FitchRatings

Banks
Wholesale Commercial Banks
Netherlands

NIBC Bank N.V.

Key Rating Drivers

Niche Franchise and Business Model: NIBC Bank N.V.'s (NIBC) ratings reflect its niche franchise and business model, and continued, though reduced, exposure to higher-risk, more cyclical sectors and asset classes. They also consider the bank's good pre-impairment operating profitability and sound capitalisation, which provide comfortable headroom to withstand asset quality weakening and market volatility. Fitch Ratings expects the acquisition of NIBC by funds advised by Blackstone (planned by end-2020) to be broadly neutral for the credit profile.

Growing Retail Activities: NIBC has steadily expanded its franchise with retail customers, mainly in residential mortgage lending, to offset the cyclicality of its corporate exposures. NIBC has been a long-time lender to Dutch mid-sized companies and entrepreneurs. Its corporate offering comprises lending, asset and receivable financing, advisory and co-investment activities, with a focus on profitable niches. NIBC's strength lies in its operational agility and tailored solutions, which provide some pricing power in its niche markets.

Weaker Asset Quality Expected: Fitch expects the bank's exposure to sectors such as energy, leveraged finance and commercial real estate, will be affected by worsening economic conditions in the near-to-medium-term. The bank's large, low-risk residential mortgage loan book (about 50% of gross loans) should prove resilient.

Risky Energy Portfolio: NIBC's asset quality is showing early signs of deterioration. In 1H20 the increase in impaired loans has been concentrated in the bank's energy portfolio as the industry's already challenging conditions were exacerbated by plummeting hydrocarbon prices. Positively, NIBC had nearly halved its exposure to the sector from end-2016.

Impairments Erode Earnings: NIBC's profitability has usually been stronger than peers' due to its opportunistic positioning in profitable niches and good cost efficiency. In 1H20, NIBC's pre-tax result was materially lower than in previous half years due to exceptionally high loan impairment charges (LICs). Fitch expects profitability to recover in 2021, but LICs will remain above their long-term average in the near-to-medium term.

Strong Capitalisation: NIBC's risk-weighted capital and leverage ratios commensurate with its risk profile and compare well with domestic and international peers. The fully-loaded Common Equity Tier 1 (CET1) ratio at holding company level, where the regulatory requirement is set, was a high 18.5% at end-June 2020.

Wholesale Funding: NIBC's funding and liquidity remained stable despite significant market disruption in early 2020. Online retail savings (about 50% of non-equity funding) help diversify the bank's funding, which remains structurally reliant on wholesale sources. The Short-Term IDR of 'F3' maps to the lower of the two options for a Long-Term IDR of 'BBB', owing to Fitch's assessment of the bank's funding and liquidity at 'bbb'.

Rating Sensitivities

Asset Quality Shocks, Earnings Erosion: The Negative Outlook on NIBC's Long-Term IDR reflects downside risks to our baseline scenario as pressure on the bank's ratings would increase substantially if the downturn is deeper or more prolonged than expected. We would likely downgrade NIBC's ratings in the event of significant asset quality deterioration. Negative rating pressure could also arise if a prolonged inflation of LICs materially erodes NIBC's operating profit.

Ratings

Foreign Currency	
Long-Term IDR	BBB
Short-Term IDR	F3
Viability Rating	bbb
Support Rating	5
Support Rating Floor	NF
Sovereign Risk	
Long-Term Foreign- and Local-Currency IDRs	AAA
Country Ceiling	AAA

Outlooks

Long-Term Foreign-Currency IDR	Negative
Sovereign Long-Term Foreign- and Local-Currency IDRs	Stable

Applicable Criteria

Bank Rating Criteria (February 2020)

Related Research

Global Economic Outlook - September 2020

Fitch Affirms NIBC's Long-Term IDR at 'BBB'; off RWN - September 2020

Major Benelux Banks: 1H20 Results - September 2020

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Debt Rating Classes

Rating Level	Rating
Senior preferred debt	BBB+/F2
Senior non-preferred debt	BBB
Legacy Tier 1 notes	BB-

