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Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

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Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

Major Rating Factors

Sovereign Credit Rating
AAA/Stable/A-1+

Strengths:
- Strong and growing public policy role as the government's primary vehicle for promoting private sector growth in developing countries
- Explicit government support, demonstrated by state's maintenance obligation and implicit guarantee of FMO's financial commitments
- Significant profitability, given the risk profile of lending

Weaknesses:
- Higher risk profile of its lending due to the nature of its business
- Significant volatility in the income stream

Rationale

The ratings on Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (Netherlands Development Finance Co.; FMO) reflect strong sovereign support for the company, based on the operating maintenance obligation and the solvency commitment, which support the ratings at the same level as the State of The Netherlands (AAA/Stable/A-1+). FMO fulfils a strong and growing public policy role as the government's primary vehicle for promoting private sector growth in developing countries. The state is the majority shareholder, with 51% of FMO's share capital.

Sovereign support was formally codified in the 1998 agreement between FMO and the state. Under Article 8 of the agreement, the state is legally required to enable FMO to meet its obligations on time. The duration of the agreement is indefinite and its termination requires 12 years' notice by either party. The Netherlands' long-term commitment to, and support of, FMO is also demonstrated by the sovereign's obligation in most circumstances to safeguard the company's solvency (Article 7 of the agreement).

FMO is a leading European development finance institution, with total assets of €2.3 billion in 2006 (for comparable data on similar institutions see commentary titled "Comparative Statistics: Financial Data For Rated National Development Banks And Export Credit Agencies," published on RatingsDirect). The company supports businesses and financial institutions in developing countries with capital and skills. It does so by arranging loans, equity investments, guarantees, and other investment promotion activities. It also manages several development funds on behalf and at the risk of the Dutch government.

Profitability in 2006 was exceptionally high, with net income as a percentage of total average assets at 5.8% by year-end, compared with 3.5% in 2005. This exceptional performance largely results from equity participations and low value adjustments given the strong performance of FMO's portfolio and the positive economic climate.

As FMO moves more into equity and mezzanine financing, financial results are likely to become more volatile, but FMO's more-commercial approach and wider experience of managing emerging market risks will support long-term profitability. Overall, FMO continues to maintain adequate capitalization relative to its business, and its asset-liability management is conservative.

Outlook

The outlook on FMO mirrors that on The Netherlands and reflects Standard & Poor's Ratings Services expectation that the 1998 agreement with the state will remain in force for the foreseeable future. Given that FMO already has a very strong capital base relative to its business, we do not expect the state to resume making capital contributions. The Dutch state, however, is in principle committed to future capital contributions if FMO's loan portfolio expansion requires it. As the promotion of private sector growth in developing countries becomes more prominent in Dutch development policy, FMO's prospects as a majority state-owned company with a strong public mandate and continued support from the state are considered secure.

Profile

FMO was established in 1970 by the state, several Dutch companies, and trade unions as a joint-stock company under the "Law of May 1, 1970, on Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V." Under FMO's Articles of Association, the company is mandated to promote the economic and social progress of developing countries by funding private sector investments in those countries in line with the Dutch government's policy goals on development cooperation. The state holds 51% of FMO and private Dutch banks hold 42%. The remaining shares are with private investors. FMO pays a moderate dividend to shareholders.

Until 1991, FMO was the government arm that financed investments in developing countries, mostly in the private sector. The agreement between the state and FMO signed in 1991 clearly defined FMO's more-commercial approach and its focus on private sector operations, and conferred on the company a large degree of management and operational independence. The agreement was last amended in 1998, mainly to reassert its validity in the longer term and to extend and comprehensively define the government's financial support of, and obligations to, FMO.

The company's core business is to provide long-term funding to private companies and financial institutions in developing countries, primarily through long-term loans and equity investments. FMO also provides guarantees for third-party investments in developing economies and plays an active role in trade financing and syndicated loans. In addition, FMO manages several development funds and their associated risks on behalf of the government.

