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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.	Small market share and lack of diversification, compared with 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 costs expected to be more sensitive to market confidence than those of peers.

NIBC Bank N.V.'s management team has successfully refocused the bank on lower risk businesses, while improving the cost-efficiency of its business model. Dutch housing loans comprise 80% of the bank's business, followed by asset-based lending (11%) and platform finance (6%) at end of June 2024. NIBC has successfully divested noncore activities, including leveraged finance, offshore energy, and collateralized loan obligations, as well as its small equity and investment loan portfolios, which helped the bank to reduce its overall risk exposure and earnings volatility. The reduction in exposure and volatility was further reinforced by NIBC's disposal of its $1 billion shipping portfolio in June 2024.

We believe NIBC's credit profile will remain constrained by its lack of diversification and small market share in its core operating segments. The bank's scale is limited and it lacks the strong franchise of some of its larger and higher-rated domestic peers. This could limit the impact of competitive advantages such as rapid management decisions, an agile business model, and customer-centric model in some of its core strategic business segments. In particular, it could be an issue in the highly competitive domestic mortgage market, where NIBC's market share is only 4%. In our view, NIBC will have to rely on superior efficiency compared with its larger peers if it encounters impediments in this market.

In our view, NIBC will continue to rely on a solid capital base while preserving sound asset quality metrics. We estimate our risk-adjusted capital ratio for NIBC will remain well above 10% in the next two years, ranging between 12.5% and 13.0% by end-2026. Our ratio factors about €340 million of capital in 2024-2026 to be used for further dividend distributions or portfolio acquisitions. 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 slightly below 2% in the medium term, despite the difficult macroeconomic environment. About 60% of the bank's impaired exposures come from its noncore activities--asset quality in its core activities is in line with that of peers, in our view. We do not expect a significant deterioration in quality in the near future.

We expect NIBC's funding profile to remain well-diversified, but funding costs are expected to be more sensitive to market confidence than those of peers. As of June 2024, we calculate that NIBC's funding base was split between customer deposits (60%) and wholesale market funding (40%). In our view, the bank lacks a strong deposit franchise, and wholesale funding makes up a greater share of its total funding than it does at peers. Although this suggests that NIBC's cost of funding may be more sensitive to market confidence and volatility than peers', we positively note that when interest rates increased in 2023, the effect on NIBC and its peers was similar. While we view NIBC's overall deposit franchise to be somewhat weaker than that of its direct peers, this is partially mitigated by the good granularity of its wholesale funding and deposit bases.

Outlook

The stable outlook on NIBC indicates that we expect the bank to continue to execute its strategy as it has in recent years, and to show no change in risk appetite. NIBC is also likely to maintain robust capital and good asset quality over the next 18-24 months, thanks to the ongoing derisking strategy and management's expertise. We anticipate that NIBC's funding profile will remain skewed toward wholesale funding, and that it will ensure this is well-diversified.

Downside scenario

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

Upside scenario

In our view, rating upside is limited, given the lack of diversification or a strong lending and deposit franchise. Although an upgrade within the next 12-18 months is unlikely, it could occur in the longer term if NIBC significantly expanded its position in its core market segments while sustaining profitability above the peer average, without an increase in risk.

Key Metrics

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

	--Fiscal year ended Dec. 31--				
(%)	**2022a**	**2023a**	**2024f**	**2025f**	**2026f**
Growth in operating revenue	(9.9)	15.2	(10.0)-(12.2)	(2.8)-(3.5)	3.0-3.7
Growth in customer loans	(0.8)	4.9	(8.1)-(9.9)	3.6-4.4	3.6-4.4
Growth in total assets	0.4	1.6	(6.7)-(8.2)	3.0-3.7	3.0-3.7
Cost to income ratio	51.8	43.3	46.5-48.9	48.1-50.5	46.5-48.9
Return on average common equity	8.1	10.4	8.1-8.9	7.7-8.6	8.1-8.9
Return on assets	0.7	0.9	0.7-0.9	0.7-0.8	0.7-0.8
New loan loss provisions/average customer loans	0.1	0.1	0.1-0.1	0.1-0.1	0.1-0.1
Gross nonperforming assets/customer loans	2.3	2.0	1.9-2.1	1.8-2.0	1.7-1.9
Net charge-offs/average customer loans	0.2	N.M.	0.2-0.2	0.2-0.2	0.2-0.2
Risk-adjusted capital ratio	13.8	14.1	14.0-14.7	13.2-13.8	12.5-13.1

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

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

We view the economic risk trend for the Dutch banking sector as stable. Under our base-case scenario, we expect GDP growth in the Netherlands to remain subdued at 0.5% in 2024. We also project inflation will continue falling in 2024, to 2.8%, from 4.1% in 2023. The labor market remains strong, with unemployment hovering at 4%. After a small house price correction in the first half of 2023, prices are now increasing and we expect this will continue in 2024 and 2025. This is because borrowing capacity is recovering (due to rising wages and an expected decline in interest rates) while housing supply remains very limited.

