CREDIT OPINION

17 June 2025

Update

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RATINGS

NIBC Bank N.V.

Domicile	The Hague, Netherlands
Long Term CRR	A2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	A2
Type	Senior Unsecured - Dom Curr
Outlook	Stable
Long Term Deposit	A2
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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NIBC Bank N.V.

Update to credit analysis

Summary

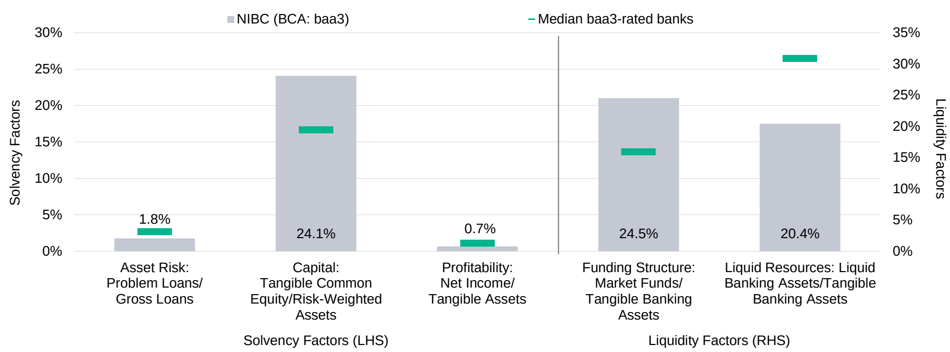
The A2 long-term debt and deposit ratings of NIBC Bank N.V. (NIBC) incorporate the bank's standalone Baseline Credit Assessment (BCA) of baa2; a three-notch uplift from our Advanced Loss Given Failure (LGF) analysis for both deposits and senior debt; and our assumption, given the small size of NIBC, of a low probability of support from the Government of the Netherlands (Aaa stable), which does not result in any uplift.

NIBC's baa2 BCA reflects its niche franchise, which focuses on Dutch residential mortgages and on corporate lending to a limited number of sectors, some of which are cyclical, including commercial real estate. These activities' performance would be sensitive to any deterioration in the macroeconomic environment. Nonetheless, we consider that this would be somewhat offset by the recent rebalancing of the corporate lending portfolio and the reduction of single-name concentrations, resulting in an improved asset risk profile.

NIBC's BCA is constrained by high reliance on confidence-sensitive wholesale funding, despite reduced use of unsecured debt, and increased diversification achieved through a retail deposit base.

Exhibit 1

Rating Scorecard - Key financial ratios



Source: Moody's Financial Metrics

This report was republished on 25 June 2025 with a corrected assumption of 10% of junior deposits.

Credit strengths

» Low-risk Dutch mortgage book

» Sound capitalisation despite recently lowered capital levels

» Diversified sources of funding

Credit challenges

» Niche franchise focused on the Netherlands

» High sector and single-name concentrations despite risk reductions in the corporate loan book

» Reliance on wholesale funding and confidence-sensitive online saving deposits

Outlook

The stable outlook on NIBC's long-term deposit and senior unsecured debt ratings reflects our view that the bank's credit profile will benefit from the rebalancing of the corporate portfolio to less volatile and lower risk assets while reporting increased profitability derived from the higher interest rate environment compared to years prior 2022. The outlook is also predicated on ample capital buffers and a stable level of loss-absorbing debt instruments subordinated to depositors and senior debt holders.

Factors that could lead to an upgrade

An upgrade of NIBC's long-term deposit and senior unsecured debt ratings is unlikely and could only result from an increase in the bank's BCA. An upgrade of the BCA could be driven by a proven track record of lower asset risk while maintaining high capital buffers and strong profitability.

The bank's subordinated bank debt would be upgraded if its loss-given-failure were to decrease as a result of significant issuance of Additional Tier 1 (AT1) instruments.

Factors that could lead to a downgrade

A downgrade of NIBC's ratings could be driven by a downgrade of its BCA as a result of a deterioration in asset quality, especially in cyclical corporate sectors such as commercial real estate, which would deteriorate the bank's overall profitability. NIBC's BCA could also be downgraded if the bank's liquidity or funding structure were to deteriorate.