Table 1

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Balance Sheet*

(Mil. €)	2006	2005	2004	2003	2002	2001
Total assets	2,306.0	2,329.0	1,844.9	1,748.3	1,457.5	1,497.7
Loans (net)	1,098.5	991.8	885.3	847.9	829.1	961.6
Equity investment	215.9	127.9	93.4	81.9	79.2	103.5
Cash and interbank holdings	114.8	373.2	148.5	439.5	349.4	234.8
Marketable securities	633.9	626.5	569.4	147.8	115.5	132.2
Other assets	242.8	209.5	148.3	231.2	84.3	65.6
Total liabilities	1,222.8	1,378.8	1,060.5	1,015.4	782.2	864.3
Debt securities	1,004.0	1,139.4	895.2	913.7	647.9	777.2
Of which short-term	0.5	38.8	42.1	107.5	47.2	61.0

Table 1

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Balance Sheet*(cont.)						
Banks	44.2	28.8	64.5	11.9	49.2	61.0
Other liabilities	174.6	210.6	100.8	89.8	85.1	26.0
Capital	1,083.1	950.2	784.3	732.9	675.3	633.4
Of which share capital (paid-in)	9.1	9.1	9.1	9.1	9.1	9.1
Of which reserves	1,044.8	911.8	746.0	694.6	636.9	595.1

*2001-2003 are nonconsolidated figures (Dutch GAAP) and have not been adjusted. 2004-2006 are consolidated (IFRS). In view of of the limited differences between consolidated and nonconsolidated figures, the figures in the table are considered comparable.

Ownership And Legal Status: Unchanged, But Bank Status Is Sought

FMO is a limited-liability company under the laws of The Netherlands, and is subject to the Dutch Civil Code and supervised by the Ministry of Finance. Despite the banking nature of FMO's core activities, the company is not yet a financial institution under Dutch law and, therefore, is not currently bound by central bank regulations.

Nevertheless, FMO is committed to achieving bank status, which will further ensure its processes are fully integrated and aligned with financial institution best practices.

The Dutch government has retained 51% of FMO's shares since 1977, when it increased its stake from 50%. Major Dutch banks hold 42% and employer's associations, labor unions, private companies, and individuals own the remaining 7%. FMO's basic ownership structure is unlikely to change in the medium term. The 1998 agreement has an indefinite term and its termination requires 12 years' notice from either party. Moreover, FMO's authorized share capital comprises 49% 'B' shares, which may be held by the private sector, and 51% 'A' shares, which may only be issued to, and owned by, the state. Neither the state nor the private sector shareholders have shown any interest in altering the ownership structure.

The state's commitment to maintaining its majority is reinforced by the strengthening of FMO's public policy role within the context of the government's policy on development cooperation. FMO has consolidated its position as the government's primary vehicle for promoting private sector economic growth in developing countries, accounting for a significant majority of all development expenditure in the private sector.

Government Support Is Robust

The long-term commitment of the Dutch government to FMO and the importance of the company's public policy role are further reflected in the clear and robust state support of FMO's financial obligations and the state's commitment to continue funding FMO if necessary.

According to Article 8 of the 1998 agreement, "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. FMO's creditors do not have a direct claim against the state and Article 8 does not formally constitute a full, unconditional guarantee. Nevertheless, the pledge effectively ensures that FMO's obligations are fully supported by the state's credit standing. The Dutch central bank has assigned a 0% risk weighting to all the financial instruments and loans to FMO specified in Article 8. The robustness of the state's backing of FMO's obligations is further underpinned by the constitutionally binding nature of the 1998 agreement, which is an obligation for the state rather than the current government. Moreover, unlike other obligations that the state has toward FMO, Article 8 cannot be suspended under any circumstances while the agreement remains in force (Article 10).

Article 7 of the 1998 agreement also stipulates the state's "maintenance obligation" toward FMO, which, unlike the guarantee on the company's financial liabilities, can be suspended. Under this obligation, the state is committed to covering all FMO's losses from unforeseen and nonprovisioned 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 the company's 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, although the likelihood of such a suspension seems remote, as cooperation between the state and FMO has always been good. If FMO were liquidated, its capital reserves would fall due to the state after settlement of the contractual return to shareholders.