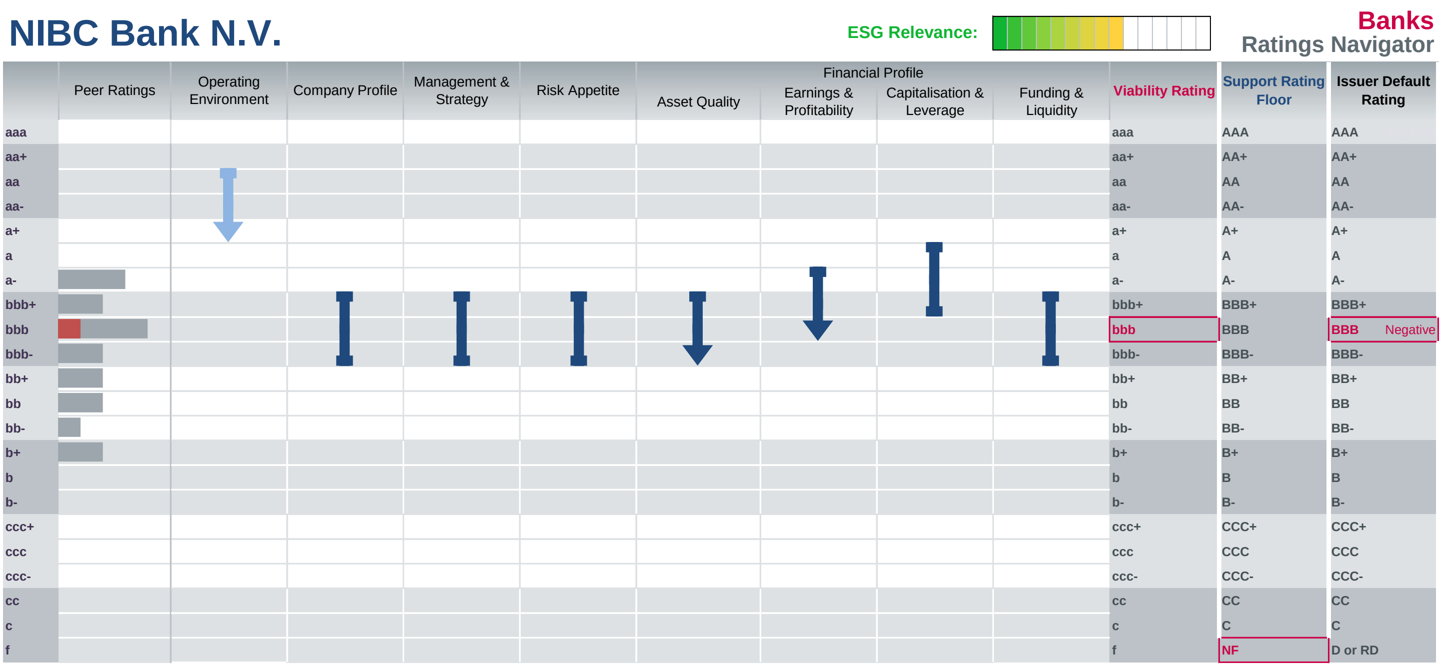
Source: Fitch Ratings

NIBC's long-term senior preferred debt is rated 'BBB+', one notch above its Long-Term IDR and its short-term senior preferred debt is rated 'F2', one notch above its Short-Term IDR (F3). This is because Fitch considers the bank's resolution debt buffer of senior non-preferred and more junior debt as sufficient to materially reduce the risk of default for NIBC's senior preferred creditors in the event of failure. The bank had buffers of senior non-preferred and more junior debt of about EUR930 million at end-June 2020 or 11.4% of its risk-weighted assets (RWA). Fitch expects the buffer to be sustainable in view of NIBC's resolution strategy and capital planning.

NIBC's senior non-preferred debt is rated 'BBB', in line with the bank's Long-Term IDR. Fitch views the probability of default on the senior non-preferred notes as the same as the probability of default of the bank.

