

Netherlands

Rating report

Rating rationale

Wealthy and competitive economy: The Netherlands' rating is supported by its wealthy, highly diversified and competitive economy, with key comparative advantages such as an exceptionally favourable business environment and highly educated workforce. We project real GDP growth to remain solid at 1.7% in 2025 and 1.2% in 2026, after 0.9% in 2024. Moderate medium-run growth potential of 1.4% is in line with that of similarly rated sovereign peers' economies.

Moderate public debt: The general government debt-to-GDP ratio declined last year to 43.3% supported by high inflation and robust nominal growth. The debt level is expected to remain moderate, declining slightly to 43% this year, before rising to around 47% by 2029 amid higher public spending on interest, healthcare, defence and investment needs.

Strong external sector: The country's external-sector resilience is underpinned by high and recurrent current account surpluses and a strong net international asset position.

Resilient banking system: The Dutch banking system has proven resilient to multiple economic crises. Capitalisation, asset quality and profitability are sound and in line with that of peer-economy banking systems.

Rating challenges include: i) sensitivity of the economy to global downturns and financial-market crises due to a highly open economy; ii) financial-stability risk given elevated housing prices and high private-sector debt; and iii) labour-market dualities.

Foreign currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Local currency

Long-term issuer rating/Outlook

AAA/Stable

Senior unsecured debt

AAA/Stable

Short-term issuer rating/Outlook

S-1+/Stable

Figure 1: The Netherlands' sovereign-rating drivers

Risk pillars	Quantitative		Reserve currency*	Political risk**	Qualitative***	Final rating
	Weight	Indicative rating	Notches	Notches	Notches	
Domestic economic risk	35%	aaa	EUR	Netherlands	0	AAA
Public finance risk	20%	aa+			0	
External economic risk	10%	aaa			0	
Financial stability risk	10%	aaa			0	
ESG risk	Environmental factors	5%	[+1]	[-0]	0	
	Social factors	7.5%			0	
	Governance factors	12.5%	aaa			
Sovereign Quantitative Model	aaa				0	
Additional considerations					0	

*The reserve-currency quantitative adjustment applies to currencies in the IMF's Special Drawing Rights (SDR) basket.
 **The political-risk quantitative adjustment is based on the World Bank's Political Stability & Absence of Violence/Terrorism index.
 ***The qualitative scorecard analyst adjustments, capped at one notch per rating pillar, are weighted equally with an aggregate adjustment rounded to the nearest integer. For details, please see Scope's [Sovereign Rating Methodology](#).

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Credit strengths and challenges

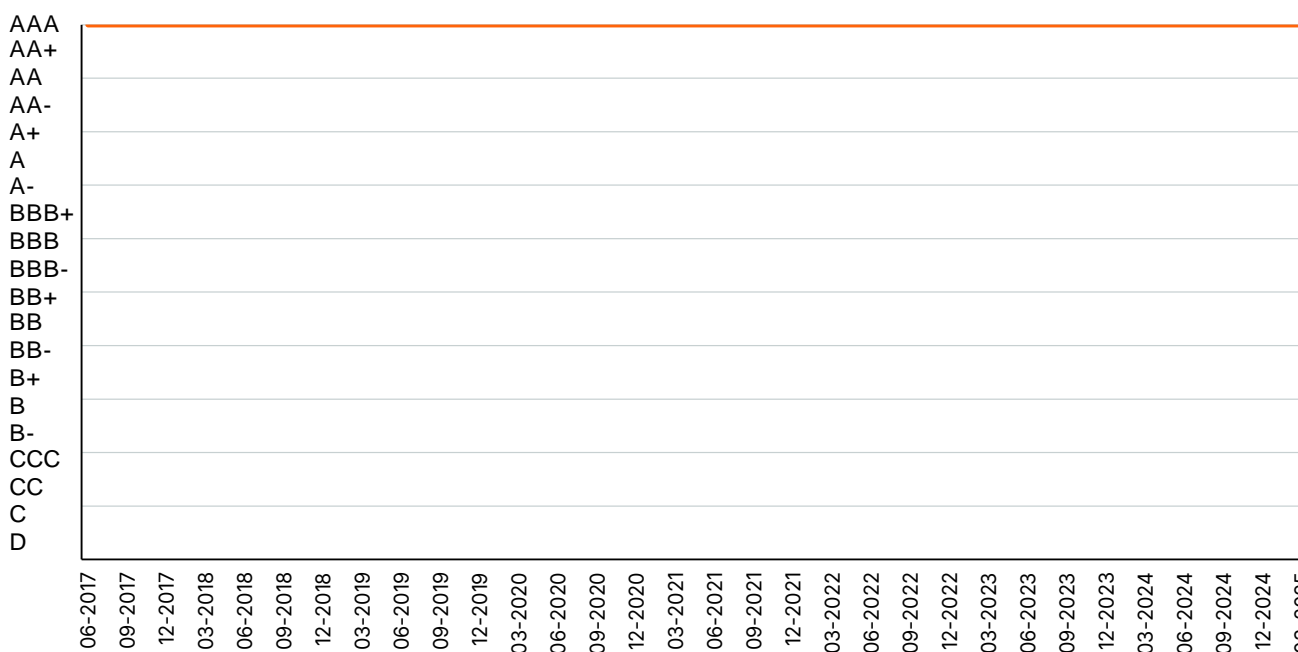
Credit strengths	Credit challenges
<ul style="list-style-type: none"> • Wealthy, diversified and internationally competitive economy • Moderate public debt • Strong external position • Resilient banking system 	<ul style="list-style-type: none"> • Sensitivity to global developments • Elevated housing prices and high private-sector indebtedness • Labour-market duality, with a high share of part-time employment