State support for FMO is also demonstrated by the funding the company has received in the past. Given that FMO already has a very strong capital base relative to its business, the state's capital contributions are not expected to resume in the next few years. The Dutch state, however, is in principle committed to future capital contributions if FMO's expansion of its loan portfolio requires it. Recent cuts to overseas aid allocations in the government budget have not reduced funding to FMO. On the contrary, because the promotion of private sector growth in developing countries is now regarded as more cost-efficient and sustainable, FMO's public policy role has been enhanced within the Dutch development policy framework. FMO also benefits from additional support from the government through investor protection agreements, advantageous bilateral tax treaties, and de facto preferred credit status in certain of FMO's countries of operation.

Organization And Operations: A Burgeoning Portfolio

FMO's activities are organized into two different business units: FMO Finance and FMO Investment Promotion. FMO Finance comprises all financing on commercial terms to enterprises and financial institutions in developing countries, including loans, equity investments, guarantees, and syndicated loans. FMO Investment Promotion covers all subsidized activities conducted on behalf of the Dutch government. A clear distinction has thereby been made between commercial and subsidy-based activities, increasing transparency.

FMO's portfolio of loans, equity investments, and guarantees increased to €2.7 billion in 2006 (including government funds), from €2.4 billion in 2005. Portfolio growth was financed by a decrease in short-term deposits. FMO's activities in 2006 were significantly affected by the excess liquidity in global financial markets, which meant that commercial investors were investing in areas FMO used to be involved in.

The increasing importance of 'South-South' investments is also changing FMO's playing field. In this context, FMO has worked to focus its activities in markets with the highest risk and in sectors commercial investors are not yet willing to enter. It does so through its own financial products and those managed on behalf of the Dutch government, through which FMO earns fee income.

Instead of setting up offices around the world, FMO's strategy relies on well-established partner networks. It collaborates closely with well-established multilateral financial institutions, including the International Finance Corporation (AAA/Stable/A-1+) and the European Investment Bank (AAA/Stable/A-1+), and with development banks, local financial institutions, and commercial investors. FMO has also recently formed the first formal global partnership between a European development finance institution and a leading commercial bank, Citigroup Inc. (AA/Stable/A-1+), and the two have together launched a risk-sharing facility, with the aim of providing loans to small and midsize enterprises in lower income countries.

FMO's core investment activities are aimed at the financial sector (comprising bank and nonbank financial institutions, housing finance, and capital markets; 54% in 2006 excluding government funds), but infrastructure (19%) and trade and industry (22%) financing are also increasingly important.

FMO's overall investment decisions must observe the principles stated in the Criteria Memorandum (an appendix to the 1998 agreement). In addition to promoting economic development in emerging economies, environmental and social factors are key for FMO when it considers investment projects. In addition to these investment criteria, FMO's management has established exposure limits by country, client, sector, and guarantor, in order to diversify risk.

The focus on fostering sustainable growth and maximizing the developmental impact of individual investment projects has recently been institutionalized in the form of a "Scorecard." This scorecard measures the economic, environmental, and social risks, as well as the impact and corporate governance aspects of completed projects. In addition, a development impact indicator (DII) is now used to estimate the expected effects on the host country's economic development resulting from new investments and projects.

Policies governing lending decisions

FMO's main activity is to provide loans. Excluding loans guaranteed by the state, FMO's gross loans represented 69% of its managed portfolio at the end of 2006. Lending and guarantee operations include project finance, corporate loans, and lines of credit to financial institutions, which in turn onlend to local companies. In line with its mandate to operate commercially, the company provides funding on similar terms and conditions to those found in global financial markets.

FMO calculates what interest rate to charge by adding a spread over its own basic rate for fixed-rate loans, or over LIBOR, or over an equivalent benchmark for floating-rate loans. The spread generally varies between 200 basis points (bps) and 500 bps, reflecting borrower and country risks, the maturity of the loan, and the current situation in the financial markets. FMO also mobilizes funds from commercial banks through nonrecourse loan syndication. The company provides part of the funds for the loan and serves as the lender of record for the entire loan.

Policies governing equity investments

FMO's equity investments are growing each year. In 2006, they represented 31% of FMO's portfolio, up from 27% in 2005. FMO's equity investments comprise common and preference shares, subordinated loans with equity options, other quasi-equity instruments, and mezzanine financing. FMO never takes more than a minority equity investment and is never the largest shareholder, although in some cases it is willing to take seats on company boards.

