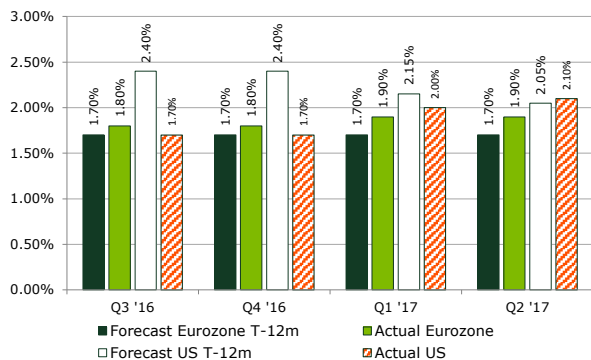
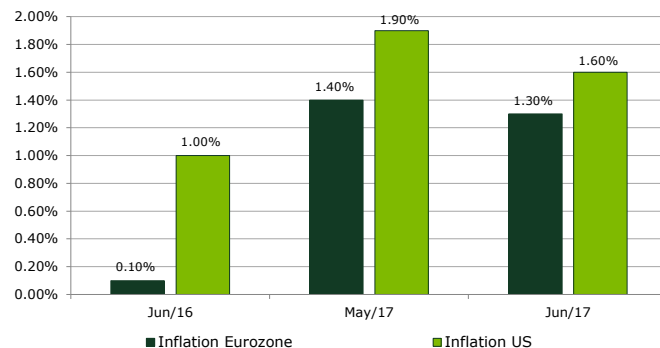


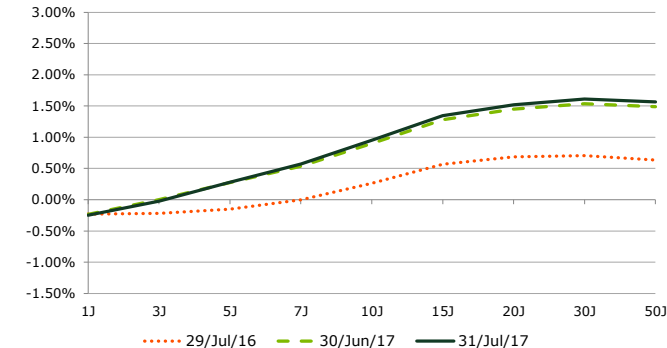
Forecast vs Actual GDP Growth Eurozone & US (YoY)



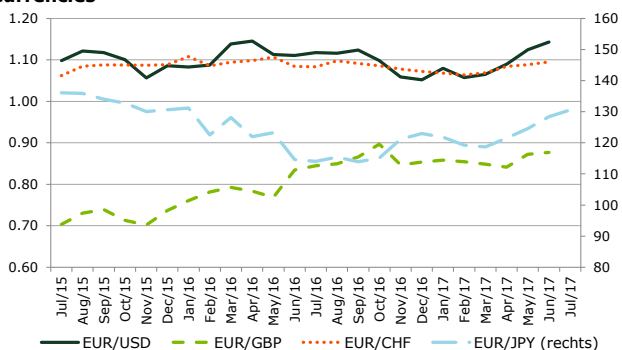
Inflation Rates Eurozone & US



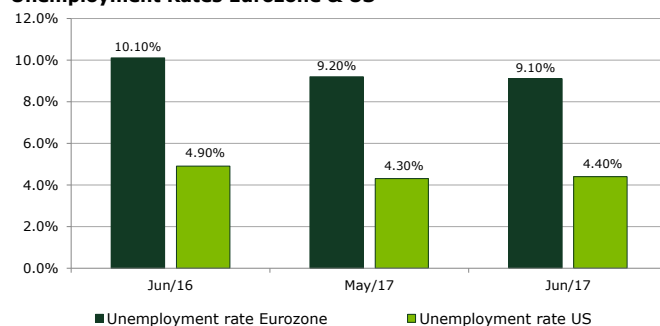
Euro Swap Curve



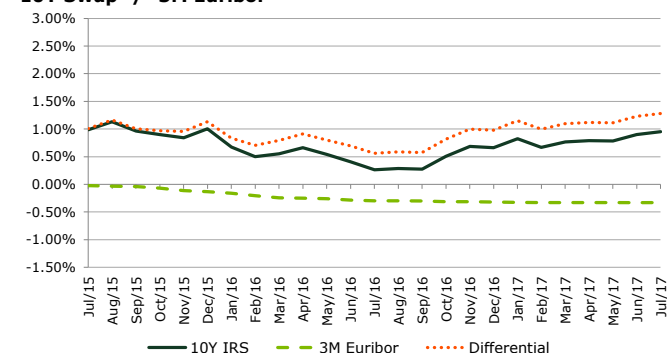
Currencies



Unemployment Rates Eurozone & US



10Y Swap -/- 3M Euribor



Macroeconomic Developments

- In July 2017, Greece re-entered financial markets for the first time since 2014. The Greek government aims to raise EUR 5 billion by issuing bonds with a maturity of five years.
- According to Eurostat figures, the government deficit of euro area countries decreased to 0.90% of GDP in Q1 2017, compared to a deficit of 1.10% in Q4 2016. The government deficit of EU countries decreased by 20 basis points from 1.20% of GDP in Q4 2016 to 1.00% in Q1 2017.
- The Chinese national statistics agency announced that the Chinese economy grew by 6.9% in Q2 2017 compared to Q2 2016. The growth rate was amongst others the result of an increase in industrial output and higher consumption.
- Japan and the EU have reached an agreement that will decrease trade barriers between both economic powers. As part of the agreement, tariffs will gradually decrease. Negotiations on the details of the agreement will continue until the agreement is put into effect in 2019.