NIBC's legacy hybrid Tier 1 securities with ISIN codes XS0249580357 and US62914EAA29/ USN6304HVC88 (dual ISIN) are rated four notches below the bank's Viability Rating (VR), reflecting the higher-than- average loss severity risk of these securities (two notches from the VR) as well as a high risk of non-performance (an additional two notches). Our assessment of the securities' non-performance risk relative to the VR is based on the bank operating with a CET1 ratio comfortably above maximum distributable amount thresholds and our expectation that this will continue.

Ratings Navigator



Significant Changes

Deterioration in Operating Environment

Fitch revised the Outlook on the Dutch operating environment to Negative from Stable in April 2020, reflecting our expectation of significant deterioration in Dutch banks' operating conditions due to the pandemic. Fitch expects eurozone GDP to contract by 9% for in 2020, followed by a rebound of about 5.5% in 2021. We expect it will take nearly three years for the eurozone GDP to return to pre-crisis levels. Similarly, Fitch expects a sharp decline in Dutch GDP of about 7.2% in 2020, followed by a 4.2% recovery in 2021.

In the short-term, targeted fiscal measures to contain unemployment and to provide liquidity to businesses cushioned pressure on the economic environment. The fiscal package of about EUR90 billion or 11% of 2019 GDP includes wage subsidies, support to self-employed workers, childcare compensation benefits, and a one-off lump sum allowance to firms in affected sectors. Other measures include tax deferrals, a reduction of the interest rate on tax liabilities and loan guarantees, especially for SMEs, which Fitch estimates could amount to EUR30 billion. The extent of asset quality and profitability headwinds in the banking sector will depend on the resilience of the economic activity.

Potential Change in Ownership

NIBC's two largest shareholders, funds advised by private equity firm J.C. Flowers & Co (60.6% ownership) and Reggeborgh Invest (14.7%), both support a cash offer for the takeover of NIBC's listed holding company by Flora Acquisition B.V., a Dutch Law entity set up by private equity firm The Blackstone Group Inc. If the offer is successful, Flora Acquisition will take over the stakes of the two main shareholders and buy-out the remaining minority shareholders, effectively de-listing NIBC.

The acceptance period during which current shareholders may tender their shares runs until 21 December 2020. Fitch expects the change in ownership will not materially alter NIBC's credit profile as non-financial covenants of the merger protocol support management board stability and strategic continuity. These covenants establish that the offeror will support the realisation of NIBC's business plan, not impose divestments of NIBC's existing businesses, and continue using NIBC's brand names.

Bar Chart Legend

Vertical bars – VR range of Rating Factor

Bar Colors – Influence on final VR

- Higher influence
- Moderate influence
- Lower influence

Bar Arrows – Rating Factor Outlook

⇧	Positive	⇩	Negative
⇳	Evolving	▫	Stable

Company Summary and Key Qualitative Assessment Factors

Established Franchise with Dutch SMEs

NIBC specialises in financing and co-investment activities with mid-sized companies in the Netherlands, Germany and the UK. The bank is a preferred partner for entrepreneurs and financial sponsors who value the bank's know-how and agility. NIBC typically supports businesses with senior debt, mezzanine and equity financing but also offers receivable finance or arranges structured finance transactions. NIBC has proven expertise in sectors such as infrastructure, commercial real estate, shipping and offshore energy.

The bank has a small retail banking franchise with limited market shares relative to larger Dutch banks (4% in residential mortgage loan origination in 1H20) but with a focus on niche products. It originates residential mortgage loans in the Netherlands for its own balance sheet and also increasingly for institutional investors. The bank has an online savings offering in the Netherlands, Germany and Belgium, but does not offer flow products such as current accounts or payment services.

NIBC Bank N.V. is the main operating entity and represents most of NIBC Holding N.V.'s consolidated assets. NIBC Bank N.V. is the only debt issuer within the group and is considered the single point of entry for resolution by the Single Resolution Board. Conversely, supervision activities of DNB, the Dutch central bank, encompass the entire NIBC Holding consolidated perimeter and capital requirements are set at NIBC Holding level.