We foresee some deterioration of Dutch banks' asset quality as economic and credit growth will remain slow. However, we expect the pressure will be manageable. Dutch banks' asset quality is structurally supported by fixed-rate long-term mortgages, which represent the largest part of the banks' loan portfolios. We anticipate a marginal increase in nonperforming loans to 2.3%, coming mostly from lending to corporates and small and midsize enterprises. We expect Dutch banks will maintain prudent provisioning and credit impairment charges will remain stable at a through-the-cycle level of 25 basis points (bps)-30bps.

Our assessment of industry risk for Dutch banks incorporates high domestic concentration and our view of a stable competitive environment. We expect net interest income will remain strong in 2024 and 2025, but somewhat below the 2023 level. This is because we believe net interest margins should normalize due to further client deposit pass-through rates, lower income on minimum reserves, and interest rate cuts. We expect the domestic banking sector's prospective profitability to remain adequate, despite expected tighter margins, with weighted-average return on equity of about 10% (versus 11.6% seen in 2023).

System funding is balanced between wholesale funding and customer deposits, although 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 others, the depth of the domestic financial market and potential funding support from the European Central Bank. We view the industry risk trend as stable.

Business Position: Niche Franchises, Lack Of Diversification, But Ongoing De-Risking Strategy And Good Management Execution Capabilities

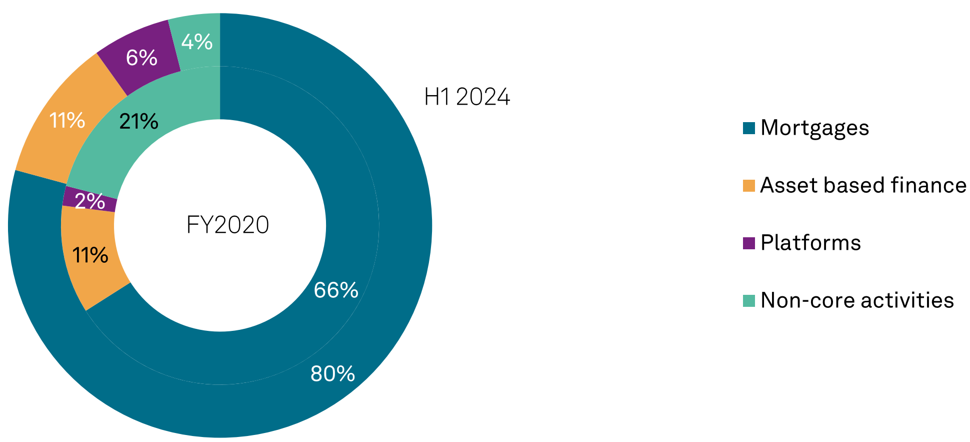
We consider NIBC's niche franchises in both its corporate and retail segments and its modest overall market position as factors that could jeopardize its earnings stability over time, especially if competition on the domestic mortgage market intensifies. However, NIBC's continued focus on managing and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

NIBC has successfully refocused its business toward lower risk sectors, while improving the cost-efficiency of its overall business model. Dutch housing loans form 80% of the bank's business, followed by asset-based lending (11%) and platform finance (6%) as of June 2024. NIBC has successfully divested noncore activities, including leveraged finance, offshore energy, and collateralized loan obligations, as well as its small equity and investment loan portfolios, which helped the bank to reduce its overall risk exposure and earnings volatility through the cycles. The bank's noncore portfolio stood at €1.3 billion as of June 2024, down from about €5.8 billion at end-2020. In our view, the reduction in exposure and volatility was further reinforced by NIBC's disposal of its $1 billion shipping portfolio in June 2024. Moreover, on Sept. 5, 2024, the bank announced it had agreed to sell Beequip (an equipment leasing platform with a €1.5 billion loan book) to funds managed by affiliates of Apollo Global Management. Its exposure toward the Dutch housing market will then become even more prominent.

