for impaired loans/impaired loans	85,9	37,8	106,8	79,7	117,8
Loan impairment charges/loans	0,4	0,2	1,8	1,5	-0,1
Debt and liquidity					
Long-term debt/total equity and reserves	180	172	186	189	158
Liquid assets/total assets	8,3	8,3	7,6	9,8	8,6
Total deposits and debt/total assets	64,6	64,0	65,5	66,2	61,7
Liquid assets/short-term deposits and borrowing	551,1	926,8	759,1	258,0	644,9
Capitalisation					
Equity and reserves/total assets	34,0	35,1	33,2	32,2	36,9
Profit after tax/total equity and reserves	9,0	5,1	3,9	-7,1	14,3
Loans/equity and reserves	153,6	164,9	168,6	172,3	144,9

Source: Fitch Ratings, Fitch Solutions, Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

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