Coöperatieve Rabobank U.A.

Full Rating Report

Ratings

Foreign Currency

Long-Term IDR	AA-
Short-Term IDR	F1+
Viability Rating	a+
Support Rating	5
Support Rating Floor	NF

Sovereign Risk

Long-Term Foreign-Currency IDR	AAA
Long-Term Local-Currency IDR	AAA

Outlooks

Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

Financial Data

Coöperatieve Rabobank U.A.

	30 Jun 19	31 Dec 18
Total assets (USDm)	690,578	676,287
Total assets (EURm)	606,834	590,437
Total equity (EURm)	35,640	35,190
Published net income (EURm)	1,212	3,004
Operating profit/risk-weighted assets (%)	1.6	1.9
Operating ROAE (%)	9.2	11.0
Fitch Core Capital/ risk-weighted assets (%)	16.8	17.0
Tangible equity / tangible assets (%)	5.7	5.8
Common equity Tier 1 ratio (fully loaded) (%)	15.8	16.0
Non-performing loans/gross loans (%)	3.9	4.3

Source: Fitch Ratings, Fitch Solutions

Related Research

Cooperatieve Rabobank U.A. - Ratings Navigator (February 2019)

Large European Banks Quarterly Credit Tracker - 2Q19 (September 2019)

Analysts

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Key Rating Drivers

Conservative Approach to Risk: Coöperatieve Rabobank U.A.'s (Rabobank) Viability Rating (VR) is underpinned by its modest risk appetite, which Fitch Ratings believes will remain central to the bank's strategy. The VR is supported by the bank's leading position in Dutch retail banking, complemented by a solid franchise in the global food and agriculture sectors. The VR is based on the expectation that Rabobank's capital ratios will remain solid while unreserved non-performing loans (NPLs) will decrease, and that funding and liquidity will remain sound.

Loan Quality Weaker than Peers': Rabobank's higher-than-peers' NPLs partly reflect several one-offs and a conservative NPL definition, which was tightened in 2018. On a like-for-like basis, Rabobank's NPL stock has decreased by about a third between end-2014 and end-June 2019. The ratings factor in our expectation that NPLs will continue to decrease, and setbacks to this expectation could put ratings under pressure. The NPL coverage by loan-loss allowances of 24% reflects a highly collateralised loan book but is low by international standards.

Improved Earnings, Challenges Ahead: Rabobank's profitability has improved in recent years, largely as a result of very low loan impairment charges (LICs) but also since the bank's cost-efficiency measures have started to pay off. The outlook on earnings is now more challenging, however. We expect interest rates to stay lower for longer and depress revenue, while further large-scale cost cuts will be difficult to deliver in the near term. As a result, the bank is unlikely to achieve its 2020 cost/income ambition of 53%-54%.

Solid Capital Ratios: At end-June 2019, Rabobank's Fitch Core Capital (FCC)/risk-weighted assets (RWA) ratio was a solid 16.8% and its fully loaded common equity Tier 1 (CET1) ratio was 15.8%. However, net NPLs represented about 40% of FCC at the same date, which is high compared with similarly rated peers. This should improve as the stock of NPL decreases. Leverage compares well with that of peers.

Sound Liquidity Mitigates Refinancing Risk: Rabobank is structurally reliant on wholesale funding, making it sensitive to investor confidence. However, the bank has sound access to the debt market. Its liquidity buffer is ample and well in excess of near-term debt repayments, and liquidity management is prudent.

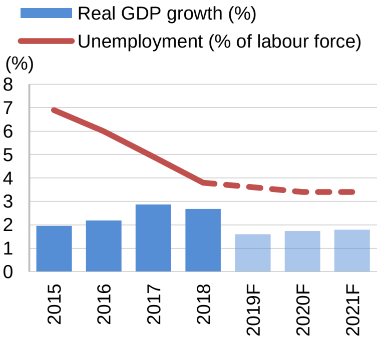
IDR Notched Above VR: Rabobank's Long-Term Issuer Default Rating (IDR) and senior debt ratings are one notch above the VR because Fitch believes the risk of default on senior obligations is lower than the risk of the bank failing. This is due to the large buffer of qualifying junior debt, which could be made available to protect senior obligations from default in case of failure, either under a resolution process or as part of private-sector action to avoid resolution.

Rating Sensitivities

VR Sensitive to NPL Trends: Rabobank's VR could be downgraded if it fails to reduce NPLs and the ratio of net NPLs to capital. A reduced focus on maintaining a large liquidity buffer would also put pressure on the ratings due to the group's wholesale funding reliance. Rabobank's ratings are also sensitive to investor sentiment turning against it. An upgrade of the VR is unlikely given its already high level.