Chart 1

NIBC has successfully refocused its business towards low risk sectors

NIBC's asset mix transformation (including originate-to-manage mortgages)



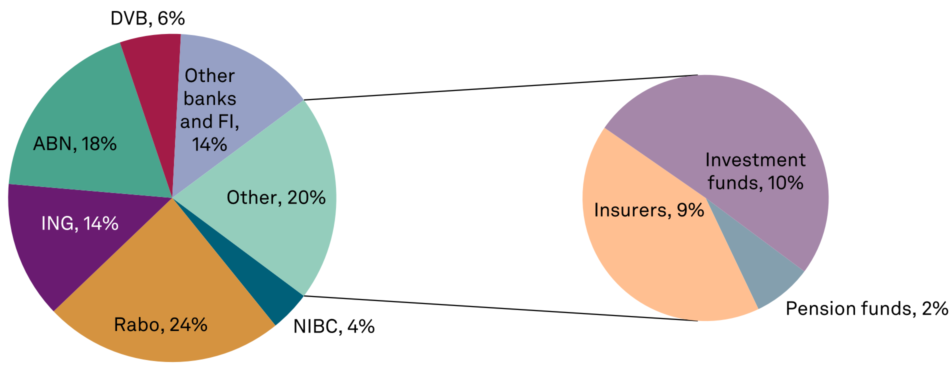
Outer ring represents H1 2024 numbers and Inner ring represents FY 2020 numbers. H1--First half. Source: S&P Global Ratings.

However, with total assets of about €23.4 billion as of June 30, 2024, NIBC remains a midsize bank within the overall Dutch system. Although it can rely on stable customer relationships, NIBC lacks the strength of its larger domestic peers' (i.e., ABN AMRO, ING, Rabobank and De Volksbank) long-standing franchises, in our view.

Even though NIBC's small size and niche focus allow a flexible structure and alternative avenues for profitable growth, we consider that its niche franchises lead to a potentially more confidence-sensitive business model. This could limit NIBC's impact of competitive advantages such as rapid management decisions, an agile business model, and customer-centric model in some of its core strategic business segments. 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 further market share. In particular, this may occur in the highly competitive domestic mortgage market, where the bank's market share is only 4%.

Chart 2

NIBC remains a small player in the competitive Dutch mortgage market
Dutch mortgage market share



Source: S&P Global Ratings.

The bank's ongoing deleveraging efforts as well as the strategic refocus on retail business niches--such as the originate-to-manage (OTM) business--have recently led to a more balanced income contribution from the corporate and retail business segments.

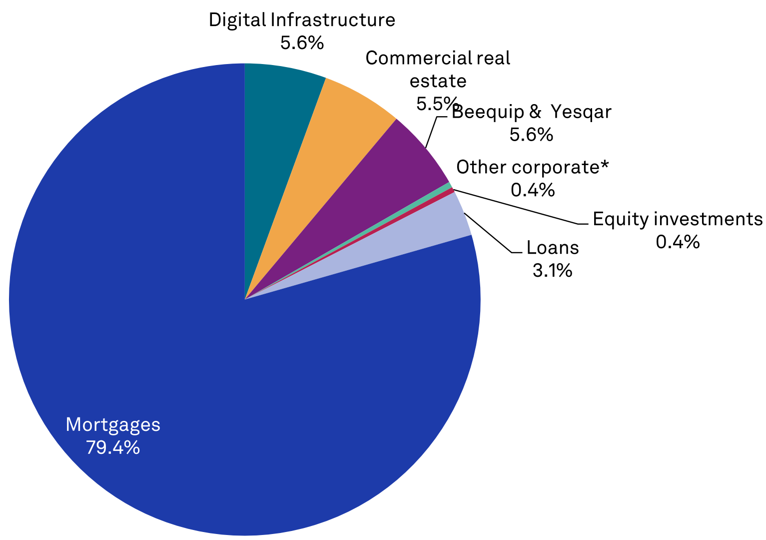
NIBC launched its OTM business in 2016, with an initial expansion into the retail space. Through this offering, NIBC originates long fixed-interest mortgage loans under its own label and distributes the loans to institutional investors who seek these long-duration products. The OTM mortgage portfolio has been increasing over the past six years, standing at about €13.7 billion assets in June 2024. In parallel, the amount of OTM-related fee income has also increased, constituting about 90% of the whole fee income at the same date. We expect the bank to further expand into this space over the next few years, and this business to remain one of the bank's core areas of development in 2024-2026.