The deposit and senior unsecured debt ratings could also be downgraded as a result of a material decrease in junior senior unsecured debt volume, leading to higher loss given failure for both debt categories.

Key indicators

Exhibit 2
NIBC Bank N.V. (Consolidated Financials) [1]

	12-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (EUR Million)	22,949.0	23,050.0	22,692.0	22,464.0	20,832.0	2.4[4]
Total Assets (USD Million)	23,763.6	25,462.3	24,218.0	25,454.1	25,489.1	(1.7)[4]
Tangible Common Equity (EUR Million)	1,662.0	1,750.0	1,729.0	1,749.0	1,685.0	(0.3)[4]
Tangible Common Equity (USD Million)	1,721.0	1,933.1	1,845.3	1,981.8	2,061.7	(4.4)[4]
Problem Loans / Gross Loans (%)	1.6	1.7	2.0	2.6	1.8	2.0[5]
Tangible Common Equity / Risk Weighted Assets (%)	24.1	19.7	18.8	20.4	22.1	21.0[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	16.4	17.0	19.3	25.0	16.5	18.8[5]
Net Interest Margin (%)	1.7	1.8	1.7	1.6	1.7	1.7[5]
PPI / Average RWA (%)	3.0	2.9	1.9	2.7	2.2	2.5[6]
Net Income / Tangible Assets (%)	0.7	0.8	0.6	0.8	0.2	0.6[5]
Cost / Income Ratio (%)	47.5	45.8	57.1	52.7	53.7	51.3[5]
Market Funds / Tangible Banking Assets (%)	24.5	29.0	31.6	29.7	35.8	30.1[5]
Liquid Banking Assets / Tangible Banking Assets (%)	20.4	14.2	16.0	14.3	16.4	16.2[5]
Gross Loans / Due to Customers (%)	140.9	162.4	163.4	163.5	150.3	156.1[5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

NIBC Bank N.V. (NIBC) is a Dutch commercial bank, which provides a range of financial products and services to retail customers and corporate clients, mainly in the Netherlands, Germany and the UK. The bank also offers saving accounts in the Netherlands, Belgium and Germany. As of year-end 2024, NIBC had total consolidated assets of €22.9 billion.

In its corporate banking business, NIBC follows a niche approach. Its ability to write new business is based on its expertise, tailor-made structuring capacities and speed of decision-making. The bank only fulfills specific needs of clients and does not aim to become their main bank or offering the entire spectrum of financial products. Transactions in the corporate sector are predominantly bilateral or small club deals. The bank focuses its corporate banking business on asset-backed financing including commercial real estate and digital infrastructure. In 2024, the bank sold its shipping portfolio and its two platform financing fintechs Beequip[1] and Yesqar[2].

In its retail client offering, NIBC originates both owner-occupied and buy-to-let mortgages in the Netherlands through independent intermediaries, with outstanding amounts of €12.6 billion and €1.3 billion, respectively, as of year-end 2024. The bank also operates an originate-to-manage business, where it originates mortgage loans under its own label for third-party investors, which represented 50% of the mortgages portfolio (€13.6 billion) as of December 2024.

Saving products are exclusively offered through an online channel in the Netherlands, Germany and Belgium. The bank does not offer current accounts and operates without any branch network.

NIBC has been fully owned by the private equity firm Blackstone since 30 December 2020.

Detailed credit considerations

The bank's high asset risks are mitigated by a good track record of low losses

The assigned Asset Risk score of baa2 incorporates four notches of downward adjustment, reflecting the exposure of the bank to cyclical sectors in its corporate loan book.

We consider the risks from NIBC's corporate banking activities to be high, reflecting the fact that the bank's franchise is skewed toward commercial real estate, which is vulnerable to deteriorating macroeconomic conditions. However, NIBC has a good track record of low losses since 2010. In addition, NIBC has been cutting exposures to the riskiest and most cyclical sectors, including leveraged finance, offshore energy, Collateralised Loan Obligations (CLOs) and shipping, as well as its small equity and investment loan portfolios. The bank has been developing its mortgages business line to represent 84% of the loan portfolio in 2024 from 65% in 2020, partly due to disposals of corporate loans.