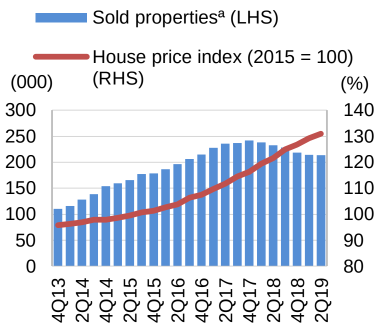
Lower Junior Debt Buffer: The qualifying junior debt buffer amounted to about 10.2% of RWAs at end-June 2019 (pro-forma for the recent additional Tier 1 issue). We believe that the buffer needs to be at least about 10% of RWAs to maintain the one-notch uplift from the VR.

Dutch Economy



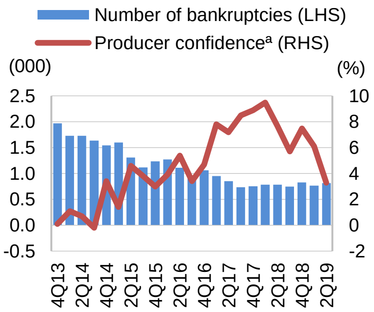
Source: Fitch Ratings (Sovereign data)

Dutch Housing Market



[a] Four-quarter rolling sum
Source: Fitch Ratings, CBS

Dutch Corporate Sector Health



[a] At period-end
Source: Fitch Ratings, CBS

Operating Environment

Slowing but Continued Growth; Heightened Downside Risk

Rabobank predominantly operates in the Netherlands and its performance is, therefore, linked to the health of the Dutch economy. The 'AAA' sovereign rating has been affirmed in April 2019 with a Stable outlook. The country benefits from a high degree of financing flexibility due to its status as a core eurozone country. It is an advanced and stable economy, which ranks highly on the World Bank's Ease of Doing Business ranking and has a high GDP per capita, high degree of transparency and resilience to economic shocks, as well as deep capital markets.

Economic growth has been above peer countries in recent years, and Fitch expects a slowdown from its cyclical peak. Real GDP growth was 2.7% in 2018 and Fitch forecasts more moderate but still healthy growth rates of 1.6% in 2019 and 1.7% in 2020-2021. This, combined with prevailing low interest rates, remains supportive of the banking sector's asset quality.

House prices have appreciated by more than 30% from the 2013 trough. Fitch forecasts home price growth to slow, driven by stretched affordability and more difficult lending conditions. Household debt as a percentage of gross disposable income remains among the highest in the eurozone but this has to be viewed in the context of high household wealth and low unemployment. In addition, the mortgage market has become more resilient as underwriting standards have tightened resulting in a growing share of amortising loans.

Concentrated Banking Sector; Developed and Effective Regulation

The Dutch banking sector is concentrated, with the aggregate market shares of the three largest banks – Rabobank, ABN AMRO Bank N.V. (A+/Stable/a) and ING Group N.V. (A+/Stable/a+) – amounting to 70%-75% in retail and up to 85% in SME segments. Barriers to entry are high given the dominant franchises of the leading players and the niche markets of the second-tier banks.

The Dutch banking regulatory environment is developed and transparent. As a significant institution, Rabobank is directly supervised by the ECB, which sets its minimum capital requirements. DNB, the Dutch central bank, conducts regular stress-tests and implements local capital add-ons.

The EU's Bank Recovery and Resolution Directive was implemented into national law in November 2015 and Dutch banks are subject to minimum requirements for their own funds and eligible liabilities available for bail in (MREL). The Netherlands implemented a Europe-wide solution for eligible debt, with the introduction of the new senior non-preferred debt class in December 2018.

Company Profile

Strong Domestic Retail-Banking Franchise Supported by Cooperative Roots

Rabobank is a cooperative bank, which in its current legal form is the result of the merger of 106 local cooperative banks into the central institution of Rabobank Group in the beginning of 2016. Rabobank has a strong franchise in its main markets, the Dutch retail and SME segments and the food and agriculture (F&A) sector globally. It has leading Dutch-market shares in household savings (over 30%), residential mortgage loans (about 20%), SME lending (about 40%) and agricultural lending (about 85%). Rabobank's two main domestic competitors, ABN AMRO Bank and ING Group, have market shares of about 20%-25% depending on product. Rabobank's business model is largely geared towards traditional retail and commercial banking.

