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NIBC Bank N.V.

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NIBC Bank N.V.

Ratings Score Snapshot

Issuer Credit Rating
BBB/Stable/A-2

SACP: bbb → **Support: 0** → **Additional factors: 0**

Anchor	bbb+	
Business position	Constrained	-2
Capital and earnings	Strong	+1
Risk position	Adequate	0
Funding	Adequate	0
Liquidity	Adequate	
CRA adjustment		0

ALAC support	0
GRE support	0
Group support	0
Sovereign support	0

Issuer credit rating
BBB/Stable/A-2

ALAC--Additional loss-absorbing capacity. CRA--Comparable ratings analysis. GRE--Government-related entity. ICR--Issuer credit rating. SACP--Stand-alone credit profile.

Credit Highlights

Overview

Key strengths	Key risks
Agile and cost-efficient business model.	Lack of a strong franchise, compared to larger and well-established players.
Highly collateralized loan book and strong track record of management's execution.	Business model potentially more sensitive to market confidence than larger banks in NIBC's key markets.
Large capital buffer.	Funding cost could be more susceptible to rising interest rates than largely deposit funded peers.

NIBC's recent business refocusing supports its creditworthiness, but the lack of a well-established franchise in highly competitive core market segments could jeopardize the bank's strategic execution and profitability. NIBC is strategically developing three core activities, namely, mortgage lending, asset-backed financing, and small-ticket lending like leasing. We consider that such development could support more predictable earnings, better asset quality, and be positive in the medium term. Specifically, we expect the bank's return-on-equity to gradually grow above the 8% we calculated at year-end 2022. However, we believe the bank's limited scale and lack of a strong franchise compared to higher-rated domestic peers could limit its competitive advantage in certain core strategic business segments, like the highly competitive domestic mortgage market.

We anticipate that NIBC will continue to rely on a solid capital base, while maintaining relatively good asset-quality metrics. Specifically, we estimate our risk-adjusted capital ratio will remain well above 10% in 2023-2024, ranging between 12.5% and 13.0% by end-2024. We continue to see management's expertise and good strategy-execution capabilities--especially in terms of a smooth wind-down of the noncore portfolio--as key factors in the good asset-quality trend. We expect NIBC's nonperforming exposures to remain contained at the 2% it reported at year-end 2022, despite the uncertain and challenging macroeconomic environment.

We expect NIBC's funding profile to remain well-diversified, but we see its funding costs as more susceptible to rising interest rate than those of peers. At year-end 2022, we calculate that NIBC's funding base was split between customer deposits (55%) and wholesale market funding (45%). Amid rising interest rates, we consider that NIBC will likely need to raise its deposit rates faster than higher-rated peers to maintain its funding profile. With rising rates also affecting NIBC's market funding, we expect the bank's funding costs to rise gradually and drag on its overall net interest margin and profits.

Outlook

The stable outlook on NIBC reflects our view that the bank will execute its strategy in line with its recent update, with no change in risk appetite. We also expect that NIBC will maintain robust capital and good asset quality over the next 18-24 months, thanks to the ongoing de-risking strategy and management's expertise. The outlook also reflects our expectation that NIBC's funding profile will remain skewed toward significant, albeit well-diversified, wholesale funding.

Downside scenario

We could lower the ratings over the next 18-24 months if we observed nonperforming exposures and credit losses were rising faster than we expected. This could result from a greater risk appetite or business concentration. We could also lower the ratings if the bank were unable to maintain its current funding profile at a reasonable cost.

Upside scenario

Although we do not expect any rating upside over the next 12 months, it could emerge over the longer term if, all else being equal, NIBC were able to expand its position in its selected core market segments, alongside above-average profitability relative to its peers, with no increase in risk.

Key Metrics

NIBC Holdings N.V.--Key ratios and forecasts

	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Growth in operating revenue	21.8	-9.9	3.6-4.4	2.2-2.7	0.2-0.3
Growth in customer loans	10.6	-0.8	2.1-2.5	2.0-2.4	2.0-2.4
Growth in total assets	7.6	0.4	1.6-1.9	1.7-2.1	1.7-2.0
Net interest income/average earning assets (NIM)	2.0	2.1	2.0-2.2	2.0-2.3	2.0-2.3