At year-end 2024, NIBC's credit exposure comprised €5.0 billion corporate exposures (of which €0.9 billion non-core exposures) and €13.9 billion Dutch mortgages. Corporate exposures, primarily located in the Netherlands (46% as of year-end 2024), Germany (13%) and the UK (25%), are concentrated in the equivalent of our Baa and Ba categories, based on the bank's internal probability of default grading system. The granularity of the bank's portfolio has been improving over the last 5 years. The top 20 exposures as percentage of its CET1 capital was 59% as of December 2024, broadly in line with 2023 but improving from 88% as of December 2019.

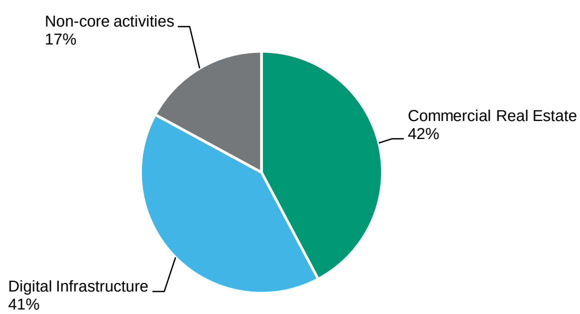
Because of its modest size and its relatively short-term nature, the bank has been able to rebalance its corporate portfolio relatively quickly to reduce its exposure to areas where it saw more downward risk than upward potential. In recent years, the bank has been reducing certain activities tagged as non-core to 3% of the portfolio in 2024 from 22% in 2020. In 2022, NIBC sold its offshore energy and leveraged finance activities, while the bank exited its CLO platform and the equity investment activities in 2023. In 2024, the bank divested from its shipping portfolio and platform companies.

As of December 2024, commercial real estate (CRE), which we consider as a cyclical sector, represented around 42% of NIBC's corporate loan book (including non-core activities). CRE exposures is likely to exhibit higher default risk in the coming quarters in our opinion, albeit we recognise that NIBC's CRE portfolio has exhibited very little deterioration until now. Non-core activities represented still around 17% of the corporate loan portfolio as of year-end 2024, although rapidly declining from 54% in 2021, in line with the de-risking strategy of the bank.