Outlook and rating triggers

The Stable Outlook reflects Scope’s view that risks to the ratings are balanced.

Positive rating-change drivers	Negative rating-change drivers
<ul style="list-style-type: none"> • n/a 	<ul style="list-style-type: none"> • The fiscal outlook deteriorates significantly, including an increasing public debt trajectory over the long run • A global or regional shock results in a significant drop in output and/or accentuated risks to financial stability

Figure 2: Rating history



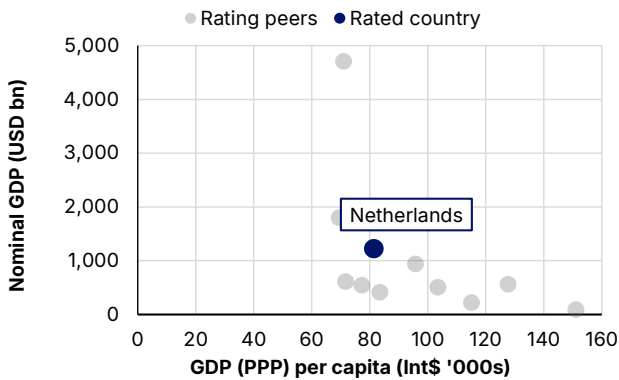
Foreign-currency long-term issuer rating. Positive/Negative Outlooks are treated with a +/-0.33-notch adjustment. Credit Watch positive/negative with a +/-0.67-notch adjustment. Source: Scope Ratings.

Domestic economic risk

Overview of Scope's assessments of the Netherlands' Domestic Economic Risk

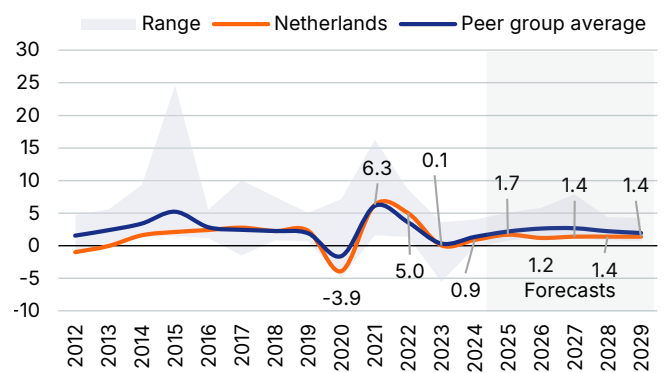
SQM ¹ indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Growth potential and outlook	Neutral	0	Moderate growth potential
	Monetary policy framework	Neutral	0	ECB is a highly credible and effective central bank; effective policy framework and transmission over the cycle
	Macroeconomic stability and sustainability	Neutral	0	Competitive and diversified economy; flexible labour market although dualities exist; exposure to global developments due to open economy

Figure 3: Nominal GDP and GDP per capita (2024E)