NIBC Holdings N.V.--Key ratios and forecasts (cont.)					
	--Fiscal year ended Dec. 31 --				
(%)	**2021a**	**2022a**	**2023f**	**2024f**	**2025f**
Cost to income ratio	45.2	51.8	50.0-52.6	49.4-52.0	49.3-51.8
Return on average common equity	9.8	8.1	7.6-8.4	9.0-9.9	9.8-10.8
Return on assets	0.9	0.7	0.7-0.8	0.7-0.8	0.7-0.8
New loan loss provisions/average customer loans	0.2	0.1	0.2-0.2	0.1-0.1	0.1-0.1
Gross nonperforming assets/customer loans	5.6	4.5	4.7-5.2	4.1-4.5	4.0-4.4
Net charge-offs/average customer loans	0.1	0.2	0.1-0.1	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	13.0	13.5	13.2-13.9	11.5-12.1	12.3-12.9

All figures are S&P Global Ratings-adjusted. a--Actual. e--Estimate. f--Forecast. NIM--Net interest margin.

Anchor: 'bbb+' Anchor For Banks Operating In The Netherlands

We view the economic risk trend for the Dutch banking sector as stable. Under our base-case scenario, we expect the Netherlands, like other European countries, to be affected by the repercussions of the Russia-Ukraine war, with GDP growth subdued at 0.9% in 2023 (after 4.5% in 2022). After peaking at 11.7% in 2022 inflation is expected to reduce to 4.8% in 2023, still putting pressure on households' purchasing power. The labour market remains strong with unemployment hovering around 4%. Economic imbalances have not receded because of a very dynamic real estate market, where existing supply shortages and pent-up demand, combined with favorable demographics, support long-term house price appreciation. However, we expect this to slow over the next few years on the back of rising interest rates. We have seen modest asset quality improvements over the past year but we could see some deterioration depending on the severity of the economic consequences of the Russia-Ukraine conflict. However, given Dutch banks' focus on domestic mortgages and well collateralized lending, we expect total credit impairment charges to remain at about through-the-cycle levels of 25-30 basis points (bps) by 2023.

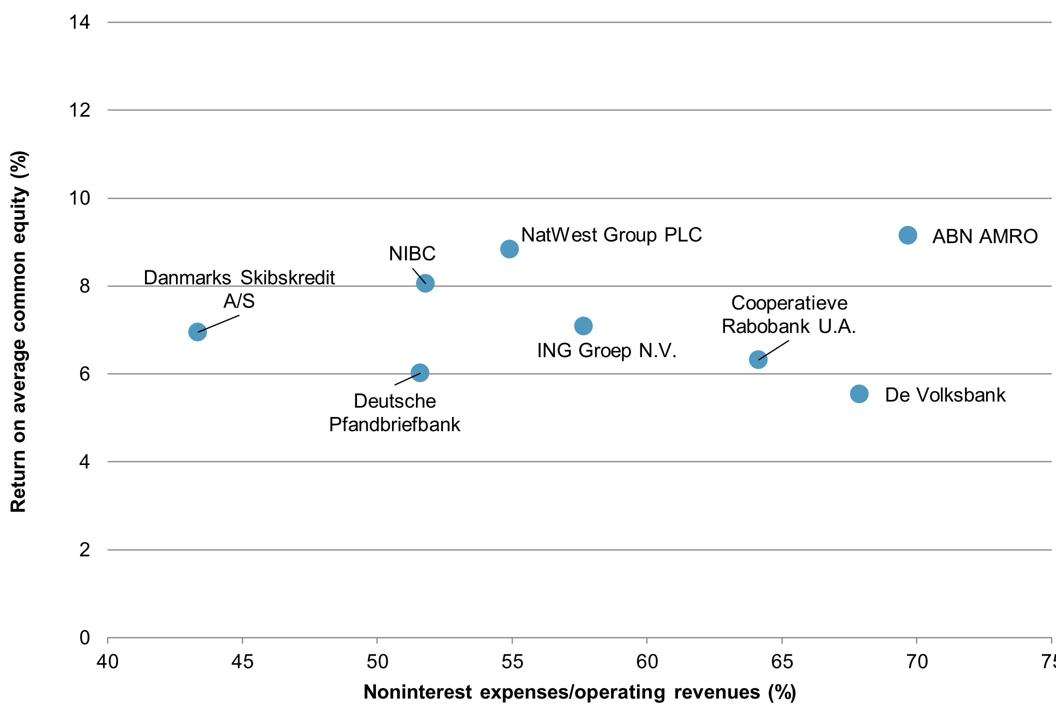
Our assessment of industry risk for Dutch banks incorporates high domestic concentration and our view of a stable competitive environment. We consider that the prospective profitability of domestic banking remains adequate. However, we continue to see some pressure on profitability from the limited growth potential of the mature domestic market, inflationary pressure on costs, and continued investment in digital, information technology (IT), and compliance requirements. Dutch banks display a cost-efficiency ratio (about 58% in 2022) that compares satisfactorily with that of European peers, largely attributed to their proactive digitalization, more direct low-cost distribution channels, and the country's high uptake of mobile banking. However, we see limited upside for additional cost efficiency improvements because any benefits achieved will largely be offset by further investments needed to continue the digitalization of banking operations, as well as regulatory and compliance-related investments. The system funding is balanced between wholesale funding and customer deposits, though we note households' propensity to save in nonbank saving products, from life insurance products to pension schemes. We consider that Dutch systemwide funding benefits from, among other things, the depth of the domestic financial market and potential funding support from the European Central Bank (ECB). We view the trend on industry risk as stable.