NIBC also launched Yesqar, a fintech initiative, in Netherlands from September 2020, and in Belgium from end-2022. Yesqar offers solutions to the automotive sector, with a focus on financing cars on stock and car-leasing portfolios. We understand that this platform, with a total loan book of €0.4 billion in June 2024, could be sold in the near future. Combined with the upcoming sale of Beequip and the recent disposal of its shipping portfolio, the bank will be even more concentrated toward domestic mortgages.

NIBC recently appointed Nick Jue (previously CEO of ING Bank Netherlands) as CEO, replacing Paulus de Wilt no later than Jan. 1, 2025. Although we have yet to see any change this appointment could have on the overall growth strategy of NIBC, we currently expect the bank to remain mainly focused on its retail direct lending (owner-occupied and buy-to-let mortgages). We anticipate cumulative lending to be negative in 2024, primarily due to the sale of the shipping portfolio and Beequip, further expected deleveraging in some of the bank's corporate segments, and stiff competition in the domestic mortgage market. In our view, NIBC will have to continue relying on superior efficiency compared with larger peers if it encounters impediments in this market.

Chart 3

NIBC Holding N.V.--Key risk exposures as of H1 2024



*"Other corporate" comprises Originate-to-Mortgage corporate assets and other lease receivables. H1--First half. Source: S&P Global Ratings.

Overall, we see the bank's medium-term profitability target (above 15% return on target common equity tier-1 capital of 13%) as credible. The bank reported a 16.3% return on target CET 1 capital of 13% in the first half of the year.

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

We believe NIBC's creditworthiness will continue to benefit from robust capitalization. We expect the bank's risk-adjusted capital (RAC) ratio will be between 12.5% and 13.0% at end-2026, well above our 10% threshold for a strong assessment. The bank's solid capitalization is supported by 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.

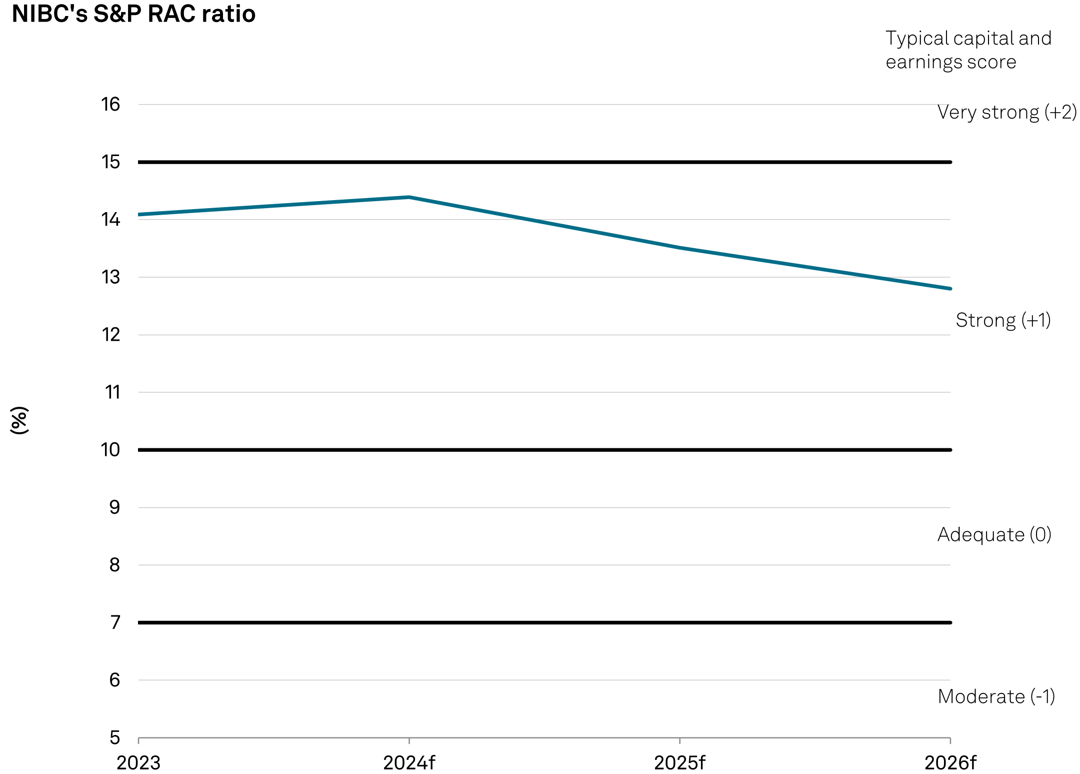
Consistent with other key metrics, we calculate the bank's RAC ratio from the Pillar 3 report of its holding company, NIBC Holding N.V., to avoid any double leverage considerations, because there is a difference in the size of equity at the bank and at the holding company level. However, the difference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