Focus on Food and Agriculture Financing Internationally

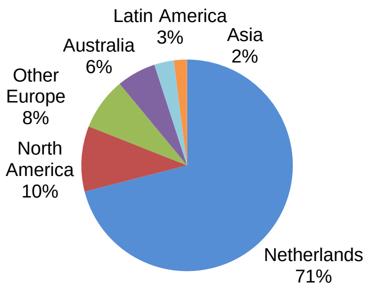
Rabobank is a leading financer of F&A domestically and abroad, and has a long record in the sector. F&A net loans were EUR105 billion at end-June 2019 and accounted for about a quarter of the bank's total net loans to the private sector. About three quarters of F&A loans were granted internationally.

Related Criteria

Bank Rating Criteria (October 2018)

Short-Term Ratings Criteria (May 2019)

Private-Sector Lending
EUR416bn at end-June 2019



Source: Fitch Ratings, Rabobank

Rabobank focuses on the main food-producing countries, such as the US, Australia, Brazil, New Zealand and Chile, as well as the main food-consuming countries in Asia and Europe.

Rabobank has been reducing its non-F&A international presence, most recently with the sale of its banking subsidiary in the US, Rabobank National Association (RNA). As part of the deal, RNA's F&A clients remained with Rabobank, while non-F&A businesses were transferred to the buyer. The sale resulted in a EUR4.5 billion reduction in loans and a EUR9.8 billion reduction in deposits and was finalised in early September 2019.

Stable and Diverse Business Model

Rabobank's operating income is dominated by net interest income, which generates about three-quarters of revenue, a reflection of the bank's focus on traditional banking activities. Net fees and commissions generate a further 15%-20% of revenue. Domestic retail banking is the main profit contributor for the bank and generates over a half of operating profit reported by the business segments. This excludes "other operations", which includes results from associates, treasury and head office operations.

Between 20% and 25% of operating profit typically comes from the wholesale and international rural and retail business line, essentially large corporates and F&A, although its contribution was materially lower in 1H19 due to increased impairment charges. The balance mainly comprises the growing leasing segment. The real estate segment decreased in recent years following divestments and transfers to other operating segments and its contribution to the overall profitability is no longer material.

Management and Strategy

Fitch believes Rabobank's management has a high degree of depth and experience. The bank saw some senior management turnover in recent years. A new chief risk officer was appointed in February 2019 after the previous one spent less than three years in the role. The turnover is manageable, in our view. Corporate governance is generally effective across the group. Rabobank mostly complies with the Dutch corporate governance code, although as a non-listed cooperative it is not obliged to do so.

Rabobank's strategy is consistent, well-articulated and reflects long-term goals. The bank focuses on clearly defined core products and markets. The merger of the cooperative banks in early 2016 has been executed well. Rabobank has also made progress in rationalising the business and reducing staff, which helped contain costs. However, persistently low interest rates have been depressing revenue, and the bank is unlikely to achieve its ambitious cost/income target until interest rates normalise. The return on capital target may, therefore, also be out of reach, particularly if LICs increase to a level closer to the long-term average.

Financial Targets 2020

(%)	Target	End-June 2019/1H19[a]
Fully loaded CET1 ratio	>14	15.8
Return on invested capital	>8	6.4
Cost/income	53-54	64.4
Wholesale funding	~150bn	152bn
MREL buffer as % of RWA	~28.6	27.8

[a] As calculated by Rabobank
Source: Fitch Ratings, Rabobank

Risk Appetite

Conservative Underwriting Standards

Rabobank has a low-to-moderate risk appetite and has demonstrated a prudent approach to risk-taking. Underwriting standards are generally low risk and benefit from Rabobank's focus on sectors and products where it has extensive expertise. The bank's lending is predominantly secured, with conservative haircuts applied to collateral values. Strict concentration limits are in place. Underwriting standards in Dutch mortgage lending focus on affordability, including under stressed interest rates and are low risk, in our view.

Risk controls are centralised and merging into one bank has strengthened this. Rabobank has been working on strengthening its customer due diligence and transaction monitoring controls, similarly to other Dutch banks and given increased regulatory scrutiny. This is likely to require continued substantial investment in the near term.

Loan growth has been low in recent years. The bank will continue to lend to its core customers in the Netherlands and in the F&A sector, but it has also been optimising its balance sheet in anticipation of stricter risk-weighting of assets under Basel III end-game rules. This includes sales of non-core businesses and loan portfolios.

Modest Market Risk

Rabobank is exposed to structural interest-rate risk in its banking book and to a range of market risks from its customer-driven trading activities. Structural interest-rate risk is controlled and managed using earnings at risk and modified duration of equity, complemented by regular scenario analysis. At end-2018, Rabobank's interest income was most sensitive to a scenario of a gradual 200bp decrease in interest rates, and earnings at risk were EUR109 million (a low 1% of 2018 net interest income), well below the EUR525 million limit. Modified duration is steered between 0% and 6% and was within the limit at end-2018, at 2.8%. The bank hedges its currency risk to minimise the impact of currency fluctuations on its CET1 ratio.