Inflation

- First estimates show that inflation in the Eurozone was 1.30% on an annual basis in July 2017. The inflation rate therefore remained unchanged compared to June 2017.
- The United States inflation rate decreased in June 2017. Official figures show that inflation was 1.60% on an annual basis in June, a decrease of 30 basis points compared to May 2017.
- Inflation in the United Kingdom decreased from 2.90% in May 2017 to 2.60% in June 2017.

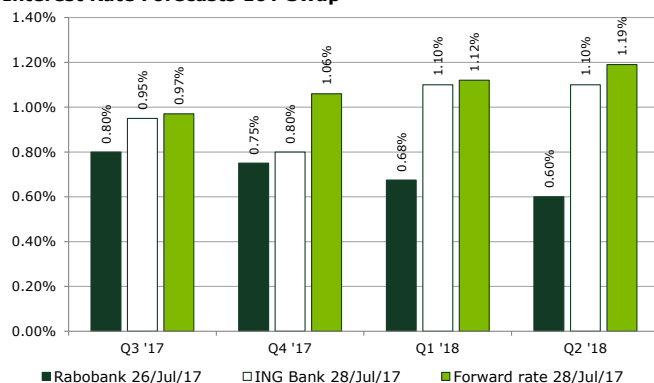
Unemployment Rates

- The eurozone unemployment rate remained stable in June 2017 compared to May 2017 at 9.10% of the labor force, the lowest point since March 2009. This corresponds to approximately 15 million unemployed residents.
- In June 2017, the unemployment rate in the United States increased slightly by 10 basis points to a rate of 4.40% of the labor force. In May 2017 the unemployment rate was 4.30%.

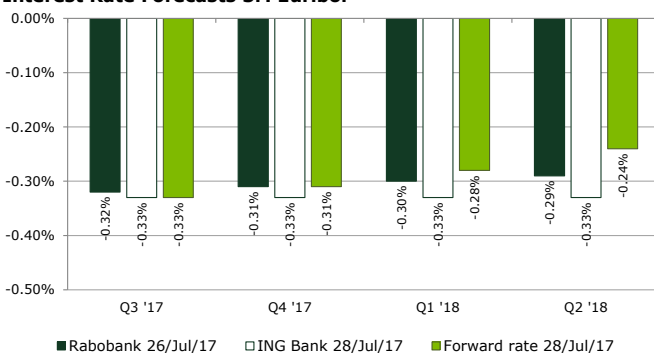
Interest Rates

- The euro swap curve increased in July 2017 compared to June 2017 for all tenors above 5 years. Swap rates for tenors of 1, 2 and 3 years are below zero on 31 July 2017.
- The 10-year interest rate swap was 0.95% at the end of July 2017. The swap rate increased by 5 basis points compared to June 2017, when the rate was 0.90%.
- The 3-month Euribor closed at -0.33% in July 2017, the same level as the end of June 2017.
- The spread between the 3-month Euribor and the 10-year interest rate swap has increased by 5 basis points during July 2017 and closed at 128 basis points.
- Please note: The interest rates presented above do not take into account any liquidity and credit spreads charged by banks.*

Interest Rate Forecasts 10Y Swap



Interest Rate Forecasts 3M Euribor



Interest Rate Forecasts

- ING Bank expects the 10-year swap rate to increase to 1.10% in Q1 2018 and to remain at that level until at least the end of Q2 2018. Rabobank expects a decrease of the 10-year swap rate to 0.60% in Q2 2018.
- ING Bank expects the 3-month Euribor to stay at the current level of -0.33% until Q2 2018. Rabobank expects an increase of 3 basis points from -0.32% in Q3 2017 to a level of -0.29% in Q2 2018.
- The forward rates are higher than the expectations of ING Bank and Rabobank as of Q4 2017. The Q2 2018 forward rate for the 10-year interest rate swap is 1.19% and the 3-month Euribor forward rate for the same quarter is -0.24%.
- Please note that these interest rate forecasts are based on predictions and are therefore uncertain. Taking financial actions based on the forecasts above may be considered speculative trading, especially in (semi) public institutions.