Our 2026 projected range for RAC ratio over the forecast period is based primarily on the following assumptions:

- A contraction of the loan book in 2024, as limited growth in mortgage portfolio will be offset by the sale of the bank's noncore portfolio, its shipping portfolio and platform segments. We then expect a moderate loan growth in 2025 and 2026 of 4% annually, slightly above our forecast for the overall Dutch mortgage market.
- S&P Global Ratings' risk-weighted assets to decrease by more than 5%, resulting from the loan book contraction and gradual rebalancing toward retail and corporate asset-backed assets attracting lower S&P risk-weight on average. For 2025 and 2026, we expect S&P Global Ratings' risk-weighted assets to growth broadly in line with the bank's loan book.
- Net interest margin to normalize due to a combination of expected decrease in interest rates and marginal deposit migration.
- Cumulative net income of about €475 million in 2024-2026. We expect NIBC's return-on-average common equity to be about 9% at end-2026.
- NIBC to maintain its cost efficiency. We estimate cost-to-income ratio to remain below 50% in the medium term.
- Shareholder distributions of up to 75% of net income, in 2024-2026.
- The use of about €340 million of capital in 2024-2026 for further dividend distributions or bolt-on acquisitions.

Chart 4

NIBC's S&P RAC ratio



f--Forecast. RAC--Risk-adjusted capital. Source: S&P Global Ratings.

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 its credit risk. This is further reinforced by the recent disposal of its shipping portfolio to Hamburg Commercial Bank and the agreement to sell Beequip to Apollo funds. Furthermore, at this stage, we do not expect its sole shareholder, Blackstone, to substantially interfere with the bank's risk appetite or strategy. Of NIBC's mortgage portfolio, 90% are low-risk owner-occupied mortgage loans in the Netherlands and the remaining 10% is buy-to-let mortgages.

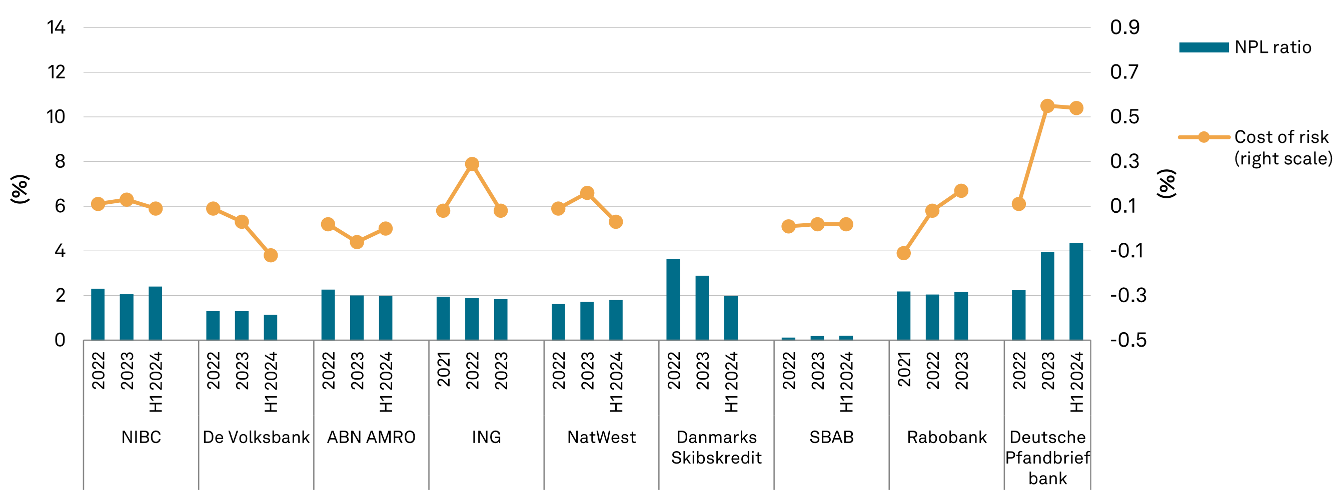
The bank's core lending portfolio is transitioning to the desired, more granular composition, and its retail assets comprise a larger proportion of the total asset base. Its exposure to noncore activities has reduced by about 67% in the first half of 2024 as compared with fiscal 2022, supported by the sale of three non-recurring portfolios, namely the collateralized loan obligation platform, equity investment activities, and remainder of the leveraged finance portfolio. At this stage, we expect the bank's non-performing exposures (NPEs) as a percentage of customer loans to stay around

2% in 2024 to 2026, which is in line with domestic peers, with the bank's cost of risk estimated at 10-15 basis points. About 60% of NIBC's NPEs at end-2023 stem from its remaining noncore assets portfolio.