Market risk from trading activities as measured by value at risk (VaR, one-day holding period/97.5% confidence) is low. The highest VaR recorded in 2018 was EUR3.9 million (average: EUR2.6 million) and decreased relative to 2017. The highest stressed VaR calculated using data from the global financial crisis and measured on a 10-day holding period/99% confidence basis was EUR75 million in 2018, well below 1% of equity.

The most significant equity investment at end-June 2019 was the 29% stake in Achmea B.V (A/Stable), the Netherlands' leading insurance company. As part of the RNA sale, Rabobank has also received a 9.9% in the buyer, California-based Mechanics Bank.

Financial Profile

Asset Quality

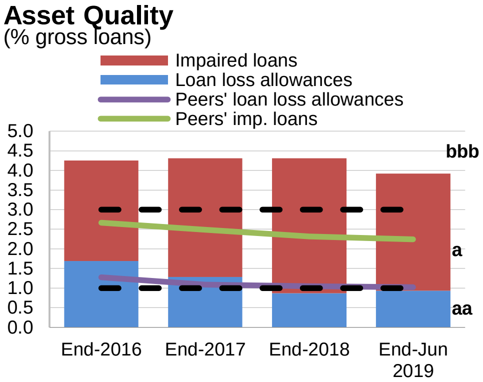
Overall Adequate Asset Quality; Room for Further Improvement

Rabobank's customer loan book represents about two-thirds of the bank's total assets. The loan book is predominantly geared to the Netherlands (about three-quarters). Rabobank's NPLs and NPL coverage by loss allowances compare unfavourably with peers' although reported NPL volumes have been affected by several technical aspects, are conservatively defined and have been improving on a like-for-like basis. Our view of Rabobank's asset quality is underpinned by a large proportion of low-risk mortgage loans on its balance sheet, as well as the very high quality of its non-loan assets.

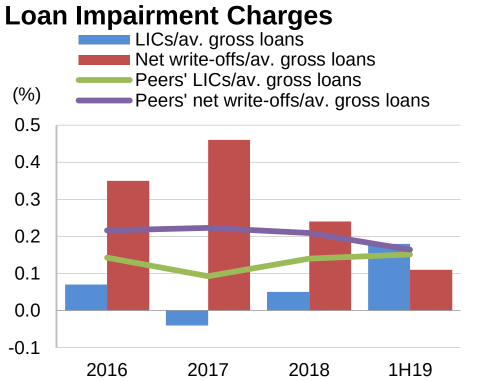
Note on Charts

Black dashed lines in the Asset Quality chart and further on in the report represent indicative quantitative ranges and corresponding implied scores for Fitch's core financial metrics for banks operating in the environments that Fitch scores in the 'aa' category.

Peer average includes Rabobank, ING Group, ABN AMRO, Swedbank AB (VR: aa-), Nordea Bank Abp (aa-), Credit Agricole (a+), Groupe BPCE (a+) and Lloyds Banking Group plc (a)



Source: Fitch Ratings, Banks



Source: Fitch Ratings, Banks

In January 2018, Rabobank tightened its definition of default for mortgage and SME loans, which resulted in a EUR1.9 billion one-off increase in reported NPLs (about 10% of the NPL stock). From 2017, Rabobank's reported NPLs also include exposures outside of its private sector loan book. For this reason, the Fitch-calculated NPL ratio, which uses gross customer loans in the denominator, is slightly overstated at 3.9% at end-June 2019 (end-2018: 4.3%). We estimated that on a like-for-like basis, the stock of NPLs decreased by about EUR6.5 billion or over 30% between its end-2014 peak and end-June 2019, helped by disposals of legacy commercial real estate (CRE) NPLs. Coverage of NPLs by specific loss allowances is low (19% at end-June 2019), reflecting the highly collateralised nature of the loan book.

Fitch expects Rabobank's NPLs to reduce further. We also expect the bank to be more proactive in managing problem exposures, particularly given the recently introduced backstop regulation and supervisory expectations on NPL coverage, which envisage full coverage of NPLs by loss allowances after a certain period of time.

Healthy and Resilient Residential Mortgage Lending

Almost half of Rabobank's customer loans are Dutch mortgage loans. This book has remained resilient reflecting the bank's prudent underwriting policy and presence in more rural areas. The NPL ratio was affected by the stricter definition of default but remains low.