The bank's equity investments have an average duration of five years. In addition, exit arrangements, preferably through stock markets, are agreed at the outset. FMO also provides management support and participates in private equity funds, which in turn take stakes in local firms not listed on the stock exchange. FMO's equity investment policies were tightened in 2001. Investment criteria are now stricter, portfolio management is more important, and more attention is paid to generating cash flow, collaborating with partners, and improving the structure and completion of exits.

Local currency financing and new products

FMO is increasingly involved in local currency financing because foreign banks are often not in a position to offer local currency on longer tenors or to manage the currency risk involved in loans or financing denominated in foreign currencies. Local currency products have always been available to clients through government funds, but more recently FMO has started introducing its own products.

Local currency products are likely to become increasingly important in the future and FMO envisions that 20% of its balance sheet will be made up of local currency positions by 2010. In 2006, local currency financing represented 13% (2005: 11%) of the total portfolio. During 2006, FMO also investigated the use of credit default swaps (CDSs) to enable it to sell risk to other parties and then channel the proceeds to other investments.

Asset Quality Matches That Of Peers

FMO's asset quality is broadly comparable with that of multilateral lenders operating in high-risk emerging markets.

Table 2 presents FMO's country exposure classified in accordance with Standard & Poor's sovereign credit ratings. This classification underestimates the risks attached to FMO's assets because borrowers are private entities where creditworthiness is likely to be below that of the government of the country of residence. Consequently, a prudent provisioning policy is vital.

Table 2

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Country Exposure at Year-End, by Sovereign Credit Rating

Standand & Poor's long-term foreign currency credit rating	Percentage of FMO's loans, equity investments, and guarantees			
	2003*	2004¶	2005§	2006**
Unrated sovereigns	15.5	17.0	11.4	9.6
'SD' (selective default)	6.6	6.6	0.0	0.0
'CC' category	2.2	0.0	0.1	0.0
'CCC' category	0.2	2.2	0.0	0.0
FMO	27.7	14.6	16.5	20.2
'BB' category	32.0	34.8	40.1	30.8
'BBB' category	13.5	21.1	23.3	25.7
'A' or higher	2.3	3.7	8.5	12.4

*Ratings at Aug. 23, 2004. ¶Ratings at May 17, 2005. §Ratings at Sept. 11, 2006. **Ratings at Sept. 25, 2007. FMO--Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.

FMO makes specific loss provisions on its loans and equity portfolio, including value adjustments for its equity investments. A specific loan provisions policy was introduced in 2003, linking the provision ratio (15%-100%) to internal ratings and the duration of arrears.

In general, loss provisions have always covered write-offs. In 2006, revenues from claims that had previously been written off generated income. A new value-adjustment policy has introduced the concept of incurred but not reported (IBNR) provisions, in accordance with IFRS. IBNR provision relates to risks that are present but not yet identified, calculated with an advanced model that depends on factors such as country ratings, portfolio breakdowns, default risks, and recovery rates.

Provisions contributed positively in 2006, for the second consecutive year. Earlier provisions during the economic downturn, especially during the Asia and Latin America crisis were released and new value adjustments were limited in 2006. By year-end 2006, specific value adjustments and IBNR provisions on loans amounted to 12% of gross disbursed loans (compared with 14% at year-end 2005).

Over the same period, NPLs--those provisioned or experiencing payment arrears for three months or more--decreased to 5.2% of FMO's outstanding loan portfolio in 2006, from 13% in 2003.

Profitability Boosted By Strong Performance In Equity Portfolio

FMO's profitability is significant given the risk profile of its lending. That said, the volatility of the company's annual results remains a salient feature, especially as equity and mezzanine financing increases. FMO can, however, partially manage annual profits through the spreads it charges its customers for its financial products.

As recently as 2001 and 2002, profitability was low, as provisioning soared in response to a more challenging operational environment and lower-than-expected equity sales. The trend reversed in 2003 as global economic conditions recovered. Return on average assets was 5.8% in 2006 compared with 1.3% in 2003, while ROE was up to 13% in 2006 from about 2.9% in 2003.

Total income increased considerably in 2006. The main driver behind this is the equity portfolio. Divestment of or exit from equity participations amounted to €74 million in 2006, with an additional €7 million from dividend income.