Business Position: Niche Franchises, But Ongoing De-risking Strategy And Good Management Execution Capabilities

We consider NIBC's niche franchises in both its corporate and retail segments and its modest overall market position as factors that may jeopardize its earnings stability over time. However, NIBC's continued focus on managing and reducing high-risk exposures, combined with management's strong strategic execution capabilities and an agile, cost-efficient, business model partially offset these factors.

Chart 1

High margins and cost-efficient business model support NIBC's performance
As of December 31, 2022



Source: S&P Global Ratings.

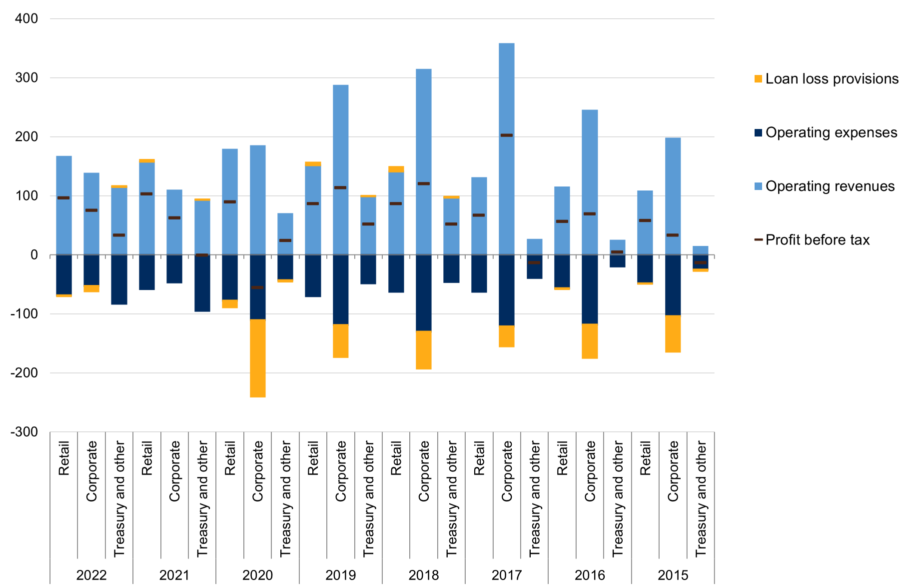
With total assets of about €23 billion at year-end 2022, NIBC is a midsize bank within the overall Dutch system. Although able to rely on stable customer relationships--especially within its corporate customer base--NIBC lacks the strength of its larger domestic peers' (i.e. ABN AMRO, ING, and De Volksbank) long-standing franchises.

We consider the bank's lending franchise as relatively limited in the Dutch context, with about 4% market share.

Although NIBC's small size and niche focus give way to a flexible structure and alternative avenues for profitable growth, we consider that its niche franchises lead to a potentially more confidence-sensitive business model. It also may require management to look for new growth drivers, if the first-mover competitive advantage starts to dissipate or larger banks use their pricing power to gain market share. In our view, this may occur in the highly competitive domestic mortgage market, where the bank aims at further expanding.

Chart 2

NIBC's de-risking strategy could reduce earnings volatility, but also impact its revenue base if it cannot maintain competitive advantage



Source: S&P Global Ratings.