Source: IMF World Economic Outlook (WEO), Scope Ratings

Figure 4: Real GDP growth, %



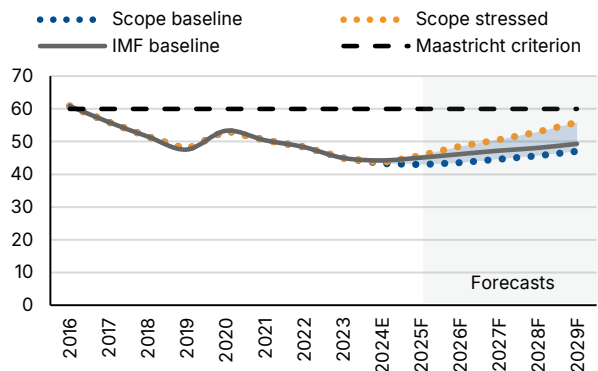
Source: IMF WEO, Scope Ratings forecasts

Public finance risk

Overview of Scope's assessments of the Netherlands' Public Finance Risk

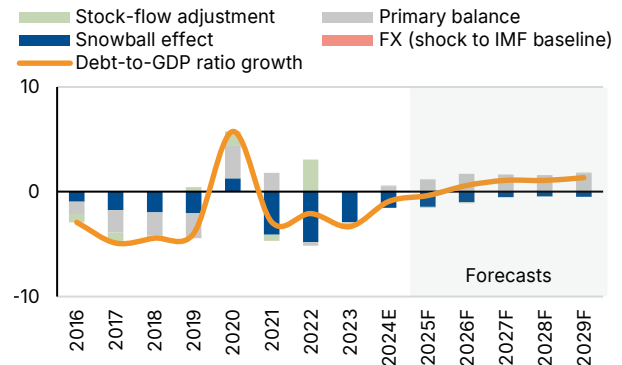
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aa+	Fiscal policy framework	Neutral	0	Sound public finances and track record of fiscal prudence
	Long-term debt trajectory	Neutral	0	Moderate public-debt ratio including resilience of debt sustainability under adverse economic scenarios
	Debt profile and market access	Neutral	0	Strong government market access, government financing costs have risen to decade highs

Figure 5: Contributions to change in debt levels, pps of GDP



Source: IMF WEO, Scope Ratings forecasts

Figure 6: Debt-to-GDP forecasts, % of GDP



Source: IMF WEO, Scope Ratings forecasts

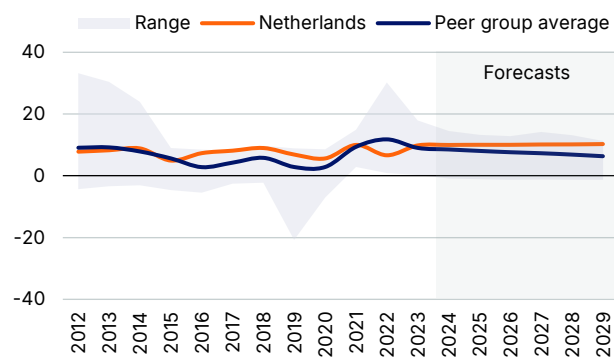
¹ Sovereign Quantitative Model

External economic risk

Overview of Scope's assessments of the Netherlands' External Economic Risk

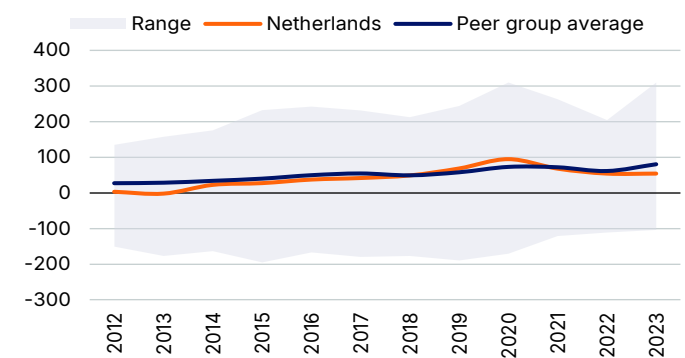
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Current account resilience	Neutral	0	Diversified and competitive exporting sector; recurrent and large current-account surpluses also driven by high net savings of multinationals benefitting from favourable tax treatment
	External debt structure	Neutral	0	Still-elevated external debt and elevated share of short-term external debt, mitigated partially by favourable composition including large intragroup borrowing plus a sizeable and growing net external asset position
	Resilience to short-term external shocks	Neutral	0	Highly open economy; benefits from euro-area membership