Exposure to Cyclical Sectors and Asset Classes

NIBC's business model involves material exposure to cyclical sectors. Positively, the bank has lowered its appetite for financings in the offshore energy and leveraged finance sectors and has significantly ramped up portfolio monitoring since the start of the pandemic. The bank's low-risk mortgage loan portfolio (about 50% of NIBC Holding's total exposures) also helps offset cyclical developments in some of its corporate portfolios.

In commercial real estate (70% of NIBC Holding's end-June 2020 CET1 capital), NIBC mainly lends to smaller developers, with which it has established relationships. NIBC has curbed its underwriting to the leveraged finance sector, which still represented about 60% of CET1 capital at end-June 2020. New lending in this sector will primarily underpin collateralised loan obligation (CLO) structures and direct investments from institutional investors. This is meant to limit the risk on the bank's balance sheet. Underwriting in the offshore energy (45% of CET1 capital) and shipping (60%) sectors is relatively prudent and built on deep sector knowledge.

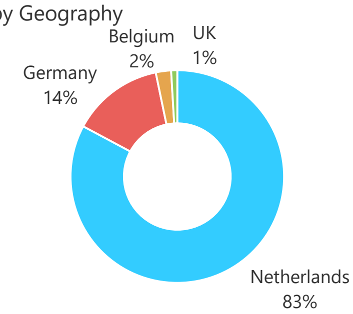
NIBC is exposed to market risk from its treasury and trading portfolios and from its equity interests in non-listed SMEs and fintech companies (about 15% of CET1 at end-June 2020). Owing to high market volatility in 1H20, the bank booked negative revaluations on the riskier parts of its portfolio, in particular on retained CLO tranches and on some of its equity investments in 1H20.

Strategic Focus on Profitable Niches

NIBC seeks to grow its activities with continued focus on profitable niches, which include financing of northern European small- and midcaps, investments in financial technology firms, and sub-segments of mortgage lending (buy-to-let, origination for third parties). NIBC also intends to launch a partnership in consumer finance by end-2020 and we expect the bank will cautiously expand in this business segment. The bank has also wound down most of it small capital markets unit in 1H20.

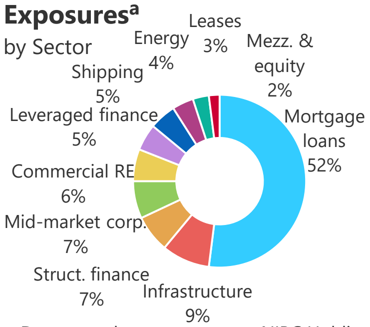
The implementation of the strategy is overseen by an executive committee with a good degree of depth and experience, and which will remain unchanged if the bank's takeover succeeds.

