

# COOPERATIVE RABOBANK UA

## FACT SHEET

AUGUST 2024

I A M  
INCOME ASSET  
MANAGEMENT

## Cooperative Rabobank UA

### Issuer Outline

Cooperative Rabobank U.A. operates as a bank. The Bank offers personal, wholesale, international, and retail banking services. Cooperative Rabobank serves clients worldwide.

<b>Sector:</b>	Financial
<b>Sub-Sector:</b>	Banks
<b>Country:</b>	NL
<b>Ownership:</b>	Public

### Key Financials (AUD m)

#### LTM (31 March)

Net interest income	11,712
Non-interest income	5,389
NPAT	4,287
Gross loans	426,756
Total assets	613,796
Customer deposits	391,281
Short and long term debt	148,084
Non-performing loans (NPLs) to total loans (%)	2.11
CET 1 ratio (%)	19.20

### Issuer Credit Rating & Outlook

Agency	Rating	Outlook
S&P	A+	STABLE
Moody's	Aa2	STABLE
Fitch	A+	STABLE

### Issuer Short-Term Credit Rating & Outlook

Agency	Rating	Outlook
S&P	A-1	STABLE
Moody's	P-1	STABLE
Fitch	F1+	STABLE

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### IAM Credit View

Rabobank is a cooperative bank and one of the three leading banks in the Netherlands. Rabobank Group comprises Cooperative Rabobank U.A. (Rabobank) and its consolidated subsidiaries domestically and abroad. Its equity base consists of reserves and retained earnings (73%), Rabo certificates (16%), Capital Securities (10%), and other non-controlling interests (1%).

Rabobank Group was formed in January 2016 by the central Rabobank entity (Rabobank Nederland) legally merging with 106 local co-operative Rabobanks to form one cooperative bank, with one banking license and one set of financial statements. Its international focus is on the Food & Agri sector. In the Netherlands, Rabobank offers a wide variety of financial products, focusing on mortgage and SME lending and household savings. Rabobank also includes BPD, Obvion and DLL which, respectively, provide real estate, mortgage, and leasing solutions.

Rabobank's solid capitalisation and substantial Dutch retail banking franchise underpins its solid fundamentals. It continues to be highly capital-generative, with good asset quality. Rabobank has a diverse funding base, a strong deposit franchise, and strong liquidity metrics.

### Strengths of Rabobank

- Rabobank's solid capitalisation and substantial Dutch retail banking franchise underpin its solid fundamentals. It continues to be highly capital-generative, which raises the question of whether it could increase distributions on its Rabo certificates or even increase other cooperative benefits.
- Rabobank's generally low-risk lending, focusing on Dutch mortgages, has protected asset quality. However, there are signs of a cooldown in the housing market, and wholesale and rural impairment charges have risen.
- It has a diversified funding base, a strong deposit franchise, and strong liquidity metrics.

### Weaknesses of Rabobank

- Almost 50% of its private sector loan portfolio comprises Dutch residential mortgages. The quality of this book is high, even if there are signs the housing market is cooling down.
- Rabo is a large lender in the food and agricultural sector, It is facing challenges related to carbon emissions, nitrogen, and other sustainability challenges.
- Rabobank's credit losses in farm lending are relatively low. Farmers are used to operating in volatile markets and typically have relatively tight cash flows and a relatively strong equity position. Collateral values are high and solid, and land values tend to be stable over time, but the farmer protests continue to add a dimension of uncertainty.

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### Summary Bond Details

ISIN	Issue Amount	Ranking	Coupon	Coupon Frequency	First Call <sup>1</sup>	Maturity Date	Issue Rating (S&P/Moody's/Fitch)
AU3FN0072732	AUD200m	Subordinated	3mBBSW + 2.95%	Quarterly	26 October 2027	26 October 2032	BBB+ / Baa1 / A-
AU3CB0293348	AUD300m	Unsecured Tier 2 Subordinated	7.074%	Semi-annual	26 October 2027	26 October 2032	BBB+ / Baa1 / A-
XS2486281467	AUD90m	Unsecured Tier 2 Subordinated	5.454%	Annual	1 June 2037	1 June 2037	BBB+ / Baa1 / A-
XS2472190482	AUD60m	Unsecured Tier 2 Subordinated	5.000%	Annual	27 April 2037	27 April 2037	BBB+ / Baa1 / A-

<sup>1</sup>Noteholder may convert into shares if issuer does not redeem at first call date for subordinated instruments.

#### Tier 2 Structure

Interest Deferral/Cancellation	Interest is deferrable and cumulative if, prior to the payment of interest, the issuer is not solvent or would not be solvent after payment.
Bail-in Trigger	If the regulator determines that an issuer requires capital or bail-in support to prevent it becoming non-viable, the bank may be required to write-off some or all the face value of the notes, in-part or in full.
Subordination	Tier 2 notes are deeply subordinated, and rank ahead only of ordinary shares and AT1.
Maturity	The notes have a maturity date, although it may elect to use the optional call. Tier 2 notes include an early call feature where the face value of the notes may be repaid early in cash from a given date stated in the terms and conditions of the instrument.

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