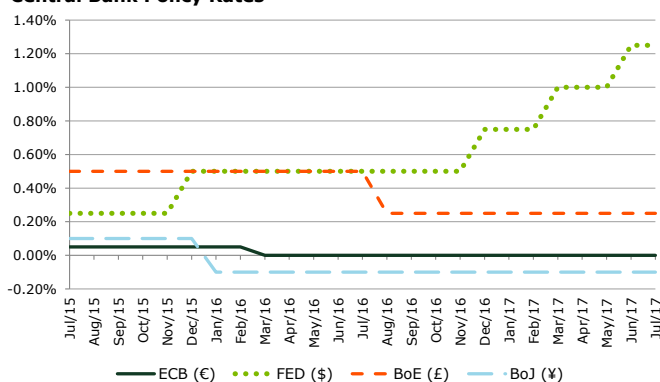
Ratings Banken

- In July, S&P upgraded the credit rating of ING Bank from A to A+. According to the rating agency, the digital strategy and capital and financing policies of the bank are the main factors that influenced the decision to upgrade the rating.

Bank Ratings

	S&P	Moody's	Fitch
Rabobank	A+	Aa2	AA-
ING Bank	A+	A1	A+
ABN AMRO	A	A1	A+
BNG Bank	AAA	Aaa	AA+
NWB Bank	AAA	Aaa	
Deutsche Bank	A-	Baa2	A-
BNP Paribas	A	A1	A+
Barclays	A-	A1	A

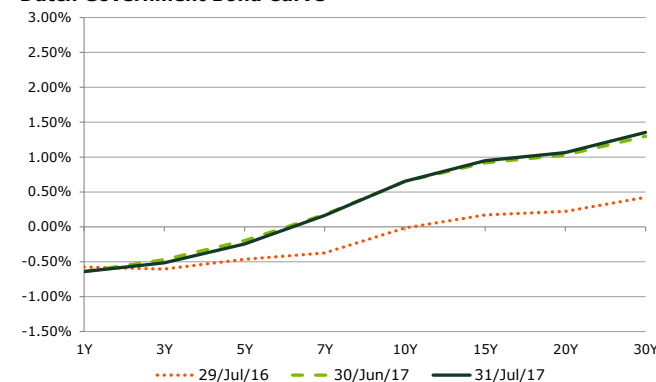
Central Bank Policy Rates



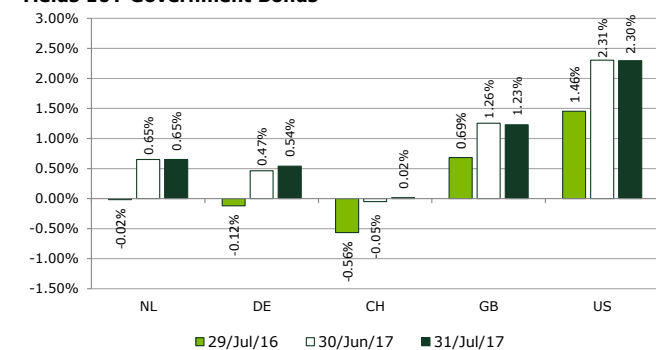
Central Bank Policy Rates

- In July 2017, the Federal Reserve (Fed) decided not to adjust its key interest rate after it increased its benchmark interest rate to a level of 1.00% to 1.25% in June 2017. Fed president Janet Yellen said that one more rate hike is to be expected this year. Yellen also announced that the Fed plans to start normalizing the balance sheet relatively soon. Because of asset purchasing programmes, the balance sheet of the Fed has increased to USD 4.5 trillion.
- The European Central Bank (ECB) did not change its policy rates in July 2017. The European key interest rate remains 0.00%. Even though eurozone economic growth is stable, the inflation rate target of 2.00% is not yet within reach. The ECB indicated not to expect any rate increases in the near future, but is considering lowering its buy-back programme if inflation increases.
- While the Bank of Japan did not change its benchmark rates, the central bank did adjust its expectations for when the BoJ inflation target is reached. The Bank of Japan now expects to reach its 2.00% inflation target in April 2019 instead of April 2018.
- Please note: The interest rate as set by the Bank of Japan fluctuates between 0.00% and -0.10%. In the graph, the lower bound is shown. Furthermore, the graph displays the upper bound of the federal funds rate bandwidth of 1.00% to 1.25%.

Dutch Government Bond Curve



Yields 10Y Government Bonds



Dutch Government Bond Curve

- Compared to June 2017, the yields on Dutch government bonds have increased in July for tenors of 15 years and higher. Compared to July 2016, yields have increased for all tenors except for tenors of 1 and 2 years. The curve is below zero for tenors up to and including 6 years.

Government Bond Yields

- The yield on 10-year German and Swiss government bonds has increased the most in July 2017 and closed at 0.54% and 0.02% respectively on 31 July 2017.
- The yield on 10-year UK government bonds decreased by 3 basis points to 1.23% on 31 July 2017, compared to the end of June 2017.
- The yield on 10-year US government bonds decreased by 1 basis point in July 2017 compared to the end of June 2017.
- The yields on all listed government bonds are higher in July 2017 compared to July 2016.