Operating Income
by Geography



Source: Fitch Ratings, NIBC

Exposures[a]
by Sector



[a] Drawn+undrawn amounts at NIBC Holding
Source: Fitch Ratings, NIBC

Summary Financials and Key Ratios

		30 Jun 20	31 Dec 19	31 Dec 18	31 Dec 17
	6 months - interim	6 months - interim	Year end	Year end	Year end
	(USDm)	(EURm)	(EURm)	(EURm)	(EURm)
	Reviewed - unqualified(emphasis of matter)	Reviewed - unqualified(emphasis of matter)	Audited - unqualified	Audited - unqualified	Audited - unqualified
Summary income statement					
Net interest and dividend income	224	200	417	432	368
Net fees and commissions	21	19	40	51	54
Other operating income	-15	-13	67	16	90
Total operating income	231	206	524	499	512
Operating costs	121	108	229	224	223
Pre-impairment operating profit	110	98	295	275	289
Loan and other impairment charges	88	79	49	54	34
Operating profit	21	19	246	221	255
Other non-operating items (net)	n.a.	n.a.	n.a.	51	0
Tax	8	7	44	31	42
Net income	13	12	202	241	213
Other comprehensive income	64	57	-2	29	-61
Fitch comprehensive income	77	69	200	270	152
Summary balance sheet					
Assets					
Gross loans	19,518	17,430	18,012	17,539	17,409
- Of which impaired	476	425	368	437	321
Loan loss allowances	231	206	165	170	148
Net loans	19,287	17,224	17,847	17,369	17,261
Interbank	693	619	497	568	335
Derivatives	561	501	482	579	1,021
Other securities and earning assets	1,429	1,276	1,543	1,064	1,873
Total earning assets	21,970	19,620	20,369	19,580	20,490
Cash and due from banks	2,754	2,459	1,965	2,056	1,604
Other assets	74	66	73	80	115
Total assets	24,798	22,145	22,407	21,716	22,209
Liabilities					
Customer deposits	12,949	11,564	11,397	11,267	11,535
Interbank and other short-term funding	1,625	1,451	1,403	2,778	3,235
Other long-term funding	7,664	6,844	7,147	5,177	4,135
Trading liabilities and derivatives	185	165	225	210	863
Total funding	22,423	20,024	20,172	19,432	19,768
Other liabilities	84	75	113	120	119
Preference shares and hybrid capital	253	226	257	253	263
Total equity	2,038	1,820	1,865	1,911	2,059
Total liabilities and equity	24,798	22,145	22,407	21,716	22,209
Exchange rate		USD1 = EUR0.893017	USD1 = EUR0.89015	USD1 = EUR0.873057	USD1 = EUR0.83382

Source: Fitch Ratings, Fitch Solutions, NIBC

Summary Financials and Key Ratios

	30 Jun 20	31 Dec 19	31 Dec 18	31 Dec 17
Ratios (annualised as appropriate)				
Profitability				
Operating profit/risk-weighted assets	0.5	2.9	2.9	3.0
Net interest income/average earning assets	2.0	2.1	2.2	1.7
Non-interest expense/gross revenue	52.9	44.1	44.9	43.6
Net income/average equity	1.3	10.4	12.5	10.2
Asset quality				
Impaired loans ratio	2.4	2.0	2.5	1.8
Growth in gross loans	-3.2	2.7	0.8	-1.8
Loan loss allowances/impaired loans	48.5	44.8	38.9	46.1
Loan impairment charges/average gross loans	0.9	0.3	0.3	0.2
Capitalisation				
Common equity Tier 1 ratio	19.8	18.7	20.6	21.4
Fully loaded common equity Tier 1 ratio	n.a.	18.7	20.6	23.7
Tangible common equity/tangible assets	8.2	8.3	8.8	9.2
Basel leverage ratio	7.9	7.8	7.9	8.8
Net impaired loans/common equity Tier 1	13.5	12.7	16.8	9.5
Funding and liquidity				
Loans/customer deposits	150.7	158.0	155.7	150.9
Liquidity coverage ratio	n.a.	222.0	241.0	196.0
Customer deposits/funding	57.6	56.4	57.9	60.2
Net stable funding ratio	n.a.	121.0	123.0	117.0

Source: Fitch Ratings, Fitch Solutions, NIBC

Key Financial Metrics – Latest Developments

Expected Deterioration in Asset Quality

Since 2016, NIBC has substantially reduced its exposure to cyclical sectors, essentially energy and leveraged finance, but these still account for the majority of its non-performing loans and are particularly vulnerable to further deterioration in the current environment. We expect asset quality in mortgage lending to hold up well due to prudent underwriting standards and only moderate unemployment growth and limited property price corrections.

NIBC's end-June 2020 asset quality metrics compare well with peers'. At 2.4%, the bank's impaired loans/gross loans ratio had increased only moderately from end-2019 levels (2.0%). The Stage 2 ratio rose to 5.3% of gross loans from 4.5% at end-2019. LICs in 1H20 spiked to EUR80 million (91bp of gross loans, annualised), including a discretionary overlay of about EUR20 million (23bp of gross loans, annualised).