Chart 5

NIBC's asset quality is in line with peers

NPL ratio and cost of risk



H1--First half. Source: S&P Global Ratings.

We note that in the parallel down regulatory supervisory shock scenario, NIBC will lose about €13 million of net interest income as of Dec. 31, 2023, i.e. less than 3% of its reported net interest income at year-end 2023.

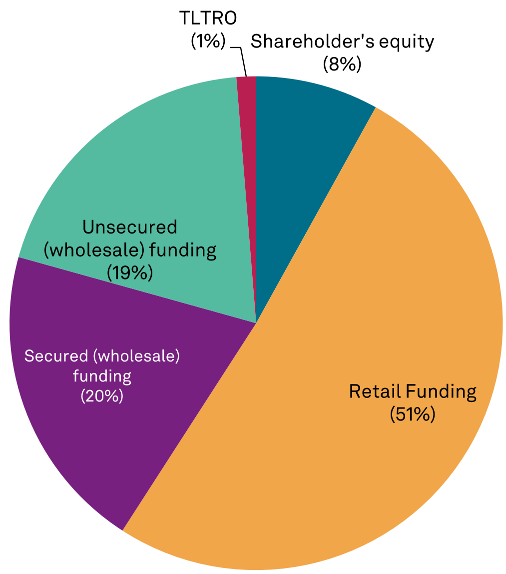
Funding And Liquidity: Well-Diversified Funding Profile But potentially More Sensitive To Market Confidence Than That Of Larger Peers

Our calculated customer loan-to-deposit ratio for NIBC decreased to approximately 134% in first-half 2024, primarily due to the reduction in customer loans and increase of deposits funding coming mainly from Belgium. We expect customer deposits to remain broadly stable, at 59%-60% of the funding base (per our measures as of June 30, 2024) in the coming two to three years. Although this proportion is lower than the average for Dutch and international peers, this is partly offset by the maturity profile and diversity of the wholesale funding.

As of June 30, 2024, our calculation shows wholesale funding comprises 40% of NIBC's funding base. In our view, the bank somewhat lacks a strong deposit franchise compared with peers, and wholesale funding makes up a greater share of its total funding than it does at peers. Although this suggests that NIBC's cost of funding may be more sensitive to market confidence and volatility than peers', when interest rates increased in 2023, the effect on NIBC and its peers has been similar. In addition, while we believe NIBC's overall deposit franchise is somewhat weaker than that of its direct peers, this is partially mitigated by the good granularity of its wholesale funding and deposit bases. NIBC' online savings account in Germany and Belgium show a good track record and stability over time. Moreover, more than 90% of its deposit amount are also covered by deposit guarantee schemes, which provide customers with comfort in case of adverse events.