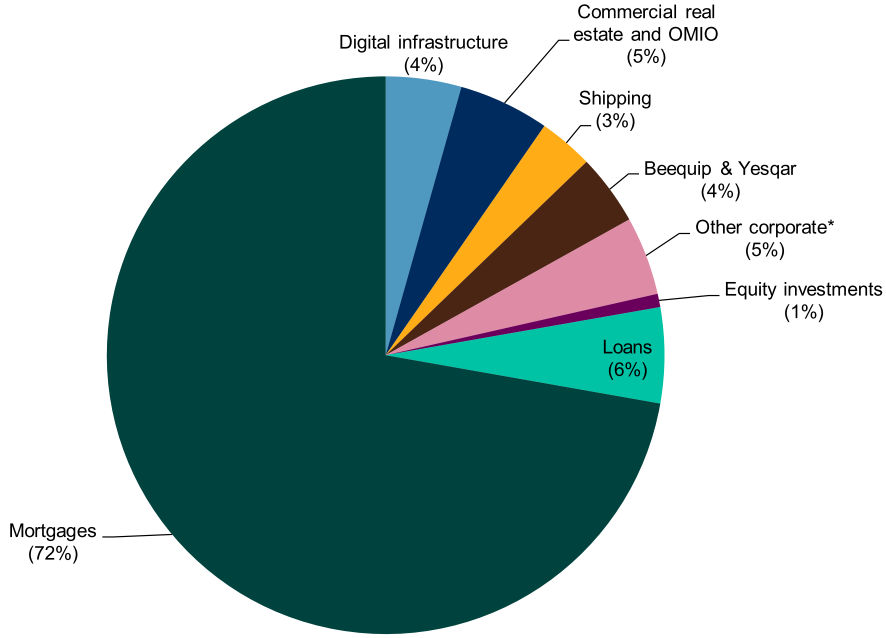
Historically, most of NIBC's net profit has stemmed from its corporate banking income, which originated from lending and providing advisory services to mid-cap companies in the Benelux region, Germany, and internationally to a few niche sectors, including infrastructure, shipping, and oil and gas. However, the bank's ongoing deleveraging in the shipping, offshore energy, and leverage finance corporate segments, as well as the strategic refocus on retail business niches--such as the originate-to-manage (OTM) business--has recently led to a more balanced income contribution from the corporate and retail business segments.

NIBC launched its OTM business in 2016, with an initial expansion into the retail space. Through this offering, NIBC originates long fixed-interest mortgage loans under its own label and distributes the loans to institutional investors who seek these long-duration products. The OTM mortgage portfolio has been increasing over the past six years, standing at about €12.8 billion assets in December 2022. In parallel, the amount of OTM-related fee income has also increased, constituting about 83% of the whole fee income at the same date. We expect the bank to further expand into this space over the next couple of years, and this business to remain one of the bank's core areas of development in 2023-2025.

Over the next two years, we also expect the bank to remain focused on its retail direct lending (owner-occupied and buy-to-let), while continuing to rebalance its corporate book. This will be achieved by continuing to decrease its exposures in the offshore energy and leverage finance sectors, and by investing in corporate niche segments that embed ongoing and fast-developing trends (that is, fintech and digital infrastructures).

Chart 3

NIBC Holding N.V.--Key risk exposures in FY 2022 (€35,288 million)



*Comprises originate-to-mortgage corporate assets and other lease receivables.

We anticipate cumulative lending growth to remain relatively contained in 2022-2024, impacted by expected deleveraging in some of the bank's corporate segments, as well as the challenging macroeconomic environment and stiff competition in the domestic mortgage market. Furthermore, it reflects our expectation that NIBC will keep expanding within small-ticket lending businesses that could improve the portfolio granularity, such as Beequip (equipment leasing company). In addition, NIBC also launched yesqar, a fintech initiative that offers solutions to the automotive sector, with an exclusive focus on financing cars on stock and car-leasing portfolios.

Overall, we see the bank's medium-term profitability target (return on equity between 10%-12%) as credible, although the bank's lack of franchise could challenge the bank's expansion in some of its core markets and make the bank's cost-of-funding more susceptible to rising interest rates than larger, deposit-funded peers.

Capital And Earnings: Robust Capitalization, On The Back Of Low Balance Sheet Growth, Decent Asset Quality And Positive Internal Capital Generation.

