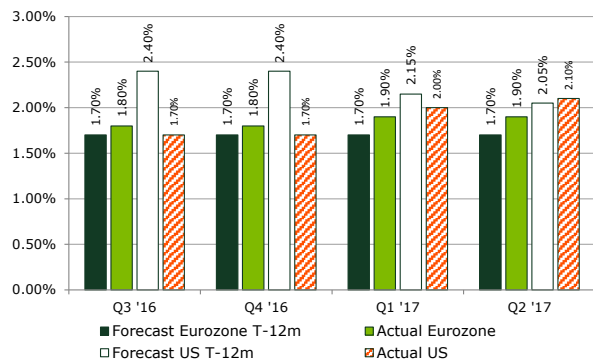
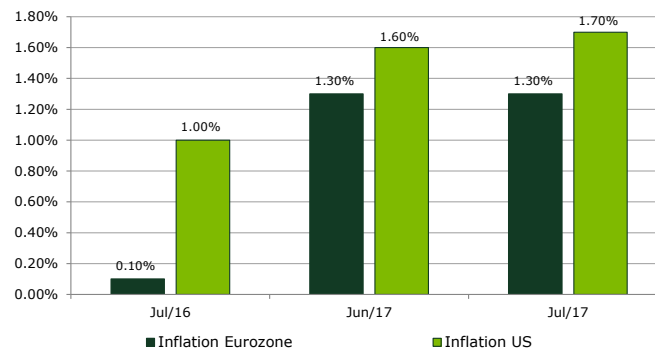


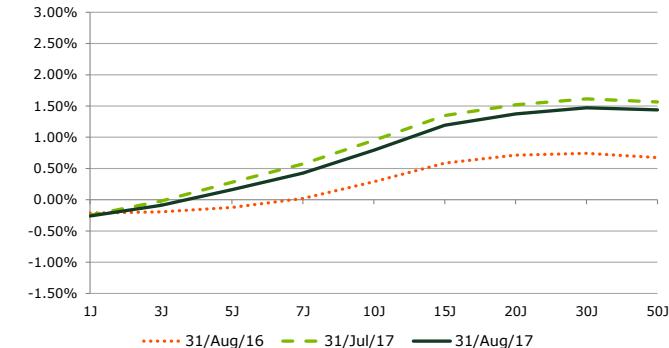
## Forecast vs Actual GDP Growth Eurozone & US (YoY)