Chart 6

NIBC's funding composition as of H1 2024

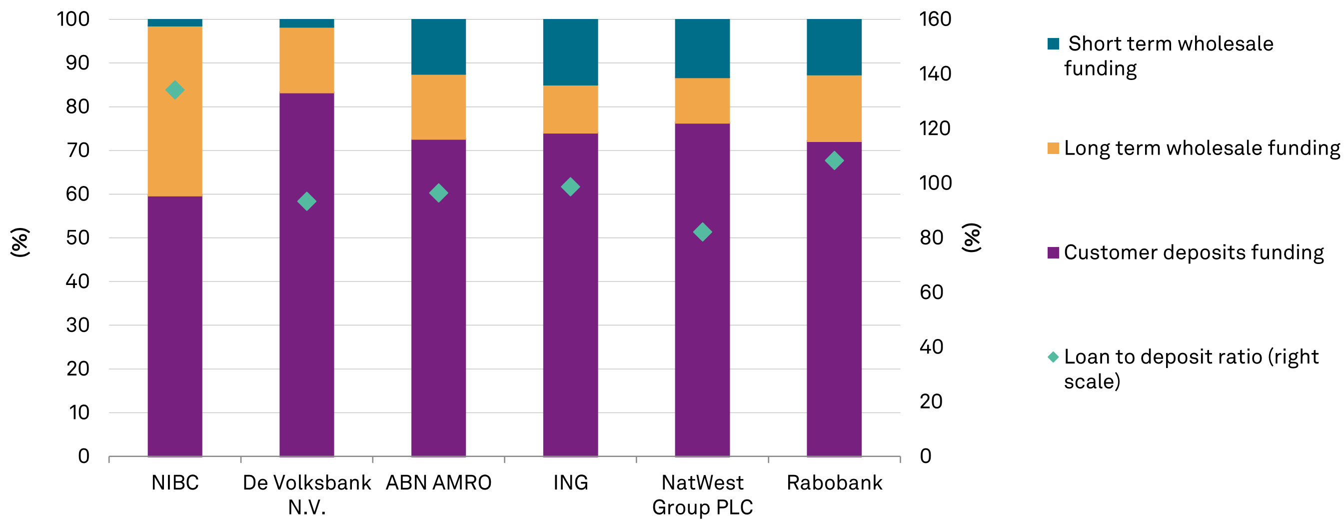


H1--First half. Source: S&P Global Ratings.

Chart 7

NIBC's funding structure remains skewed towards wholesale funding compared to domestic peers

Loan-to-deposit ratio and funding mix as of June 2024



Data for ING and Rabobank are as of FY 2023. 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% (114% as of June 30, 2024).

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 June 30, 2024, cash and balances at central banks totaled €2.7 billion. In addition, a debt securities portfolio of €1,073 million, comprising highly rated bank and corporate bonds, is used to support liquidity. We calculate our ratio of broad liquid assets to short-term wholesale funding at 2.7x at end 2023. Both the regulatory net stable funding ratio and liquidity coverage ratio ratios were comfortably above the minimum regulatory requirement, at 131% and 243%, respectively, in fiscal 2023, compared with 130% and 207% in fiscal 2022.

Support: No More ALAC Notch, 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. In a potential liquidation, we believe that senior creditors would not benefit from the same level of protection as in a resolution. Since then, we no longer factor additional loss-absorbing capacity notch to our long-term rating on NIBC.

Environmental, Social, And Governance

ESG factors have no material influence on our credit rating analysis of NIBC Bank. As a bank with exposure to commercial real estate, NIBC is subject to environmental risks as well as changing regulations and norms. However, those exposures represent a small portion of the bank's overall profile. Through the bank's ongoing de-risking strategy, it has left only one exposure to offshore energy. 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. €)	**2024**	**2023**	**2022**	**2021**	**2020**
Adjusted assets	23,391	23,174	22,805	22,720	21,123
Customer loans (gross)	16,967	19,346	18,443	18,600	16,824
Adjusted common equity	1,820	1,773	1,760	1,708	1,646
Operating revenues	273	545	473	525	431
Noninterest expenses	119	236	245	238	225
Core earnings	105	212	170	208	N/A

N/A--Not applicable.

Table 2

NIBC Holdings N.V.--Business position

	--Fiscal year end Dec. 31--				
	2024	**2023**	**2022**	**2021**	**2020**
Total revenues from business line (currency in millions)	273	552	473	525	431
Commercial banking/total revenues from business line	40.7	34.6	40.6	51.0	42.7
Retail banking/total revenues from business line	26.0	25.0	35.1	35.4	41.3
Commercial and retail banking/total revenues from business line	66.7	59.6	75.7	86.5	84.0
Trading and sales income/total revenues from business line	33.3	38.9	24.3	13.5	16.0
Other revenues/total revenues from business line	N/A	1.4	N/A	N/A	N/A
Investment banking/total revenues from business line	33.3	38.9	24.3	13.5	16.0
Return on average common equity	10.3	10.4	8.1	9.8	2.6

N/A--Not applicable.