At end-June 2020, the bank has granted payment deferrals and waived loan covenants to nearly 30 corporate borrowers with a total exposure value of EUR500 million (2.9% of gross loans). The bank's retail lending book has been less affected and exposures benefiting from payment deferrals were still limited at end-June 2020 at about EUR70 million (below 1% of gross loans). The full impact of the pandemic in the retail book is likely to materialise at a later stage, when support measures and subsidies eventually phase out.

Impairments Burden Profitability

The drop in NIBC's revenues in 1H20 is mainly attributable to lower loan disbursements to corporate customers and negative fair value movements in its securities portfolio. Conversely, retail origination, particularly for the bank's originate-to-manage offering, has been resilient. NIBC has repeatedly shown stronger ability to contain costs than peers. It will benefit from lower legal expenses in the coming years as fees relating to the Blackstone takeover and to the absorption of its German subsidiary will not be repeated. Staff costs will also benefit from the wind-down of the bank's capital markets business.

NIBC's pre-impairment operating profit was largely depleted by the near four-fold increase in LICs compared to 1H19. NIBC's LICs will remain above their through-the-cycle average of about 30bp as we expect asset quality deterioration in the more cyclical corporate sectors.

Continued Strong Capitalisation

Capitalisation is a key rating strength for NIBC both at bank and holding level. NIBC Holding's CET1 ratio increased to 18.5% at end-June 2020 from 17.1% at end-2019 owing to 2019 retained profits and repayments in the corporate loan portfolio, lowering risk-weighted assets (RWAs).

At end-June 2020, NIBC's buffer above its CET1 capital requirement (960bp of RWAs or EUR820 million) coupled with its good pre-impairment profitability, is sufficient to absorb asset quality shocks from the more cyclical segments of its corporate loan portfolio. As for peers, the bank's CET1 capital requirement was temporarily lowered in 1H20 from 10.5% of RWAs to 8.9%, to incentivise lending to the real economy and allow banks to withstand the crisis.

Stable Funding and Liquidity

NIBC's largest source of funds are retail savings collected online in the Netherlands, Germany and Belgium. Although sensitive to pricing, these have remained relatively stable over the years and the bank did not experience increased withdrawals since the coronavirus outbreak. The bank has some reliance on wholesale funding, mainly in the form of senior unsecured bonds and covered bonds.

NIBC has refrained from issuing on debt capital markets between March and May 2020 due to high market volatility. The bank's issuance has so far been limited to a EUR200 million tap on an outstanding senior non-preferred bond in early June 2020, and to smaller private placements in 2H20. In past years the bank would raise about EUR1.5 to 2 billion annually. NIBC however maintained a strong liquidity position since the start of the pandemic and further increased the size of its liquidity buffer. At end-June 2020, the bank had close to EUR4.1 billion in liquid assets to face upcoming wholesale funding maturities. At end-July 2020, wholesale funding coming due by end-2021 was about EUR1.3 billion, of which EUR1 billion in TLTRO drawings.

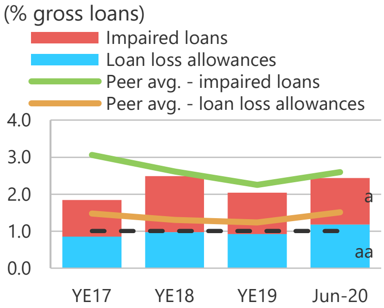
Note on Charts

Black dashed lines represent indicative quantitative ranges and implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category like the Netherlands.

Peer average includes NIBC Bank N.V. (VR: 'bbb'), SpareBank 1 SR-Bank (a-), Aareal Bank AG (bbb+), Commerzbank AG (bbb), Investec Bank plc (bbb+), Landesbank Baden-Wuerttemberg (bbb), Credit du Nord S.A. (bbb+) and Close Brothers Group PLC (a-).