We believe NIBC's creditworthiness will continue to benefit from robust capitalization. As a result, we expect that, over the next two years, the bank's risk-adjusted capital (RAC) ratio will be 12.25%-12.75%, compared to the 13.5% estimated at year-end 2022, on the back of a positive internal capital-generation capacity, sound asset quality, successful recalibration of its lending portfolio toward retail assets and less volatile corporate exposures and some excess capital distribution.

Consistent with other key metrics, we calculate the bank's RAC ratio from the Pillar 3 report of its holding company, NIBC Holding N.V., to avoid any double leverage considerations, because there is a difference in the size of equity at the bank and at the holding company level. However, the difference in exposures between the two is minimal.

Our 2025 projected RAC range over the forecast period is based primarily on the following assumptions:

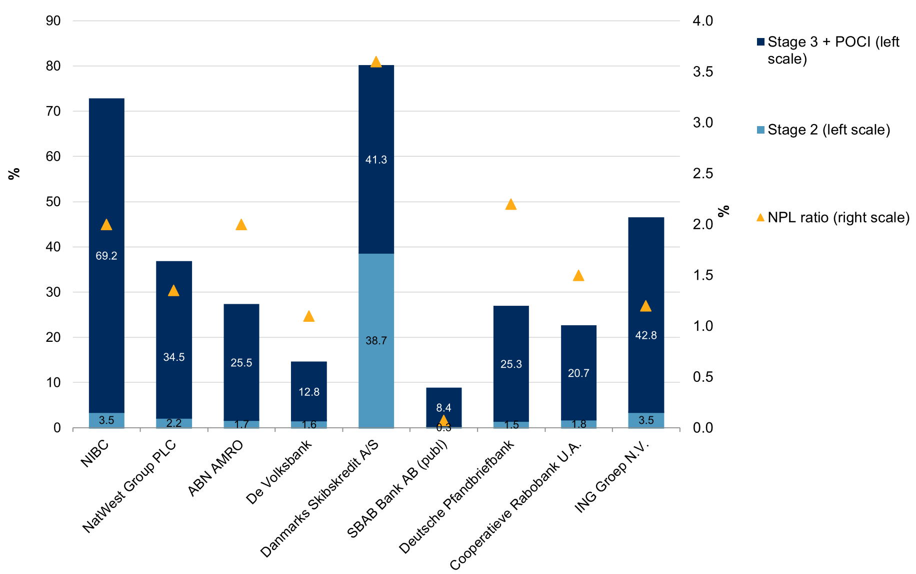
- S&P Global Ratings' risk-weighted assets to decrease, on the back of the continued smooth wind-down of the bank's non-core portfolio and gradual rebalancing towards retail and corporate asset-backed assets. NIBC's non-core activities include volatile corporate exposures, equity investments, and OTM corporate assets. The bank's non-core portfolio stood at €3.8 billion as of December 2022, down from about €5.8 billion at end-2020.
- Cumulative net income of about €490 million in 2023-2025. We expect NIBC's return-on-average common equity to be above 10% at end-2025.
- Shareholder distributions of up to 70% of net income, in 2023-2025.
- The use of about €370 million of capital in 2023-2024 for further dividend distributions or portfolio acquisitions.

Risk Position: Risk Management Expertise, A Well-Collateralized Portfolio, And Continued Reduction In Large Corporate Risk Exposures.

We believe that NIBC's risk-management expertise in the sectors it operates, the collateralized nature of most of the outstanding lending activities, and the bank's continued efforts to reduce its exposure to some potentially more volatile corporate sectors mitigate NIBC's credit risk. Furthermore, at this stage, we do not expect the new shareholder to substantially interfere with the bank's risk appetite or strategy. At this stage, we expect the bank's NPEs to stay around 4% in 2023 of the bank's customer loans, with the bank's cost of risk estimated at 20 basis points in 2023, and contained below 20 points afterwards.

Chart 4

Risk management expertise and good level of collateral counterbalance NIBC's relatively high credit risk



NPL--Nonperforming loans. Source: S&P Global Ratings.

