

RatingsDirect®

Various Rating Actions Taken On Dutch Banks Due To Increased Economic Risks

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- In our view, Dutch banks are exposed to increased economic risks as a result of a potentially more protracted downturn in The Netherlands and wider eurozone.
- We also consider that the prolonged correction in the property market and measures to reduce the budget deficit will continue to weigh on the economy, although we expect the overall impact on the banking sector to be moderate.
- We could see further pressure on our assessment of economic risk in The Netherlands in the event of a more pronounced correction in the eurozone.
- As a result, we are lowering our anchor--or starting point for our ratings--for commercial banks operating in The Netherlands to 'bbb+' from 'a-'.
- We are therefore lowering by one notch our ratings on ABN AMRO Bank, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), F. van Lanschot Bankiers, and the SNS REAAL group. The outlook on the SNS REAAL group is negative, while the outlook on the other entities is stable.
- We are revising the outlook on ING Bank, ING Groep, and Achmea Hypotheekbank to negative and affirming the ratings.
- We are placing on CreditWatch negative our long-term ratings on Bank Nederlandse Gemeenten, KAS Bank, and Nederlandse Waterschapsbank while we review the impact of higher economic risks on the ratings on these companies.
- We are affirming our ratings on NIBC Bank and maintaining a negative

Various Rating Actions Taken On Dutch Banks Due To Increased Economic Risks

outlook. We are affirming our ratings and maintaining a stable outlook on LeasePlan Corporation. The ratings and stable outlooks on AEGON Bank and Royal Bank of Scotland N.V. are unaffected by today's actions.

LONDON (Standard & Poor's) Nov. 16, 2012--Standard & Poor's Ratings Services today said it has taken various rating actions on Dutch banks. We lowered by one notch the ratings on ABN AMRO Bank (ABN), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), F. van Lanschot Bankiers (Van Lanschot), SNS REAAL, and the core entities of these groups. The outlook on the SNS REAAL group is negative, while the outlook on the other entities is stable.

We revised the outlook on ING Bank, ING Groep, and Achmea Hypotheekbank to negative and affirmed the ratings. We lowered by one notch the ratings on the subordinated debt of ING Bank and ING Groep.

We placed on CreditWatch with negative implications our long-term ratings on Bank Nederlandse Gemeenten (BNG), KAS Bank, and Nederlandse Waterschapsbank (NWB Bank) while we review the impact of higher economic risks on the ratings on these companies.

We affirmed our ratings on NIBC Bank and maintained a negative outlook. We also affirmed our ratings and maintained a stable outlook on LeasePlan Corporation. The ratings and stable outlooks on AEGON Bank and Royal Bank of Scotland N.V. are unaffected by today's rating actions.

See below for a list of rating actions.

We consider that economic risks for Dutch banks have increased incrementally, based on expectations of a more protracted downturn in The Netherlands and the wider eurozone (European Economic and Monetary Union; see "The Eurozone's New Recession--Confirmed," published Sept. 25, 2012). Furthermore, we consider that the prolonged housing market slump, elevated household leverage, and measures to reduce the budget deficit are constraining consumer confidence and private-sector activity in general. We anticipate that the impact of these constraints could lead to moderately higher impairment charges among Dutch banks over the next two years (watch the related CreditMatters TV segment titled "Change In Netherlands Economic Risk Score Prompts Rating Actions On Dutch Banks" and "Banking Industry Country Risk Assessment: The Netherlands," published Nov. 16, 2012).

Despite an incremental worsening in our near-term outlook, we continue to view the Dutch economy as structurally sound and competitive, and believe that the likelihood of a very sharp increase in housing-related losses is low. Furthermore, we believe the gradual measures announced by the government to restrict the tax-deductibility of mortgage interest payments reduce uncertainties for prospective homebuyers.

We have lowered our stand-alone credit profiles (SACPs) on ABN, Achmea Hypotheekbank, ING Bank, SNS Bank, and Rabobank Nederland as a result of their

exposure to the Dutch market and to other eurozone countries where we see moderately increased risks. The revised SACP of SNS Bank is also due to our view that its franchise has eroded. As a result, we have lowered by two notches our ratings on SNS REAAL and SNS Bank's subordinated instruments. For ING Bank, the impact on the long-term counterparty credit rating is offset by an increase in the uplift that we include in its ratings for potential extraordinary government support. However, we have lowered the ratings on the group's subordinated instruments by one notch. For Achmea Hypotheekbank, we consider that the weaker SACP is offset by parental support.

For the other institutions, the impact on the SACP has led to a one-notch downgrade of the long-term counterparty credit and debt ratings.