Figure 7: Current-account balance, % of GDP



Source: IMF WEO forecasts, Scope Ratings

Figure 8: Net international investment position (NIIP), % GDP



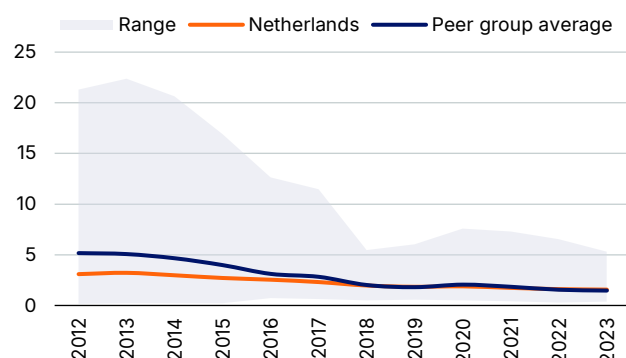
Source: IMF, Scope Ratings

Financial stability risk

Overview of Scope's assessments of the Netherlands' Financial Stability Risk

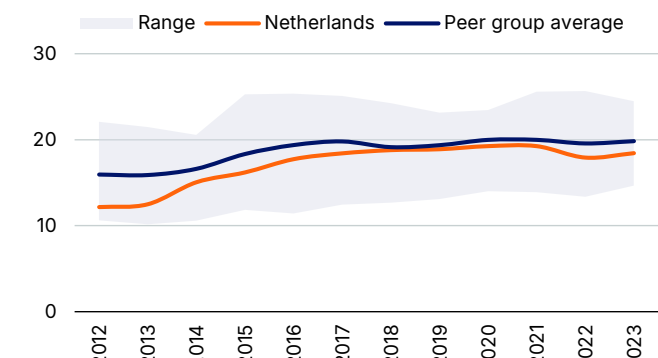
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aaa	Banking sector performance	Neutral	0	Adequate capitalisation, comfortable liquidity, moderate NPLs compared to peer banking systems
	Financial sector oversight and governance	Neutral	0	Effective oversight under De Nederlandsche Bank and the ECB as part of Banking Union, as well as the Authority for the Financial Markets
	Financial imbalances	Neutral	0	High household and private-sector indebtedness counterbalanced by savings via housing assets; significant housing-market volatility

Figure 9: Non-performing loans (NPLs), % of total loans



Source: World Bank (WB), Scope Ratings

Figure 10: Tier 1 capital, % of risk-weighted assets



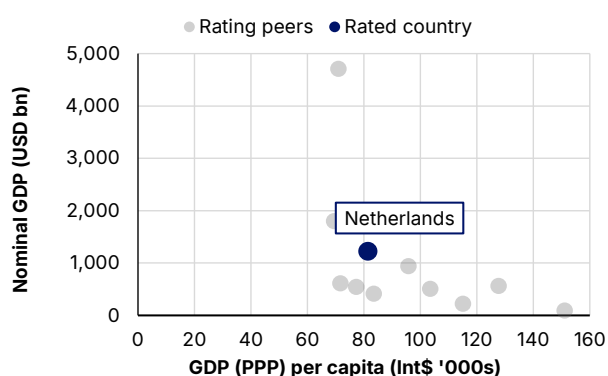
Source: IMF, Scope Ratings

Environmental, Social and Governance (ESG) risk

Overview of Scope's assessments of the Netherlands' ESG Risk

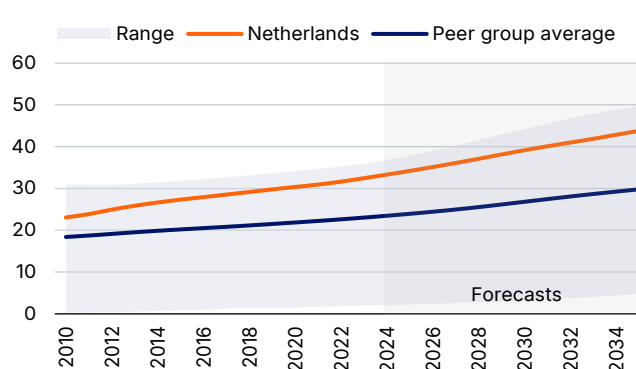
SQM indicative rating	Analytical component	Assessment	Notch adjustment	Rationale
aa-	Environmental factors	Neutral	0	High nitrogen emissions, low albeit increasing share of renewables, high CO2 emissions per capita, natural disaster risks
	Social factors	Neutral	0	Weak demographics but strong social safety net; high employment and strong education
	Governance factors	Neutral	0	High-quality institutions but fragmented political landscape