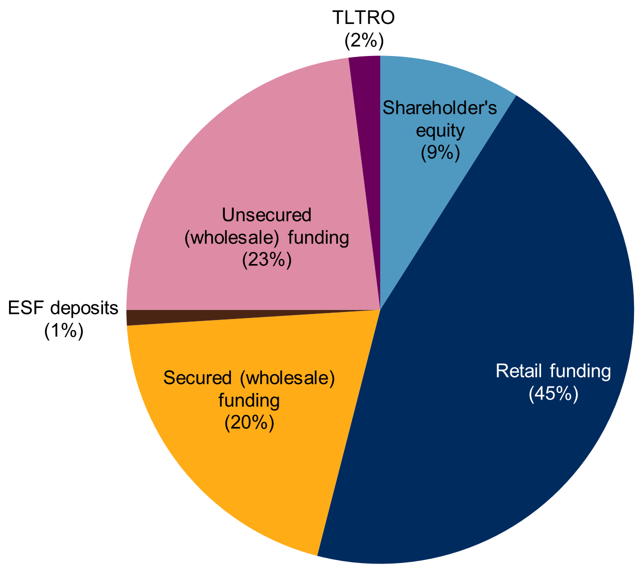
Funding And Liquidity: Well-Diversified Funding Profile But Potentially More Sensible To Increasing Interest Rates Than Larger Peers

We calculate NIBC's customer loan-to-deposit ratio was above 160% at December 2022, and we do not foresee any significant improvement of the ratio in the coming years. This is because we expect customer deposits to remain broadly stable, at about 55%-56% of the funding base (per our measures as of December 2022). Although this proportion is lower than the average value for some Dutch peers (71% of the funding base), this is partly offset by the maturity profile of the wholesale funding.

While we tend to view NIBC's online savings deposits as potentially more volatile than more relationship-based savings and current accounts, we note the good granularity and very high proportion of insured balances, constituting more than 90% of retail deposits; the geographic diversity through its German and Belgian deposit base; and the broadly stable track record. In the rising interest rate environment, we consider that NIBC will likely need to raise its deposit rates faster than higher-rated peers to maintain its funding profile.

Chart 5

Funding composition



Source: S&P Global Ratings.

We consider the maturity profile of the bank's funding as adequate, illustrated by our stable funding ratio, which we expect to continue to exceed 100% (107% as of December 2022).

NIBC's large portfolio of liquid assets, in the form of cash or securities eligible for repurchase agreement activity, support the bank's liquidity position. As of Dec. 30, 2022, cash and balances at central banks totaled €2.1 billion. In addition, a debt securities portfolio of €878 million, comprised of highly rated bank and corporate bonds, is used to support liquidity. We estimate our ratio of broad liquid assets to short-term wholesale funding to comfortably exceed 2.2x at end-2022.

Support: No More ALAC notches Following The Decision Of The Domestic Resolution Authority

On March 3, 2023, NIBC announced that the Dutch resolution authority, De Nederlandsche Bank N.V. (DNB), had changed its resolution plan, with the expectation that if NIBC were ever to fail, it would likely enter normal insolvency proceedings, rather than resolution proceedings. This approach differs from the Single Resolution Board's (SRB's) resolution strategy--to which NIBC had previously been subject--which entailed a sale of business supported by a bail-in. NIBC moved from the SRB's supervision to the DNB's supervision in 2020, following the merger of its German retail bank with its main operating bank based in the Netherlands, which reduced its complexity. In a potential liquidation, we believe that senior creditors would not benefit from the same level of protection as in a resolution. We have therefore decided to no longer apply the positive notch of additional loss-absorbing capacity to our long-term rating on NIBC.

Environmental, Social, And Governance

ESG Credit Indicators

E-1	**E-2**	E-3	E-4	E-5	S-1	**S-2**	S-3	S-4	S-5	G-1	**G-2**	G-3	G-4	G-5

ESG credit indicators provide additional disclosure and transparency at the entity level and reflect S&P Global Ratings' opinion of the influence that environmental, social, and governance factors have on our credit rating analysis. They are not a sustainability rating or an S&P Global Ratings ESG Evaluation. The extent of the influence of these factors is reflected on an alphanumerical 1-5 scale where 1 = positive, 2 = neutral, 3 = moderately negative, 4 = negative, and 5 = very negative. For more information, see our commentary "ESG Credit Indicators: Definition And Applications," published Oct. 13, 2021.

ESG factors have no material influence on our credit rating analysis of NIBC Bank. As a bank with exposure to shipping, offshore energy, and commercial real estate, NIBC is subject to environmental risks as well as changing regulations and norms. However, these risks may reduce thanks to the bank's ongoing de-risking strategy. Therefore, we assess the impact of environmental factors on NIBC's credit quality as neutral. Social and governance factors are also credit-relevant, as they could affect the bank's reputation. We see NIBC's continued investment in its IT and client due diligence processes, combined with its risk-management expertise and proactive approach, as a positive factor for our credit assessment, enabling the bank to mitigate potential nonfinancial and reputational risks.