High loan/value (LTV) ratios by international standards are typical in the Dutch mortgage loan market as a result of past tax incentives. A high LTV does not indicate increased risk of non-performance in the Dutch context as mortgage loans are granted based on debt servicing capacity with transparent, reasonably conservative and universally applied affordability standards. The legislation is generally creditor-friendly. As a result, losses on Dutch mortgage lending have been low over time. We expect LTV ratios and the share of high-LTV loans, which have declined in recent years as a result of house price increases, to decline further. This is due to a growing share of amortising loans in the loan mix and since low interest rates incentivise borrowers to use their savings for loan prepayments.

Dutch Mortgage Lending

	Rabobank		Dutch banks average[a]
(%)	End-June 2019	End-2018	End-2018
Average LTV[b] (%)	61	64	65
% NHG[c]-guaranteed	19	19	22
% LTV > 100% (non-NHG)	4	5	5[d]
% Fully interest-only	25	25	23[e]
Non-performing loans (%)	1.0	1.1	0.9
LICs/average gross loans (bp)	-1	-2	-2[e]

[a] Weighted average of Rabobank, ING Group, ABN AMRO and de Volksbank N.V. (VR: a-)
[b] Excluding NHG-guaranteed loans for Rabobank
[c] Dutch Mortgage Guarantee
[d] For ING Group, including non-Dutch mortgage loans
[e] Not available for ING Group
Source: Banks, Fitch Ratings

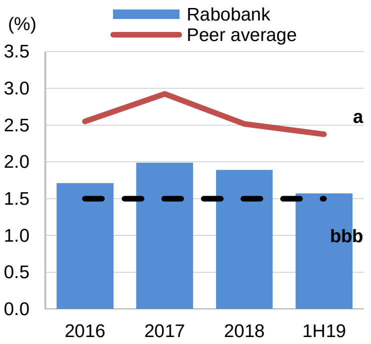
Weaker Quality SME and CRE Loans

NPLs in domestic non-mortgage retail banking (about 20% of total loans) remain high, affecting Rabobank's overall NPL ratio. Dutch SMEs generally benefitted from recent robust economic growth but the cyclical nature of certain F&A subsectors has had an impact on NPLs. Domestic retail banking also includes a large part of the CRE portfolio. Rabobank has largely finalised the de-risking of its CRE loan book (EUR20 billion or about 5% of total loans at end-June 2019) following loan sales in 2018 and 1H19. However, estimate that the NPL ratio in the CRE portfolio remains above average.

F&A is the highest corporate sector exposure accounting for about a quarter of total net loans to the private sector at end-June 2019. The concentration is mitigated by large diversification by subsector and geography. Abroad, Rabobank lends to F&A corporates and traders, and finances large-scale industrialised farms, mainly in Australia, New Zealand and the US, with some exposures in Latin America. This industry is typically vulnerable to adverse weather but risks can be mitigated by lender expertise and diversification, which is the case for Rabobank.

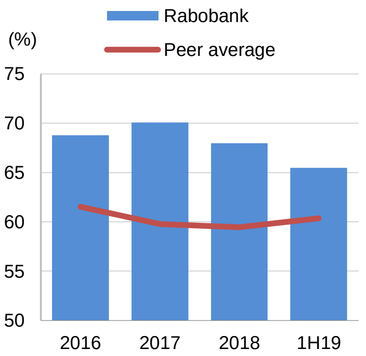
The risk to Rabobank's asset quality from a disorderly Brexit is limited, in our view. Rabobank's direct exposure to UK clients was moderate at EUR11 billion at end-June 2019.

Operating Profit/RWAs



Source: Fitch Ratings, Banks

Cost/Income



Source: Fitch Ratings, Banks

The bank also estimates that less than 3% of its domestic retail banking loan book is indirectly exposed to the UK.

Other Earning Assets Are Healthy and Support Asset Quality

Rabobank's non-loan earning assets are low risk and mostly comprise central bank placements (EUR63 billion 10% of total assets at end-June 2019). Loans to banks (about 5% of assets) are generally to highly rated institutions. Investments in securities are mostly in the form of sovereign bonds eligible as Level 1 assets in the liquidity coverage ratio calculation.

Earnings and Profitability

Profitability Outlook Challenged by Lower-for-Longer Interest Rates

Rabobank's profitability has benefitted in recent years from exceptionally low LICs although it remained below that of similarly rated peers as measured by the operating profit/RWAs ratio. Rabobank has been gradually narrowing the gap by pursuing an ambitious restructuring programme that involves a significant reduction of the workforce by 12,000 FTEs in 2016-2020 (almost a quarter of end-2015 staff, more than 10,000 achieved by June 2019). The bank has also strengthened its pricing discipline throughout the group in recent years, although the positive impact on the net interest margin has been partly offset by persistently low interest rates.