FMO's main source of income is still the net interest on its loan portfolio, which represented 45% of total revenues in 2006. Results from financial transactions in 2006 are considerably lower than in 2005, while remuneration for services rendered in managing programs on behalf of the state increased, reflecting the higher level of disbursements by the major funds managed by FMO.

Typically, FMO's biggest expense is its provisioning (including equity value adjustments). In 2006, however, as in 2005, reversals of old provisions and the low number of new provisions meant that value adjustments were positive at 3.1% of revenues and resulted in an increase in income. This compares very positively with provisions of 28% of revenues in 2004 and an average of 62% between 1998 and 2003. Operating expenses increased in 2006 due to the higher level of FMO activities and an increase in incidental costs, including a one-off write-down on software and additional pension plans.

According to the 1998 agreement, FMO's net profits must first be allocated to cover any losses incurred in previous years, after which the company makes the required transfer to the contractual reserve. The management and the supervisory board then decide how to appropriate the remaining net profit. The distributable profit component in 2006 was €7.2 million and a cash dividend of €5.4 per share was proposed, with the remaining €5.1 million to be added to other reserves.

Since only a small percentage of the net result of €134 million was paid out to shareholders, and the balance qualified as retained earnings, FMO's capital now exceeds €1 billion. Because its business is highly cyclical, it cannot guarantee to repeat the strong financial performance it has shown in the past few years. If there is a crisis, however, FMO's strong capitalization should enable it to continue to provide access to finance to its clients.

Table 3

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Profit And Loss Account

(Mil. €)	2006	2005	2004	2003	2002	2001
Income	202.1	134.1	126.5	104.6	94.6	91.9
Net interest income	91.5	79.5	80.0	75.6	76.1	76.5
Income on equity investments	73.9	9.4	13.7	6.6	2.6	2.0
Remuneration for services rendered*	23.3	22.7	19.1	18.6	14.1	10.8
Other income	4.6	20.0	11.1	3.8	1.7	2.6
Expenses	41.1	33.2	71.2	75.4	84.9	93.9
Operating expenses	47.3	41.1	36.0	33.2	30.5	25.4
Value adjustments	(6.2)	(7.9)	35.3	42.2	54.4	68.5
Of which to loans	(8.7)	(13.0)	32.9	20.3	27.4	61.7
Of which to equity	2.4	5.0	2.4	2.8	8.3	20.4
Of which general value adjustment	0.0	0.0	0.0	19.1	18.8	(13.6)
Profit before tax	164.6	101.0	55.4	29.3	9.1	(2.0)
Taxes	30.6	27.6	18.0	8.7	4.6	(6.2)
Net profit	134.1	73.4	37.3	20.6	4.6	4.3

*Mostly services rendered to the state plus syndication fees.

Asset And Liability Management Benefits From Good Market Access

FMO's principal source of funds is domestic and international financial markets, to which the company has good access. Access to domestic markets has been facilitated by the 0% risk weighting of FMO's obligations in the balance sheet of Dutch financial institutions. In 2006, eight new notes were issued totaling €75 million, all of which came under the auspices of the institution's €1.5 billion global MTN program. The program was launched in 2000, and was increased from €1.0 billion in October 2004. The remaining term of debt securities of less than one year was minimal as a percentage of debt securities, debentures and notes at year-end 2006, compared with a similarly modest 3.4% in 2005. In coming years, the funding focus will shift from funding in U.S. dollars and Japanese yen to larger local currency issues in some of the countries of operation.

FMO mainly operates in a dollar environment, and so about 60% of its portfolio transactions consist of dollar-denominated lending. The EMTN borrowings are therefore predominantly swapped into variable-rate U.S. dollar funding. Additionally, derivatives are taken to control interest rate and currency risk. At year-end 2006, the notional value of its derivative contracts was €1.1 billion, compared with €1.6 billion in 2004.

Capital Levels Are High

Because of its activities in high-risk countries, FMO has a much higher risk profile than commercial banks. On average, FMO's level of risk weighting assets is two to three times higher than that of commercial banks. Even so, FMO is well capitalized relative to the high-risk profile of its operations and maintains a higher capital adequacy ratio of between 20%-25%, rather than the regulatory minimum of 8% set by the Bank for International Settlements.