Exhibit 3

Exposure to cyclical sectors remain material

Breakdown of the corporate loan book as of December 2024

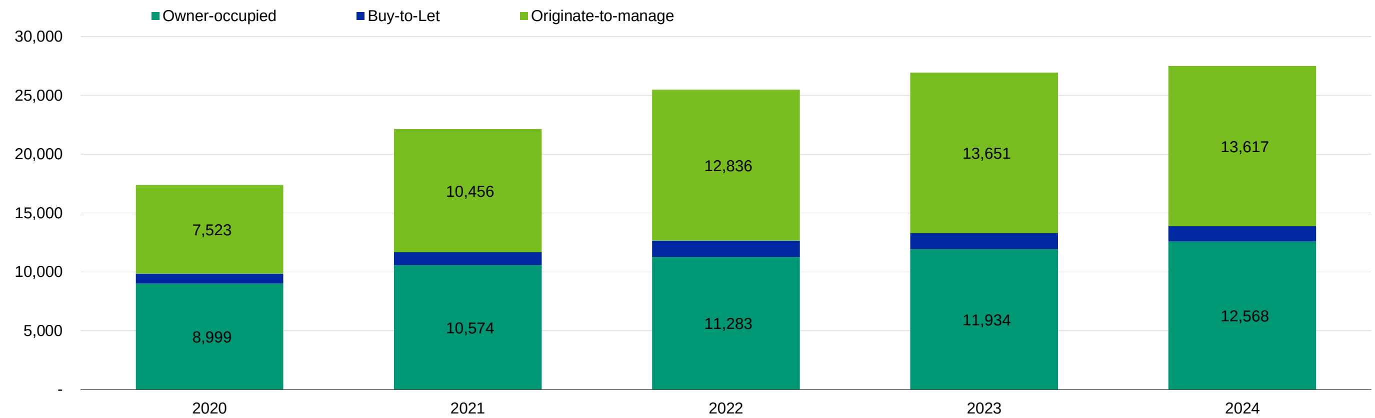


Source: Company's data

NIBC's Dutch retail mortgage portfolio has proven to be resilient and its performance is in line with that of larger banks' domestic mortgage portfolios. Buy-to-let mortgages were €1.3 billion or 9.5% of NIBC's on-balance-sheet mortgage portfolio as of December 2024, fairly in line with 2023. NIBC maintains conservative underwriting criteria for these mortgages (the average loan-to-value (LTV) ratio was 51% at end-December 2024) and it has a track record of good and relatively constant performance with the non-performing exposure averaging 28 bps of the loan book over the last three years.

The portion of the Dutch mortgage loan portfolio covered by NHG guarantee was 15% in 2024 from 14% in 2023. At the same date, 36% of the mortgage portfolio LTV was less than or equal to 50%, 49% of the portfolio had an LTV between 50% and 100%, and 1% of the portfolio had a LTV over 100%. Following a minor decline in 2023 caused by fluctuating house prices, LTV ratios saw an improvement in 2024, driven by rising housing prices in the Dutch market.

Exhibit 4
Composition of the mortgage loan portfolio
In € million



Source: Company data and Moody's Ratings

NIBC Bank's problem loan ratio was 1.6% at year-end 2024, slightly declining from 1.7% a year earlier. The bank's reported a cost of risk of 5 bps in 2024, improving from 11 bps in 2023 and 2022.

NIBC's sound capitalisation mitigates downside risks on the bank's loan portfolio

The assigned Capital score of a2 reflects the bank's good capitalisation partly offset by its lower medium-term CET1 objective and its concentrations in certain cyclical industries.

We view NIBC as well capitalised and resilient to cyclical downturns despite tail risks stemming from its material exposures to commercial real estate. NIBC's CET1 ratio was 22.4% as of December 2024, increasing from 18.4% as of December 2023, mainly due to decrease in risk-weighted assets related to the sale of the platforms and the shipping portfolio.

The current CET1 ratio is well above the Supervisory Review and Evaluation Process (SREP) requirement of 10.7% at year-end 2024. As of the same date, the bank reported a strong leverage ratio of 7.4%.

The bank disclosed an expected target CET1 ratio between 16% and 17%, pro forma certain key events: (1) the merger of the holding and operating company, with NIBC Bank as the acquirer, is projected to have a positive impact of approximately 1.2 percentage point (ppt); (2) the implementation of Basel IV is expected to have a negative impact of between 3.1 ppts and 3.9 ppts; and (3) a proposed dividend related to the sale of the platform companies will likely have a negative impact of 3.7 ppts.

The bank set a medium-term target for its CET1 ratio of above 13%, although we expect the bank to remain well above this target in the next 18 months.

NIBC exhibits good profitability and efficiency, but earnings tend to be volatile

The bank's profitability is prone to some volatility because of the inherent sensitivity of some activities to the business cycle, which is reflected in the profitability score of baa3.