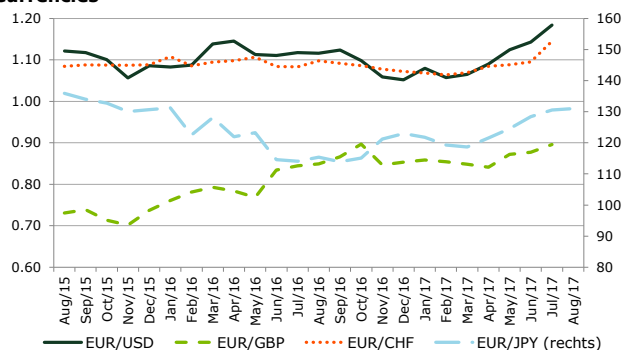
## Inflation Rates Eurozone & US



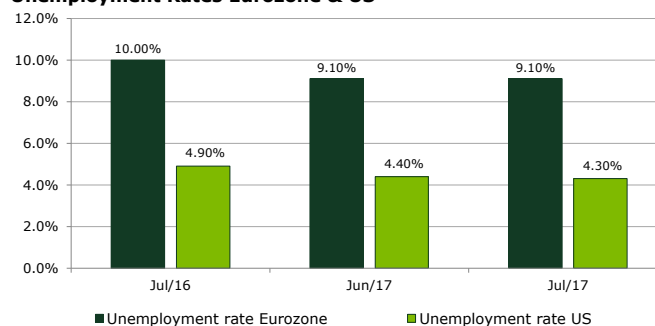
## Euro Swap Curve



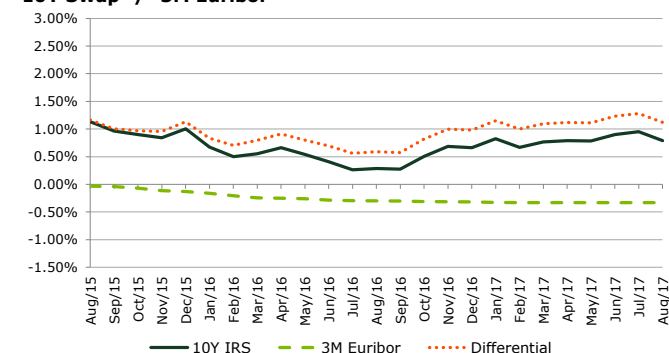
## Currencies



## Unemployment Rates Eurozone & US



## 10Y Swap -/- 3M Euribor



## Macroeconomic Developments

- Figures published by Statistics Netherlands show that the economy of the Netherlands increased by 1.5% in the second quarter of 2017, compared to the first quarter of 2017. Analysts expected a quarterly growth between 0.5% and 0.7%. The growth was for a large part caused by household consumption and exports. The growth of the economy was 3.3% compared to the second quarter of 2016.
- In the second quarter of 2017, the Japanese economy expanded by an annualized 4.0%. Both domestic consumption and business spending contributed to the increase in gross domestic product. The economy of Japan grew for the sixth quarter in a row, extending the longest economic expansion in more than a decade.
- Based on composite leading indicators the OECD anticipates continued stable growth in the Eurozone. The composite index continues to be stable for Japan, Canada and the United States as well. Furthermore, the OECD anticipates economic growth for China and Brazil, whereas it expects economic growth in the United Kingdom to slow down.

## Inflation

- Inflation in the Eurozone was 1.30% on an annual basis in July 2017 and therefore remained unchanged compared to June 2017. Initial Eurostat estimates show that inflation increased to 1.50% in August.
- The United States inflation rate increased by 0.10% in July 2017 to an annualized 1.70%. The prices of energy, food supplies and transportation increased the most.
- Inflation in the United Kingdom stabilized at 2.60% in July 2017.

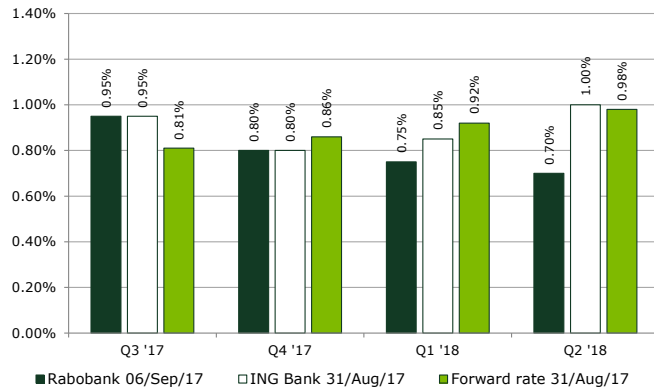
## Unemployment Rates

- The Eurozone unemployment rate remained stable in July 2017 compared to June 2017 at 9.10% of the labor force, the lowest point since February 2009. This corresponds to approximately 15 million unemployed residents.
- In July 2017, the unemployment rate in the United States decreased slightly by 0.10% to 4.30% of the labor force. Employment increased in the food services sector, professional and business services, and health care. Initial US Department of Labor estimates show that the unemployment rate for August will be back at 4.40%.

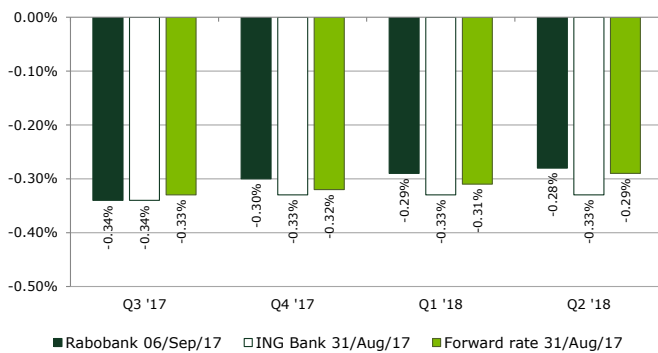
## Interest Rates

- The euro swap curve decreased in August 2017 compared to July 2017 for all tenors. Swap rates for tenors of 1, 2 and 3 years are below zero on 31 August 2017.
- The 10-year interest rate swap rate decreased by 13 basis points to 0.82% at the end of August 2017.
- The 3-month Euribor closed at -0.33% in August 2017, the same level as the end of July 2017.
- The spread between the 3-month Euribor and the 10-year interest rate swap decreased by 13 basis points during August 2017 to 115 basis points at the end of August.
- Please note: The interest rates presented above do not take into account any liquidity and credit spreads charged by banks and other lenders.*

## Interest Rate Forecasts 10Y Swap



## Interest Rate Forecasts 3M Euribor



## Interest Rate Forecasts

- ING Bank expects the 10-year swap rate to increase to 1.00% in Q2 2018. Rabobank expects a decrease of the 10-year swap rate to 0.70% 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 6 basis points from -0.34% in Q3 2017 to a level of -0.28% in Q2 2018.
- The Q2 2018 forward rate for the 10-year interest rate swap is 0.98% and the 3-month Euribor forward rate for the same quarter is -0.29%.
- 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.*