Table 3

NIBC Holdings N.V.--Capital and earnings

	--Fiscal year end Dec. 31--				
	2024	**2023**	**2022**	**2021**	**2020**
Tier 1 capital ratio	21.0	20.1	19.0	19.6	21.0
S&P Global Ratings' RAC ratio before diversification	N/A	14.1	13.8	13.0	14.1
S&P Global Ratings' RAC ratio after diversification	N/A	12.1	11.5	11.1	12.0
Adjusted common equity/total adjusted capital	90.1	89.9	89.8	89.5	89.2
Net interest income/operating revenues	86.4	85.0	89.4	74.3	93.5
Fee income/operating revenues	7.0	7.5	9.9	8.8	10.0
Market-sensitive income/operating revenues	5.5	5.3	(3.4)	9.9	(3.5)
Cost to income ratio	43.6	43.3	51.8	45.2	52.3
Preprovision operating income/average assets	1.3	1.3	1.0	1.3	0.9
Core earnings/average managed assets	0.9	0.9	0.7	0.9	N/A

N/A--Not applicable. RAC--Risk-adjusted capita

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 and central banks	2,083	0	0	15	1
Of which regional governments and local authorities	0	0	0	0	0
Institutions and CCPs	798	139	17	144	18
Corporate	6,747	3,907	58	5,711	85
Retail	13,832	3,177	23	3,376	24
Of which mortgage	13,401	2,870	21	3,075	23
Securitization§	592	103	17	1,479	250
Other assets†	531	560	105	556	105
Total credit risk	24,582	7,886	32	11,281	46
Credit valuation adjustment					
Total credit valuation adjustment	--	9	--	0	--
Market risk					
Equity in the banking book	131	486	370	1,245	949
Trading book market risk	--	31	--	57	--
Total market risk	--	517	--	1,302	--
Operational risk					
Total operational risk	--	908	--	1,420	--
	Exposure	**Basel III RWA**	**Average Basel II RW (%)**	**S&P Global Ratings' RWA**	**% of S&P Global Ratings' RWA**
Diversification adjustments					
RWA before diversification	--	9,319	--	14,003	100

Table 4

NIBC Holdings N.V.--Risk-adjusted capital framework data (cont.)					
Total diversification/ Concentration adjustments	--	--	--	2,316	17
RWA after diversification	--	9,319	--	16,319	117
		Tier 1 capital	**Tier 1 ratio (%)**	**Total adjusted capital**	**S&P Global Ratings' RAC ratio (%)**
Capital ratio					
Capital ratio before adjustments		1,877	20.1	1,973	14.1
Capital ratio after adjustments‡		1,877	20.1	1,973	12.1

*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--				
	2024	**2023**	**2022**	**2021**	**2020**
Growth in customer loans	(24.6)	4.9	(0.8)	10.6	(5.8)
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	N/A	19.7	17.3	17.1
Total managed assets/adjusted common equity (x)	12.9	13.1	13.0	13.3	12.8
New loan loss provisions/average customer loans	0.1	0.1	0.1	0.2	0.8
Net charge-offs/average customer loans	N.M.	N.M.	0.2	0.1	0.7
Gross nonperforming assets/customer loans + other real estate owned	2.4	2.0	2.3	2.9	2.1
Loan loss reserves/gross nonperforming assets	31.9	28.9	47.7	38.3	52.2

N/A--Not applicable. N.M.--Not meaningful. RWA--Risk-weighted assets.

Table 6

NIBC Holdings N.V.--Funding and liquidity					
	--Fiscal year end Dec. 31--				
	2024	**2023**	**2022**	**2021**	**2020**
Core deposits/funding base	59.7	56.7	55.1	55.6	58.9
Customer loans (net)/customer deposits	134.1	163.4	163.2	162.8	149.9
Long-term funding ratio	97.9	95.6	94.0	94.9	96.3
Stable funding ratio	114.6	107.7	106.7	107.7	112.4
Short-term wholesale funding/funding base	2.3	4.9	6.6	5.6	4.1
Regulatory net stable funding ratio	138.0	131.0	130.0	126.0	N/A
Broad liquid assets/short-term wholesale funding (x)	7.4	2.7	2.2	2.4	3.7
Broad liquid assets/total assets	15.5	11.9	12.9	12.1	13.5
Broad liquid assets/customer deposits	29.0	23.4	26.4	24.3	25.7
Net broad liquid assets/short-term customer deposits	26.8	15.8	16.1	16.2	21.6
Regulatory liquidity coverage ratio (LCR) (%)	306.0	243.0	207.0	184.0	N/A
Short-term wholesale funding/total wholesale funding	5.7	11.1	14.4	12.3	9.7
Narrow liquid assets/3-month wholesale funding (x)	116.4	11.9	23.2	5.2	4.6

N/A--Not applicable.

Related Criteria

- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- 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
- 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-Based NIBC Bank N.V. Affirmed At 'BBB'; Outlook Remains Stable, July 29, 2024
- Banking Industry Country Risk Assessment: The Netherlands, Sept. 29, 2023

Ratings Detail (As Of October 1, 2024)*	
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
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.