Asset Quality

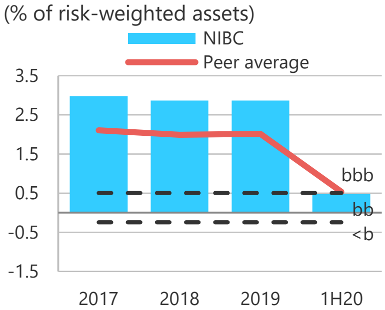
(% gross loans)



Source: Fitch Ratings, banks

Operating Profit

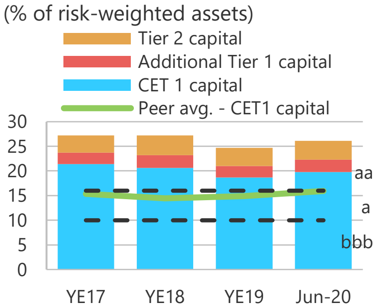
(% of risk-weighted assets)



Source: Fitch Ratings, banks

Regulatory Capital

(% of risk-weighted assets)



Source: Fitch Ratings, banks

Sovereign Support Assessment

Support Rating Floor			Value
Typical D-SIB SRF for sovereign's rating level (assuming high propensity)			A+ to A-
Actual country D-SIB SRF			NF
Support Rating Floor:			**NF**
Support Factors	Positive	Neutral	Negative
Sovereign ability to support system			
Size of banking system relative to economy			✓
Size of potential problem	✓		
Structure of banking system			✓
Liability structure of banking system		✓	
Sovereign financial flexibility (for rating level)		✓	
Sovereign propensity to support system			
Resolution legislation with senior debt bail-in			✓
Track record of banking sector support		✓	
Government statements of support			✓
Sovereign propensity to support bank			
Systemic importance			✓
Liability structure of bank		✓	
Ownership		✓	
Specifics of bank failure		✓	
Policy banks			
Policy role			
Funding guarantees and legal status			
Government ownership			

The Support Rating of '5' and Support Rating Floor of 'No Floor' reflect Fitch's view that senior creditors cannot rely on receiving full extraordinary support from the sovereign if NIBC becomes non-viable. This reflects the bank's lack of systemic importance in the Netherlands, as well as the implementation of the EU's Bank Recovery and Resolution Directive and the Single Resolution Mechanism. These provide a framework for resolving banks that is likely to require senior creditors participating in losses, if necessary, instead or ahead of, a bank receiving sovereign support.

Environmental, Social and Governance Considerations

FitchRatings **NIBC Bank N.V.**

Banks
Ratings Navigator

Credit-Relevant ESG Derivation

NIBC Bank N.V. has 5 ESG potential rating drivers

- NIBC Bank N.V. has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

Overall ESG Scale

key driver	0	issues	5
driver	0	issues	4
potential driver	5	issues	3
not a rating driver	4	issues	2
	5	issues	1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference	E Scale
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	1	n.a.	n.a.	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Company Profile; Management & Strategy; Risk Appetite; Asset Quality	1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference	S Scale
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Company Profile; Management & Strategy; Risk Appetite	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Company Profile; Management & Strategy; Risk Appetite	4
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Company Profile; Management & Strategy	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Company Profile; Financial Profile	1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference	G Scale
Management Strategy	3	Operational implementation of strategy	Management & Strategy	5
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Management & Strategy; Earnings & Profitability; Capitalisation & Leverage	4
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Company Profile	3
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Management & Strategy	2
				1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular industry group. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the issuing entity's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the entity's credit rating. The three columns to the left of the overall ESG score summarize the issuing entity's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the issuing entity's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Priniciples for Responsible Investing (PRI) and the Sustainability Accounting Standards Board(SASB).

Sector references in the scale definitions below refer to Sector as displayed in the Sector Details box on page 1 of the navigator.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of 3. This means ESG issues are credit neutral or have only a minimal credit impact on NIBC, either due to their nature or to the way in which they are being managed by the bank. For more information on Fitch's ESG Relevance Scores, visit www.fitchratings.com/esg.

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.