Figure 11: CO₂ emissions per capita/GDP (2023), mtCO₂e



Source: European Commission (EC), Scope Ratings

Figure 12: Old-age dependency ratio, %



Source: United Nations (UN), Scope Ratings

Reserve-currency adjustment

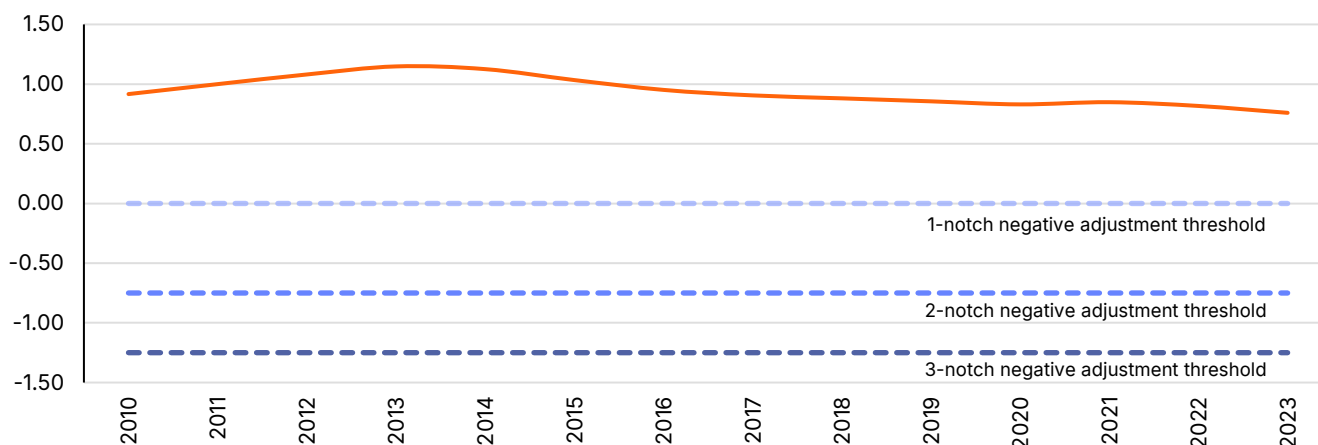
IMF SDR basket and Scope reserve-currency adjustment

Currency	U.S. dollar	Euro	Chinese yuan	Japanese yen	Pound sterling	Other
IMF SDR basket weights, %	43.4	29.3	12.3	7.6	7.4	0.0
Positive adjustment, notches	3	1	1	1	1	0

Source: IMF, Scope Ratings

Political-risk adjustment

Figure 13: WB Political Stability & Absence of Violence/Terrorism index, the Netherlands, 3-year moving average



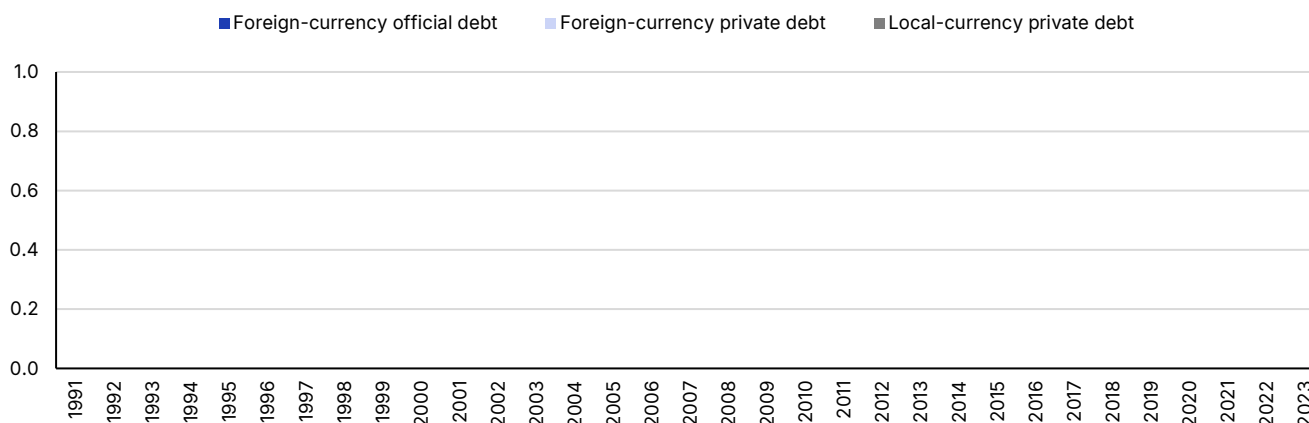
Source: WB, Scope Ratings

Additional considerations

No adjustment was applied to the rating from additional considerations.