The outlook on Rabobank's profitability has weakened, however. We expect revenue to remain under pressure as interest rates are likely to stay lower for longer. Similarly to other major Dutch banks, Rabobank's ability to pass negative rates on to customers is now limited. The divestment of RNA will have a positive impact on operating expenses in 2020, and we expect some further costs savings in domestic retail banking. At the same time, the need to invest in growth and digitalisation, as well as additional costs related to improvements in customer due diligence controls, suggests that a further significant reduction of the cost base is unlikely in the near term.

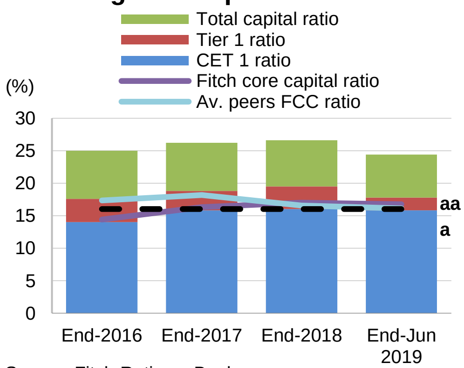
Rabobank's LICs increased to 18bp of average gross loans in 1H19 from 5bp in 2018, and after net releases of loss allowances reported in 2017. Fitch expects LICs to remain below the long-term average of 20bp-25bp estimated by the bank as the Dutch economy continues to grow. At the same time, we do not expect them to return to the unsustainably low levels of recent years given that growth has moderated and the macro outlook has become less certain.

Capitalisation and Leverage

Solid Capital Ratios, Reducing Capital Encumbrance

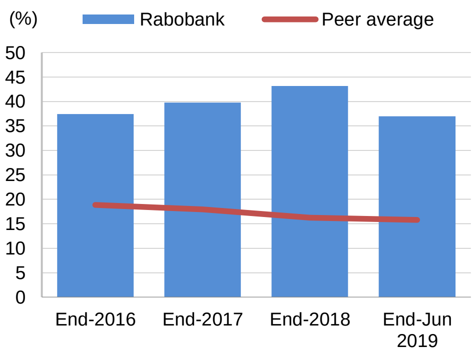
Rabobank's fully loaded CET1 ratio was a solid 15.8% at end-June 2019 and well above the bank's conservative 14% target. The FCC ratio was similarly solid at 16.8%, and the fully loaded Basel III leverage ratio was a sound 5.8%. We view Rabobank's capitalisation as slightly weaker than that of similarly rated peers, despite the improvement in capital ratios and leverage over the last several years. This is due to the bank's reducing but still elevated exposure to unreserved NPLs (37% of FCC at end-June 2019), which makes capitalisation sensitive to a reduction of collateral values.

Risk-Weighted Capital Ratios



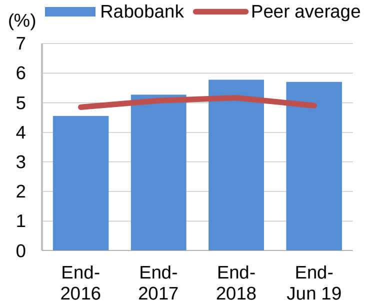
Source: Fitch Ratings, Banks

Net Impaired Loans/Fitch Core Capital



Source: Fitch Ratings, Banks

Tangible Equity/Tangible Assets



Source: Fitch Ratings, Banks

Rabobank estimated that proposed Basel III end-game rules would indicatively result in an increase of RWA of about 30%-35% based on end-2018 balance sheet. Management believes that mitigating measures can bring the RWA inflation down to below 30%. This is still equivalent to about a 3.5pp impact on the fully loaded CET1 ratio but is manageable, in our view. The new rules will have a five-year phase-in period starting from 2022. We expect Rabobank to generate healthy amounts of capital internally, and the bank demonstrated it can attract capital and decrease its balance sheet, if necessary.

Large Buffer of Junior Debt Supports IDR above VR

Rabobank's Long-Term IDR and senior preferred and senior non-preferred debt ratings are one notch above the bank's VR because Fitch believes the risk of default on senior obligations, as measured by the Long-Term IDR, is lower than the risk of the bank failing, as measured by its VR. The one-notch uplift reflects the bank's significant qualifying junior debt buffer, which could be made available to protect senior obligations from default in case of failure, either under a resolution process or as part of a private-sector action (ie distressed debt exchange) to avoid resolution.

Without such a private-sector solution, we would expect a resolution action to be taken on Rabobank when it breaches minimum capital requirements, and we have assumed that the intervention point would be around the bank's current minimum CET1 requirement of 6.25% (Pillar 1 and Pillar 2 – excluding the capital conservation and the Dutch systemic risk buffers). We further assume Rabobank would need to meet its total minimum capital requirements immediately after a resolution action, which on a fully loaded basis, including the capital conservation and systemic risk buffers, amount to 15.25% of total RWA. A qualifying junior debt buffer of 10% of RWA would most likely be sufficient to restore the group's viability without affecting senior creditors.