Key Statistics

Table 1

NIBC Holdings N.V.--Key figures

	--Fiscal year end Dec. 31--				
(Mil. €)	**2022**	**2021**	**2020**	**2019**	**2018**
Adjusted assets	22,805	22,720.0	21,123.0	22,369.0	21,548.0
Customer loans (gross)	18,443	18,600.0	16,824.0	17,862.0	17,231.0
Adjusted common equity	1,760	1,708.0	1,646.0	1,603.0	1,482.6
Operating revenues	473	525.0	431.0	537.0	551.0
Noninterest expenses	245	237.5	225.4	227.2	239.0
Core earnings	170	207.7	N/A	214.0	229.0

N/A--Not applicable.

Table 2

NIBC Holdings N.V.--Business position

	--Fiscal year end Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Total revenues from business line (currency in millions)	473	525.0	431.0	537.0	551.0

Table 2

NIBC Holdings N.V.--Business position (cont.)

	--Fiscal year end Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Commercial banking/total revenues from business line	40.59	51.0	42.7	53.3	56.6
Retail banking/total revenues from business line	35.10	35.4	41.3	28.3	25.6
Commercial & retail banking/total revenues from business line	75.69	86.5	84.0	81.6	82.2
Trading and sales income/total revenues from business line	24.31	13.5	16.0	18.4	17.6
Other revenues/total revenues from business line	N/A	N/A	N/A	N/A	0.2
Investment banking/total revenues from business line	24.31	13.5	16.0	18.4	17.6
Return on average common equity	8.05	9.8	2.6	10.8	11.8

N/A--Not applicable.

Table 3

NIBC Holdings N.V.--Capital and earnings

	--Fiscal year end Dec. 31--				
(%)	**2022**	**2021**	**2020**	**2019**	**2018**
Tier 1 capital ratio	19.00	19.6	21.0	18.5	19.9
S&P Global Ratings' RAC ratio before diversification	N/A	13.0	14.1	12.0	11.7
S&P Global Ratings' RAC ratio after diversification	N/A	11.1	12.0	10.3	10.1
Adjusted common equity/total adjusted capital	89.80	89.5	89.2	88.9	88.1
Net interest income/operating revenues	89.43	74.3	93.5	79.3	77.5
Fee income/operating revenues	9.94	8.8	10.0	7.4	9.3
Market-sensitive income/operating revenues	-3.38	9.9	(3.5)	11.4	12.3
Cost to income ratio	51.80	45.2	52.3	42.3	43.4
Preprovision operating income/average assets	1.00	1.3	0.9	1.4	1.4
Core earnings/average managed assets	0.75	0.9	N/A	1.0	1.0

N/A--Not applicable.

Table 4

NIBC Holdings N.V.--Risk-adjusted capital framework data

(Mil. €)	**Exposure***	**Basel III RWA**	**Average Basel III RW(%)**	**S&P Global Ratings RWA**	**Average S&P Global Ratings RW (%)**
Credit risk					
Government & central banks	1,868.8	0.0	0.0	7.3	0.4
Of which regional governments and local authorities	0.0	0.0	0.0	0.0	0.0
Institutions and CCPs	979.3	187.2	19.1	208.8	21.3
Corporate	7,645.2	4,083.4	53.4	6,277.8	82.1
Retail	12,096.5	1,618.6	13.4	3,135.6	25.9
Of which mortgage	11,950.5	1,517.9	12.7	3,026.1	25.3
Securitization§	824.2	459.1	55.7	562.5	68.2
Other assets†	592.5	747.8	126.2	672.0	113.4
Total credit risk	24,006.5	7,096.0	29.6	10,864.0	45.3

Table 4

NIBC Holdings N.V.--Risk-adjusted capital framework data (cont.)