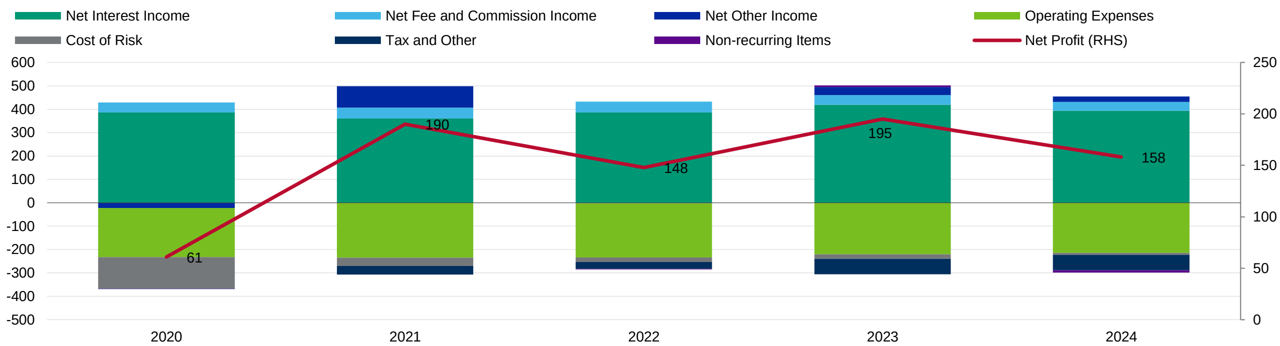
NIBC has a relatively good profitability versus its Dutch peers, although inherently prone to volatility due to its corporate loan portfolio edged towards certain cyclical sectors. The bank's net income to tangible assets was 0.68% in 2024 declining from 0.77% in 2023.

Recurring net income decreased by 14% to €163 million in 2024 from €189 million in 2023. Recurring net interest income, which accounts for 85% of total revenues, was €387 million in 2024, down 8% from €419 million in 2023. This decline was driven by a reduction in the volume of non-core portfolio activities by €1.7 billion, which more than offset the expansion of the core portfolio's activity (+5% mortgage loans, +15% infrastructure, +8% real estate). Net fee income decreased by 7% in 2024 to €38 million, due to the sale of the CLO platform in 2023, and represented 8% of revenue. As the bank exited higher margin and fee businesses, we expect profitability to be lower going forward and also to exhibit higher stability.

Recurring net interest margin decreased to 169 basis points (bps) in 2024 from 186 bps in 2023. This decline was primarily due to a reduction in the non-core loan portfolio volume and a slight decrease in the margin on the residential portfolio. These factors more than offset the positive impact of a lower funding spread in 2024.

NIBC reported solid operating efficiency with a cost-to-income ratio of 47% in 2024 slightly deteriorating from 44% in 2023 (45% excluding non-recurring items). Operating efficiency is supported by the absence of a heavy fixed cost base such as a branch network.

Exhibit 5
Breakdown of NIBC's net profit
In € million



Source: Company data and Moody's Ratings

Improved funding mix supports balance-sheet expansion, but wholesale funding reliance and exposure to online deposits persist

The Funding Structure score of ba1 assigned to NIBC reflects the bank's high reliance on confidence-sensitive wholesale funding but also takes into account the diversification of funding sources. This factor, associated with a Liquid Resources score of baa2, leads to a combined Liquidity score of baa3.

NIBC has a large retail deposit base, which amounted to €12.1 billion and accounted for 57% of the bank's total funding (excluding equity) at year-end 2024. The amount of retail deposits increased by 8% from €11.1 billion at year-end 2023 due to 29,000 new saving clients in the Netherlands and Belgium. The bank's deposit base is very granular, with 91% of retail deposits covered by the deposit guarantee scheme. Despite its large deposit base, NIBC remains vulnerable to wholesale market disruptions, as illustrated by its high loan-to-deposit ratio of 141% at year-end 2024, although improving from 162% in 2023.