At end-June 2019, the qualifying junior debt buffer was 10.2% of RWAs (pro-forma for the EUR1.25 billion additional Tier 1 issued in early September 2019). Fitch has assumed that the bank will maintain a sufficient buffer of junior debt to justify the uplift as it contributes to meeting the bank's MREL requirement. However, the bank may also use senior non-preferred debt to meet MREL. A material shift of MREL issuance from subordinated to senior non-preferred debt is likely to result in a downgrade of the Long-Term IDR because, under Fitch criteria, senior non-preferred debt will become the reference liability for the purposes of the Long-Term IDR.

At the same time, preferred senior debt ratings and the derivative counterparty rating may remain unchanged, effectively receiving a one-notch uplift from the Long-Term IDR, provided the combined buffer of qualifying junior and senior non-preferred debt exceeds 10% of RWAs

Funding and Liquidity

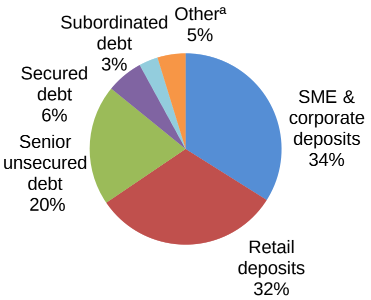
Reduced Reliance on Debt Capital Markets; Sound Access

Customer deposits are Rabobank's main source of funding and the bank has a strong franchise in the Netherlands. Deposits are roughly equally split between individuals and corporates. The bank also gathers retail deposits abroad through virtual channels under the Rabo Direct brand (slightly under 10% of total customer deposits). Rabobank maintains some reliance on wholesale funding because of the structural shortage of deposits in the Dutch banking system, which reflects banks' large loan books and the pension system steering individuals' savings into pension funds. The use of wholesale funding has reduced in recent years as Rabobank's balance sheet decreased, but the bank maintains sound market access and regularly taps a large global investor base in various currencies.

The bank has been issuing covered bonds and securitised parts of it leasing portfolio since 2017, in addition to outstanding RMBS. However, it overall makes limited use of secured funding (6% of non-equity funding, including asset-backed commercial paper), and its asset encumbrance is low (10% at end-2018).

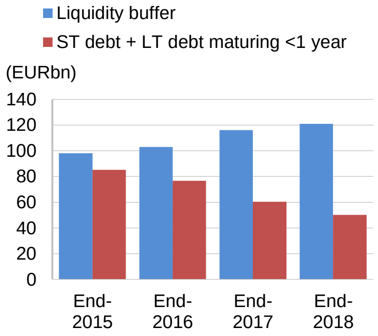
Funding Mix

EUR515bn at end-2018



[a] Interbank funding, TLTRO and repos
Source: Fitch Ratings, Rabobank

Liquidity Buffer



Source: Fitch Ratings, Rabobank

Rabobank is subject to MREL, with a binding requirement of 28.6% of RWAs. At end-June 2019, the buffer of subordinated MREL eligible instruments (excluding senior preferred debt) was 27.8% of RWAs, and additional MREL issuance needs are low.

Prudent Liquidity Mitigates Refinancing Risk

Liquid assets (EUR114 billion at end-June 2019 including about EUR30 billion of retained RMBS) are of high quality, mainly consisting of cash with central banks and highly rated sovereign debt. The liquidity buffer is well in excess of short-term debt as well as long-term debt maturing within one year, and mitigates refinancing risk arising from reliance on wholesale funding. The bank's liquidity coverage ratio was 124% and its net stable funding ratio was 118% at end-June 2019. Rabobank has consistently managed liquidity prudently and any material setback in liquidity management would put downward pressure on the ratings.

Support

In Fitch's view, legislative, regulatory and policy initiatives, including the implementation of the Bank Recovery and Resolution Directive, have substantially reduced the likelihood of sovereign support for EU commercial banks in general. The bank's Support Rating of '5' and Support Rating Floor of 'No Floor' imply that, despite Rabobank's systemic importance, it is likely that senior creditors will be required to participate in losses, if necessary, instead of, or ahead of, the bank receiving sovereign support. Although possible, sovereign support cannot be relied upon.

Debt Ratings

Rabobank's senior preferred and senior non-preferred debt is rated in line with its IDRs. Subordinated debt and hybrid securities issued by Rabobank are notched off Rabobank's VR. In accordance with Fitch's criteria, subordinated (lower Tier 2) debt is rated one notch below Rabobank's VR to reflect the higher loss severity of this type of debt compared with average recoveries.