Appendix 1. Sovereign default history

Sovereign default history, USD m



Depicted private-debt defaults may not always constitute a credit event under [Scope's credit-rating definitions](#).
 Source: [Bank of Canada-Bank of England Sovereign Default Database](#), Scope Ratings.

Appendix 2. Rating peers

Rating peers are related to sovereigns with an indicative rating in the same rating category or adjacent categories, as assigned by Scope's sovereign quantitative model after accounting for methodological reserve-currency and political-risk adjustments.

Peer group*
Denmark
Germany
Ireland
Luxembourg
Norway
Sweden
Switzerland

*Select publicly-rated sovereigns only; the full sample of sovereign-rating peers may be larger.

Appendix 3. Economic development and default indicators

IMF Development Classification

Advanced economy

5y USD CDS spread (bp) as of 2 April 2025

13.2

Appendix 4. Statistical table for selected SQM indicators

This table presents a selection of the indicators (24 out of 30 – with the governance indicator reflecting a composite of five indicators) used in Scope's quantitative model, in line with Scope's Sovereign Rating Methodology. The metrics and sources for the data presented here ensure comparability across global country peers and may therefore differ from data from national and other select international statistical series.

Pillar	Core variable	Source	2019	2020	2021	2022	2023	2024
Domestic Economic	GDP per capita (PPP), Int\$ '000s	IMF	62.6	62.7	69.6	77.7	79.6	81.5
	Nominal GDP, USD bn	IMF	929	932	1,055	1,047	1,155	1,218
	Real growth, %	IMF	2.3	-3.9	6.3	5.0	0.1	0.6
	CPI inflation, %	IMF	2.7	1.1	2.8	11.6	4.1	3.2
	Unemployment rate, %	WB	3.4	3.8	4.2	3.5	3.5	-
Public Finance	Public debt, % of GDP	IMF	47.6	53.3	50.4	48.4	45.0	44.3
	Net interest payment, % of government revenue	IMF	1.3	1.2	0.9	1.0	1.1	1.3
	Primary balance, % of GDP	IMF	2.4	-3.1	-1.8	0.4	0.1	-1.0
External Economic	Current-account balance, % of GDP	IMF	6.8	5.6	10.0	6.6	9.9	10.0
	Total reserves, months of imports	WB	0.5	0.7	0.7	0.6	0.6	-
	NIIP, % of GDP	IMF	68.3	94.5	67.8	54.1	54.0	-
Financial Stability	NPL ratio, % of total loans	IMF	1.8	1.9	1.7	1.6	1.6	-
	Tier 1 ratio, % of risk-weighted assets	IMF	18.8	18.3	19.1	17.6	18.2	18.2
	Credit to the private sector, % of GDP	WB	98.6	100.4	93.9	88.8	84.1	-
ESG	CO ₂ per EUR 1,000 of GDP, mtCO ₂ e	EC	135.8	127.0	123.3	107.4	99.1	-
	Income share of bottom 50%, %	WID	22.7	22.8	22.8	22.8	22.8	-
	Labour-force participation rate, %	WB	83.4	83.4	83.7	84.7	85.5	-
	Old-age dependency ratio, %	UN	29.8	30.3	30.9	31.6	32.4	33.3
	Composite governance indicators*	WB	1.7	1.8	1.7	1.7	1.7	-
	Political stability, index	WB	0.9	0.9	0.8	0.8	0.8	0.8

*Average of the following five World Bank Worldwide Governance Indicators: Control of Corruption, Voice and Accountability, Rule of Law, Government Effectiveness, Regulatory Quality.

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Related research

[Sovereign Outlook 2025: normalising economic fundamentals, rising fiscal pressures and geopolitical uncertainties balance the sovereign outlook](#), December 2024

Applied methodology

[Sovereign Rating Methodology](#), January 2025

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