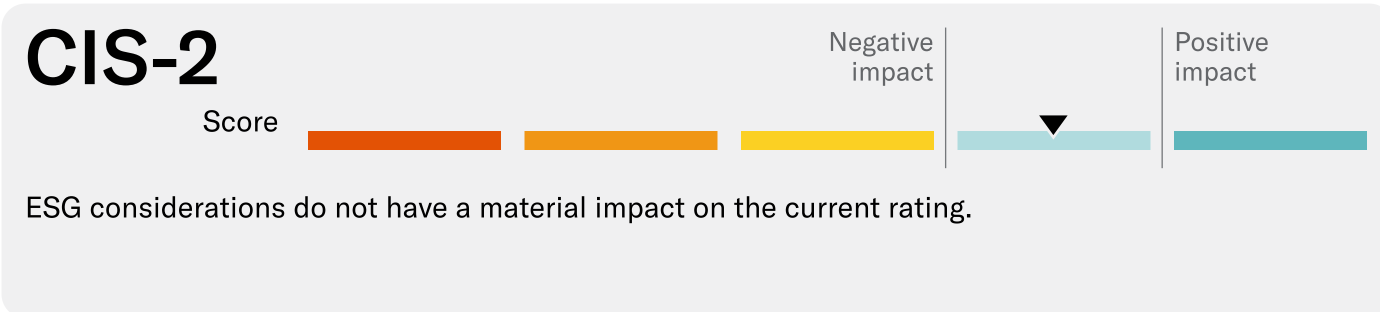
The bank's wholesale funding (€8.6 billion at year-end 2024 including Additional Tier 1 and Tier 2 instruments) is essentially long-term and mainly composed of covered bonds (51%) and senior unsecured debt (44%). Out of the total outstanding wholesale funding as of year-end 2024, 67% had a residual maturity of 1 to 5 years and 15% had a residual maturity of more than 5 years, leaving around €1.5 billion maturing within one year. NIBC's net stable funding ratio was 144% at year-end 2024.

NIBC benefits from a large liquidity buffer and a long-term funding structure. Therefore, the bank has sufficient liquidity to maintain its operations for more than one year in case of inability to tap the wholesale funding markets. Its liquidity coverage ratio was at a high 322% as of the end of December 2024.

ESG considerations

NIBC Bank N.V.'s ESG credit impact score is CIS-2

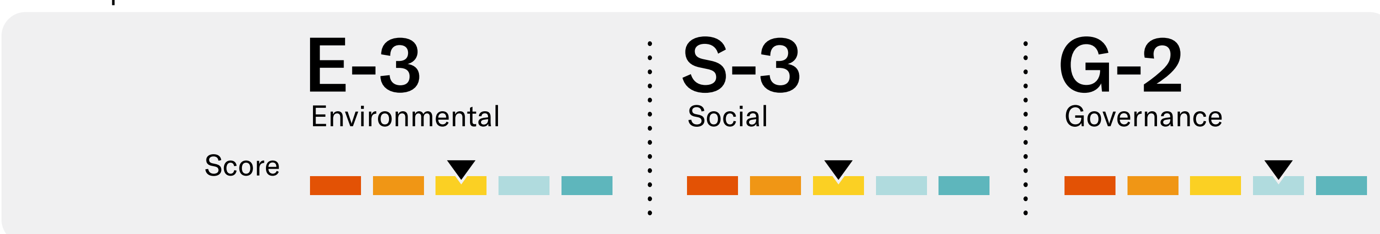
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

NIBC's **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

NIBC has a moderate exposure to environmental risks primarily because of its exposure to carbon transition risk as a corporate lender. Like its peers, the bank is facing mounting business risks and stakeholder pressure to meet more demanding carbon transition targets. As a result, NIBC is engaging in developing its climate risk framework and optimising its loan portfolio towards less carbon-intensive assets.

Social

NIBC faces moderate exposure to social risks related to regulatory and litigation risks, requiring high compliance standards. The exposure to customer relation risks is lower than those of its peers given the bank's focus on corporate clients, only offering plain vanilla mortgage and savings accounts to retail customers. Cyber and data risks are mitigated by a strong IT framework.

Governance

NIBC has low exposure to governance risks. The business model entails large exposures to some highly cyclical sectors. This is partly mitigated by a relatively conservative risk management as underpinned by the gradual reduction in single-name concentrations over the past six years. In recent years, the group has not been subject to any significant failures in its risk management and controls. The risks arising from its 99%-ownership by Blackstone, a global alternative investment management company, are partly mitigated by the large number of independent directors in the Supervisory Board as well as by the Netherlands' developed institutional framework.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

NIBC is domiciled in the Netherlands, which we consider an operational resolution regime (ORR). Thus, we apply our advanced Loss Given Failure (LGF) analysis. We assume the proportion of deposits considered junior at 10%, below our standard assumption of 26%. All the other assumptions are in line with our standard ones.

