

Moody's downgrades outlook for Dutch banks

THE HAGUE, March 14 (Xinhua) -- Rating agency Moody's on Thursday downgraded its long-term forecasts for the creditworthiness of three Dutch banks ABN Amro, NIBC and Rabobank from "stable" to "negative".

The negative outlook for ING Bank was maintained. An outlook is not necessarily a precursor of a rating change, but a negative outlook means that a rating may be lowered. The credit status remains the same now.

Last year Moody's had already downgraded the long-term debt and deposit ratings of the Dutch banks, along with the status of many other banks. Rabobank is the most stable Dutch bank on Aa2, ING and ABN Amro are on A2 and NIBC on Baa3.

"The negative outlook is driven by Moody's view that the operating environment in the Netherlands is becoming more challenging than previously anticipated," Moody's said in a press release.

"This implies greater downside risk in asset quality in areas where the banks have large concentrations, beyond the impact that normal cyclical changes would be expected to have."

Moody's found three major developments that could undermine the creditworthiness of these big banks. First, the shrinkage of the economy this year, second the rising unemployment rate and finally Moody's estimated more losses in real estate.