The company's authorized share capital doubled to €45 million in December 2000. The two largest private, 'B', shareholders are ABN AMRO Bank N.V. (AA-/Watch Pos/A-1+) and ING Bank N.V. (AA/Stable/A-1+). Paid-in capital, which amounted to €9.1 million at year-end 2005, has remained unchanged since 1995, and there are no plans to increase it.

The company's equity also includes the share premium reserve, the development fund, the contractual reserve, and other reserves. The share premium reserve contains funds that were transferred by the government during FMO's financial restructuring in 1991. The development fund includes the annual budgetary allocations made by the state. The annual contributions, which ended in 2005, increased the balance of the fund to €658 million. The contractual reserve includes the share of the annual profit that FMO is obliged to allocate under the terms of the 1998 agreement. The remainder of FMO's net profit, after deductions for the proposed dividend, is added to other reserves.

At year-end 2006, total shareholder equity was €1 billion, up from €950 million at year-end 2005. The reserve allocation policy followed by the company has so far ensured that adjusted common equity to total assets has been maintained at about 40%, even at times of below-average performance. It has also ensured an appropriate capitalization level, given the high credit risk profile.

Table 4

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Financial Ratios

	2006	2005	2004	2003	2002	2001
Profitability (%)						
Revenues/average assets	8.7	6.4	7.0	6.5	6.4	6.3
Net interest income/average assets	3.9	3.8	4.5	4.7	5.2	5.3
Non-interest expense/average assets	2.0	2.0	2.0	2.1	2.1	1.7
Pretax profits/average assets	7.1	4.8	3.1	1.8	0.6	(0.1)
Net profit/average assets (ROA)	5.8	3.5	2.1	1.3	0.3	0.3
Return on equity (ROE)	13.2	8.5	4.9	2.9	0.7	0.7
Net interest income/revenues	45.3	59.3	63.2	72.3	80.5	83.2
Non-interest expense/revenues	23.4	30.7	28.4	31.7	32.3	27.6
Provisions/revenues	(3.1)	(5.9)	27.9	40.3	57.6	74.6
Pretax profits/revenues	81.4	75.3	43.7	28.0	9.6	(2.2)
Revenue/employee (€000s)*	902.4	660.6	642.3	533.7	492.6	560.4
Net profit/employee (€000s)*	598.6	361.5	189.6	105.1	23.8	26.0
Liquidity (% of assets)						
Cash and deposits	0.0	0.0	0.0	0.0	0.0	0.0

Table 4

Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. Financial Ratios(cont.)						
Net loans	47.6	42.6	48.0	48.5	56.9	64.2
Capital (%)						
Capital/assets	47.0	40.8	42.5	41.9	46.3	42.3
Capital/loans	98.6	95.8	88.6	86.4	81.4	65.9
Capital adequacy ratio¶	22.0	23.0	51.5	46.9	45.1	40.0
Dividend payout ratio	1.0	0.3	0.6	1.1	5.0	5.4
Asset quality (%)						
Loan write-offs/average loans	0.9	1.4	3.6	3.4	2.7	0.4
Provisioning for loans/average loans (gross)	(0.7)	(1.2)	3.1	1.9	2.3	5.1
Provisioning for equity/average equity investments	1.4	4.5	2.8	3.5	9.1	19.3
General provisioning/average assets	0.0	0.0	0.0	1.2	1.3	(0.9)
Employees	224.0	203.0	197.0	196.0	192.0	164.0

*Assuming constant headcount throughout years. ¶BASEL II Ratio for 2006, BASEL I Ratio for 2005, and Bank for International Settlements Ratio for 2001-2004.

Ratings Detail (As Of October 12, 2007)*	
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.	
Sovereign Credit Rating	AAA/Stable/A-1+
Senior Unsecured	AAA
Sovereign Credit Ratings History	
18-Jul-2000	AAA/Stable/A-1+
Default History	
None	

*Unless otherwise noted, all ratings in this report are global scale ratings. Standard & Poor's credit ratings on the global scale are comparable across countries. Standard & Poor's credit ratings on a national scale are relative to obligors or obligations within that specific country.

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