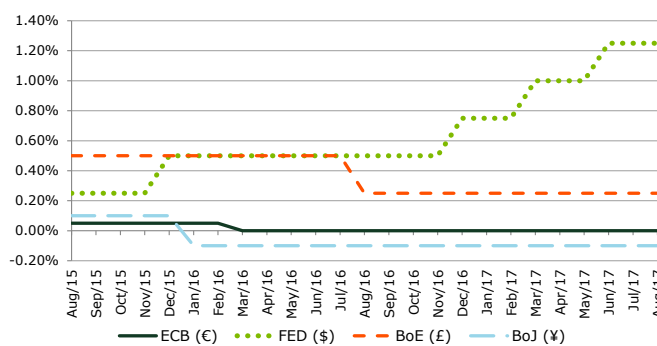
## Ratings

- In August, the ratings of the banks in the table above did not change. Rating agency Fitch announced that the AAA rating of the United States could be in jeopardy if lawmakers do not agree on raising the debt ceiling. Failing to do so will trigger a lockdown of the government, in which case the US cannot repay its debtors.

## 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     |
| Credit Suisse Int. | A   | A1      | A-    |

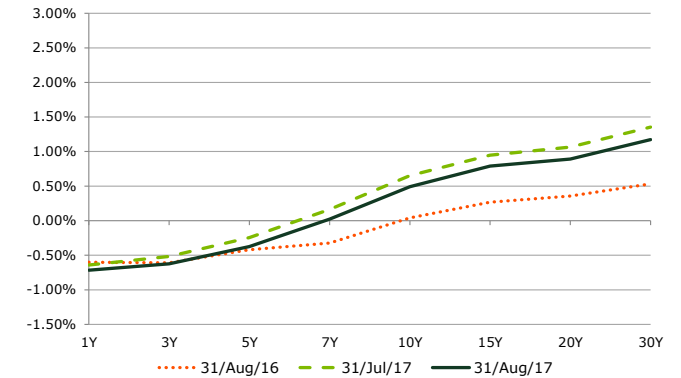
## Central Bank Policy Rates



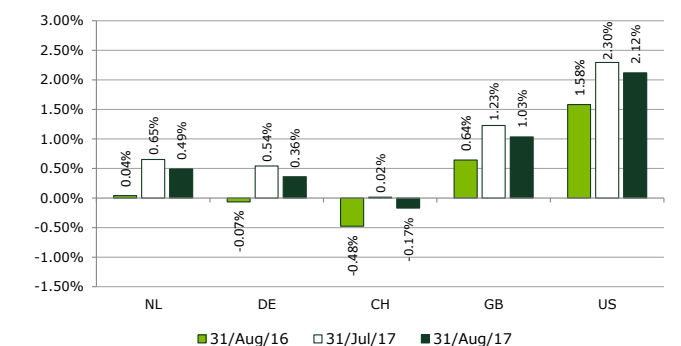
## Central Bank Policy Rates

- In August 2017, the Bank of England (BoE) decided to maintain its Bank Rate at 0.25%. The monetary stimulus program will remain in effect at the current level of GBP 10 billion per month. The BoE further announced that economic growth is lagging and will remain sluggish in the near term as the pressure on households' real incomes continues to weigh on consumption.
- The European Central Bank (ECB), the Federal Reserve and the Bank of Japan did not hold monetary policy meetings in August.
- On the 7th of September the ECB decided to leave its monetary policy unchanged. The ECB did not yet announce when it will decrease the volume of its asset purchasing program. On the one hand, the ECB intends to slowly build down the purchasing program, paving the way for future increases of the interest rate. On the other hand, current economic developments, such as low inflation and the appreciation of the euro versus the dollar (13% year-to-date), are reasons for the ECB to be in doubt over its next policy move.
- 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 July 2017, the yields on Dutch government bonds have decreased in August for all tenors. Compared to August 2016, yields have increased for tenors of 4 years and longer. The curve is below zero for tenors up to and including 6 years.

## Government Bond Yields

- The yields on 10-year German and Swiss government bonds, which increased strongly in July, have decreased in August 2017. Yields closed at 0.36% and -0.17% respectively on 31 August 2017.
- The yield on 10-year UK government bonds decreased by 20 basis points to 1.03% on 31 August 2017, compared to the end of July 2017.
- The yield on 10-year US government bonds decreased by 18 basis points in August 2017 compared to the end of July 2017.
- The yields on all listed government bonds were higher at the end of August 2017 compared to the end of August 2016.