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Research Update:

Long-Term Ratings On Netherlands-Based FMO Lowered To 'AA+' Following Sovereign Downgrade; Outlook Stable

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Research Update:

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Overview

- On Nov. 29, 2013, we lowered our unsolicited 'AAA' long-term sovereign credit rating on the State of The Netherlands to 'AA+'.
- The ratings on development finance institution Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) are equalized with those on The Netherlands, reflecting our opinion that there is an "almost certain" likelihood that FMO would receive timely and sufficient extraordinary support from the Dutch government if needed.
- Consequently, we are lowering our 'AAA' long-term rating on FMO to 'AA+'. At the same time we are affirming our 'A-1+' short-term rating.
- The stable outlook reflects that on the Netherlands.

Rating Action

On Nov. 29, 2013, Standard & Poor's Ratings Services lowered its 'AAA' long-term issuer credit rating on Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden (FMO) to 'AA+'. At the same time, we affirmed our 'A-1+' short-term credit rating on FMO. The outlook is stable.

Rationale

The affirmation reflects a similar action on the State of The Netherlands (AA+/Stable/A-1+ unsolicited ratings). Under our criteria for government-related entities (GREs; see Related Criteria And Research below), we believe that there is an "almost certain" likelihood that FMO would receive timely and sufficient extraordinary support from the government of The Netherlands in the event of financial distress. As a result, the ratings on FMO are equalized with those on the Netherlands.

Our opinion of an "almost certain" likelihood of support reflects our view that FMO has:

- A "critical" role through its public policy mandate; and
- An "integral" link with the Dutch government.

Outlook

The stable outlook reflects that on The Netherlands.

Related Criteria And Research

- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

Ratings List

Downgraded; CreditWatch/Outlook Action; Ratings Affirmed

	To	From
Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.		
Sovereign Credit Rating	AA+/Stable/A-1+	AAA/Negative/A-1+
Senior Unsecured	AA+	AAA

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