We have affirmed the ratings on LeasePlan Corporation as we already capture the increased risks cited above in its SACP. The affirmation of the ratings on NIBC Bank is underpinned by our assessment of its improving capital base, which offsets our view of increased economic risks.

We do not have SACPs on Royal Bank of Scotland N.V. or AEGON Bank. We align their ratings with the other core operating subsidiaries of Royal Bank of Scotland Group PLC and AEGON N.V.

The negative outlook on ING Bank and ING Groep mirrors that on The Netherlands (AAA/Negative/A-1+, unsolicited ratings). The negative outlook on NIBC reflects the possibility that we may lower the ratings on the bank if its progress in further strengthening its capital position appears likely to be delayed or more limited than we currently anticipate.

The negative outlook on SNS REAAL and SNS Bank primarily reflects our view that the group's overall franchise may face some erosion over the next two years. Among other things, it takes into consideration our understanding that SNS REAAL may consider selling parts of its business as a result of its strategic review. SNS Bank and SNS REAAL's subordinated debt instruments remain on CreditWatch negative, pending the outcome of the group's strategic review.

The negative outlook on Achmea Hypotheekbank reflects the possibility of a downgrade if we consider that its loss experience were to deteriorate markedly.

We expect to resolve the CreditWatch placements on the long-term ratings on BNG, KAS Bank, and NWB Bank in the next few weeks.

The outlook on ABN AMRO Bank, AEGON Bank, Van Lanschot, LeasePlan, Rabobank Nederland, and Royal Bank of Scotland N.V. is stable.

RELATED CRITERIA AND RESEARCH

- Banking Industry Country Risk Assessment: The Netherlands, Nov. 16, 2012
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banking Industry Country Risk Assessment Methodology And Assumptions,

Various Rating Actions Taken On Dutch Banks Due To Increased Economic Risks

Nov. 9, 2011

- Group Rating Methodology And Assumptions Nov. 9, 2011
- Bank Hybrid Capital Methodology And Assumptions, Oct. 24, 2011
- Interactive Ratings Methodology, April 22, 2009
- Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Principles Of Credit Ratings, Feb. 16, 2011
- Use Of CreditWatch And Outlooks, Sept. 14, 2009
- Holding Company Analysis, June 11, 2009
- Group Methodology, April 22, 2011
- Rating Government Related Entities: Methodology And Assumptions, Dec. 9, 2010

BICRA SCORE CHANGES

	SCORE*	
	To	From
BICRA	3	2
Economic risk	3	2
Industry risk	3	3

*On a scale from '1' (lowest risk) to '10' (highest risk).

RATINGS LIST*

Ratings Lowered	To	From
ABN AMRO Bank N.V. Counterparty credit rating	A/Stable/A-1	A+/Negative/A-1
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Rabohypotheekbank N.V. Rabobank New Zealand Ltd. Counterparty credit rating	AA-/Stable/A-1+	AA/Negative/A-1+
F. van Lanschot Bankiers N.V. Counterparty credit rating	BBB+/Stable/A-2	A-/Negative/A-2
SNS REAAL N.V. Counterparty credit rating	BBB-/Negative/A-3	BBB/Negative/A-3
SNS Bank N.V. Counterparty credit rating	BBB/Negative/A-3	BBB+/Negative/A-2
SRLEV N.V. REAAL Schadeverzekeringen N.V. Counterparty credit rating	BBB/Watch Dev/--	BBB+/Watch Dev/--
REAAL Verzekeringen N.V. Counterparty credit rating	BBB-/Watch Dev	BBB/Watch Dev
Ratings Affirmed; Outlook Action Achmea Hypotheekbank N.V. Counterparty credit rating	A/Negative/A-1	A/Stable/A-1

Various Rating Actions Taken On Dutch Banks Due To Increased Economic Risks

ING Bank N.V.

ING Belgium S.A./N.V.

ING Financial Markets, LLC

Counterparty credit rating A+/Negative/A-1 A+/Stable/A-1

ING Groep N.V.

ING Bank (Australia) Ltd.

Counterparty credit rating A/Negative/A-1 A/Stable/A-1

Ratings on CreditWatch

Bank Nederlandse Gemeenten N.V.

Counterparty credit rating AAA/Watch Neg/A-1+ AAA/Negative/A-1+

KAS BANK N.V.

Counterparty credit rating A-/Watch Neg/A-2 A-/Negative/A-2

Nederlandse Waterschapsbank N.V.

Counterparty credit rating AAA/Watch Neg/A-1+ AAA/Negative/A-1+

Ratings Affirmed

LeasePlan Corporation N.V.

Counterparty credit rating BBB+/Stable/A-2

NIBC Bank N.V.

Counterparty credit rating BBB-/Negative/A-3

N.B.—This does not include all ratings affected.

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