Our LGF analysis indicates that NIBC's deposits and senior unsecured debt are likely to face extremely low loss-given-failure, resulting in a three-notch from the bank's Adjusted BCA.

The junior senior unsecured is rated in line with the BCA, whereas the subordinated debt is rated one notch below the BCA.

Government support considerations

We assess a low probability of government support for NIBC, given that we do not consider it a systemically important bank in the Netherlands. This results in no additional uplift, and we therefore assign long-term debt and deposits ratings of A2 to the bank.

Methodology and scorecard

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 8
Rating Factors

Macro Factors						
Weighted Macro Profile	**Strong +**	**100%**				

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	1.8%	a1	↔	baa2	Quality of assets	Sector diversification
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	24.1%	aa1	↓↓	a2	Expected trend	Capital retention
Profitability						
Net Income / Tangible Assets	0.7%	baa2	↔	baa3	Earnings quality	Expected trend
Combined Solvency Score		a1		baa1		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	24.5%	baa1	↔	ba1	Deposit quality	
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	20.4%	baa1	↓	baa2	Expected trend	
Combined Liquidity Score		baa1		baa3		
Financial Profile		a2		baa2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				Aaa		
BCA Scorecard-indicated Outcome - Range				baa1 - baa3		
Assigned BCA				baa2		
Affiliate Support notching				0		
Adjusted BCA				baa2		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	6,017	26.2%	6,893	30.0%
Deposits	12,525	54.6%	11,648	50.8%
Preferred deposits	11,273	49.1%	10,709	46.7%
Junior deposits	1,253	5.5%	939	4.1%
Senior unsecured bank debt	2,166	9.4%	2,166	9.4%
Junior senior unsecured bank debt	1,000	4.4%	1,000	4.4%
Dated subordinated bank debt	352	1.5%	352	1.5%
Preference shares (bank)	200	0.9%	200	0.9%
Equity	688	3.0%	688	3.0%
Total Tangible Banking Assets	22,948	100.0%	22,948	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	23.3%	23.3%	23.3%	23.3%	3	3	3	3	0	a2
Counterparty Risk Assessment	23.3%	23.3%	23.3%	23.3%	3	3	3	3	0	a2 (cr)
Deposits	23.3%	9.8%	23.3%	19.2%	3	3	3	3	0	a2
Senior unsecured bank debt	23.3%	9.8%	19.2%	9.8%	3	3	3	3	0	a2
Junior senior unsecured bank debt	9.8%	5.4%	9.8%	5.4%	0	0	0	0	0	baa2
Dated subordinated bank debt	5.4%	3.9%	5.4%	3.9%	-1	-1	-1	-1	0	baa3
Cumulative bank preference shares	3.9%	3.0%	3.9%	3.0%	-1	-1	-1	-1	0	baa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	a2	0	A2	A2
Counterparty Risk Assessment	3	0	a2 (cr)	0	A2(cr)	
Deposits	3	0	a2	0	A2	A2
Senior unsecured bank debt	3	0	a2	0	A2	
Junior senior unsecured bank debt	0	0	baa2	0	(P)Baa2	(P)Baa2
Dated subordinated bank debt	-1	0	baa3	0	Baa3	
Cumulative bank preference shares	-1	0	baa3	0	Baa3 (hyb)	Baa3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 9

Category	Moody's Rating
NIBC BANK N.V.	
Outlook	Stable
Counterparty Risk Rating	A2/P-1
Bank Deposits	A2/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Senior Unsecured -Dom Curr	A2
Junior Senior Unsecured MTN	(P)Baa2
Subordinate -Dom Curr	Baa3
Pref. Stock	Baa3 (hyb)
Commercial Paper -Dom Curr	P-1
Other Short Term -Dom Curr	(P)P-1

Source: Moody's Ratings

Endnotes

1 Beequip is an equipment lease company primarily addressing SMEs and was founded in 2015.

2 Yesqar is a data driven car leasing company.

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