Credit valuation adjustment					
Total credit valuation adjustment	--	44.1	--	0.0	--
Market risk					
Equity in the banking book	258.6	956.8	370.0	2,187.2	845.8
Trading book market risk	--	130.1	--	295.9	--
Total market risk	--	1,086.9	--	2,483.1	--
Operational risk					
Total operational risk	--	897.5	--	1,283.6	--

(Mil. €)	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	9,124.5	--	14,630.7	100.0
Total Diversification/ Concentration Adjustments	--	--	--	2,529.3	17.3
RWA after diversification	--	9,124.5	--	17,160.0	117.3

(Mil. €)	Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio before adjustments	1,757.0	19.3	1,908.0	13.0
Capital ratio after adjustments‡	1,757.0	19.3	1,908.0	11.1

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions. ‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data as of 'Dec. 31 2021', S&P Global Ratings.

Table 5

NIBC Holdings N.V.--Risk position

	--Fiscal year end Dec. 31--				
(%)	2022	2021	2020	2019	2018
Growth in customer loans	(0.8)	10.6	(5.8)	3.7	0.6
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	17.3	17.1	16.5	15.9
Total managed assets/adjusted common equity (x)	12.96	13.3	12.8	14.0	14.5
New loan loss provisions/average customer loans	0.11	0.2	0.8	0.3	0.3
Net charge-offs/average customer loans	0.17	0.1	0.7	0.3	0.3
Gross nonperforming assets/customer loans + other real estate owned	4.48	5.6	4.3	5.0	5.6
Loan loss reserves/gross nonperforming assets	24.06	19.9	26.1	18.7	17.5

N/A--Not applicable.

Table 6

NIBC Holdings N.V.--Funding and liquidity

	--Fiscal year end Dec. 31--				
(%)	2022	2021	2020	2019	2018
Core deposits/funding base	55.10	55.6	58.9	56.9	58.4
Customer loans (net)/customer deposits	163.23	162.8	149.9	155.9	151.9

Table 6

NIBC Holdings N.V.--Funding and liquidity (cont.)					
	--Fiscal year end Dec. 31--				
(%)	2022	2021	2020	2019	2018
Long-term funding ratio	94.02	94.9	96.3	93.4	93.2
Stable funding ratio	106.72	107.7	112.4	107.8	108.1
Short-term wholesale funding/funding base	6.62	5.6	4.1	7.3	7.5
Regulatory net stable funding ratio	130.00	126.0	N/A	N/A	N/A
Broad liquid assets/short-term wholesale funding (x)	2.20	2.4	3.7	2.0	1.9
Broad liquid assets/total assets	12.93	12.1	13.5	13.1	13.1
Broad liquid assets/customer deposits	26.38	24.3	25.7	25.8	25.1
Net broad liquid assets/short-term customer deposits	16.07	16.2	21.6	16.4	15.5
Regulatory liquidity coverage ratio (LCR) (x)	207.00	184.0	N/A	N/A	N/A
Short-term wholesale funding/total wholesale funding	14.43	12.3	9.7	16.6	17.7
Narrow liquid assets/3-month wholesale funding (x)	23.21	5.2	4.6	27.1	6.3

N/A--Not applicable.

NIBC Bank N.V.--Rating component scores	
Issuer Credit Rating	BBB/Stable/A-2
SACP	bbb
Anchor	bbb+
Economic risk	3.25
Industry risk	3
Business position	Constrained
Capital and earnings	Strong
Risk position	Adequate
Funding	Adequate
Liquidity	Adequate
Comparable ratings analysis	0
Support	0
ALAC support	0
GRE support	0
Group support	0
Sovereign support	0
Additional factors	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, March 2, 2022
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Dec. 9 2021
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Principles Of Credit Ratings, Feb. 16 2011

Related Research

- Netherlands, April 24, 2023
- Research Update: Netherlands-Based NIBC Bank N.V. Downgraded To 'BBB' On Change Of Resolution Strategy; Outlook Stable; SACP Unchanged, March 17, 2023

Ratings Detail (As Of May 11, 2023)*	
NIBC Bank N.V.	
Issuer Credit Rating	BBB/Stable/A-2
Commercial Paper	
Local Currency	A-2
Junior Subordinated	BB-
Senior Secured	AAA/Stable
Senior Subordinated	BBB-
Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BB+
Issuer Credit Ratings History	
17-Mar-2023	BBB/Stable/A-2
24-Jun-2021	BBB+/Stable/A-2
23-Apr-2020	BBB+/Negative/A-2
14-May-2019	BBB+/Stable/A-2
29-Oct-2018	BBB/Positive/A-2
Sovereign Rating	
Netherlands	AAA/Stable/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.