The non-innovative old-style Tier 1 securities and preferred stock are rated four notches below Rabobank's VR to reflect the higher loss severity risk of these securities compared with average recoveries (two notches from the VR) and the high risk of non-performance (an additional two notches).

The perpetual non-cumulative capital securities and the additional Tier 1 capital notes are rated five notches below Rabobank's VR. Two notches represent the potentially high loss severity associated with the deeply subordinated securities. The other three notches represent Fitch's assessment of the incremental non-performance risk of the securities taking into account their fully discretionary coupon payments, which Fitch considers the most easily triggered form of loss absorption.

ESG Considerations

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

Cooperatieve Rabobank U.A.
Income Statement

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm Reviewed - Unqualified	6 Months - Interim EURm Reviewed - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	8,634.0	7,587.0	2.94	15,001.0	2.98	15,343.0	2.95	16,299.0	2.90
2. Other Interest Income	696.5	612.0	0.24	1,280.0	0.25	613.0	0.12	231.0	0.04
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**9,330.5**	**8,199.0**	**3.18**	**16,281.0**	**3.23**	**15,956.0**	**3.07**	**16,530.0**	**2.94**
5. Interest Expense on Customer Deposits	1,559.1	1,370.0	0.53	2,587.0	0.51	2,158.0	0.42	2,445.0	0.44
6. Other Interest Expense	2,975.9	2,615.0	1.01	5,135.0	1.02	4,955.0	0.95	5,250.0	0.93
7. Total Interest Expense	**4,534.9**	**3,985.0**	**1.54**	**7,722.0**	**1.53**	**7,113.0**	**1.37**	**7,695.0**	**1.37**
8. Net Interest Income	**4,795.5**	**4,214.0**	**1.63**	**8,559.0**	**1.70**	**8,843.0**	**1.70**	**8,835.0**	**1.57**
9. Net Fees and Commissions	1,138.0	1,000.0	0.39	1,931.0	0.38	1,915.0	0.37	1,826.0	0.33
10. Net Gains (Losses) on Trading and Derivatives	n.a.	n.a.	-	225.0	0.04	127.0	0.02	288.0	0.05
11. Net Gains (Losses) on Assets and Liabilities at FV	100.1	88.0	0.03	13.0	0.00	(22.0)	(0.00)	259.0	0.05
12. Net Gains (Losses) on Other Securities	61.5	54.0	0.02	126.0	0.03	158.0	0.03	87.0	0.02
13. Net Insurance Income	n.a.	n.a.	-	0.0	0.00	n.a.	-	n.a.	-
14. Other Operating Income	361.9	318.0	0.12	804.0	0.16	753.0	0.14	1,153.0	0.21
15. Total Non-Interest Operating Income	**1,661.5**	**1,460.0**	**0.57**	**3,099.0**	**0.62**	**2,931.0**	**0.56**	**3,613.0**	**0.64**
16. Total Operating Income	**6,457.0**	**5,674.0**	**2.20**	**11,658.0**	**2.32**	**11,774.0**	**2.27**	**12,448.0**	**2.22**
17. Personnel Expenses	2,361.4	2,075.0	0.80	4,278.0	0.85	4,472.0	0.86	4,680.0	0.83
18. Other Operating Expenses	1,865.2	1,639.0	0.64	3,646.0	0.72	3,777.0	0.73	3,883.0	0.69
19. Total Non-Interest Expenses	**4,226.5**	**3,714.0**	**1.44**	**7,924.0**	**1.57**	**8,249.0**	**1.59**	**8,563.0**	**1.52**
20. Equity-accounted Profit/ Loss - Operating	101.3	89.0	0.03	243.0	0.05	246.0	0.05	44.0	0.01
21. Pre-Impairment Operating Profit	**2,331.8**	**2,049.0**	**0.79**	**3,977.0**	**0.79**	**3,771.0**	**0.73**	**3,929.0**	**0.70**
22. Loan Impairment Charge	431.3	379.0	0.15	198.0	0.04	(190.0)	(0.04)	317.0	0.06
23. Securities and Other Credit Impairment Charges	69.4	61.0	0.02	(8.0)	(0.00)	21.0	0.00	(7.0)	(0.00)
24. Operating Profit	**1,831.0**	**1,609.0**	**0.62**	**3,787.0**	**0.75**	**3,940.0**	**0.76**	**3,619.0**	**0.64**
25. Equity-accounted Profit/ Loss - Non-operating	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
26. Goodwill Impairment	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
27. Non-recurring Income	0.0	0.0	0.00	119.0	0.02	2.0	0.00	313.0	0.06
28. Non-recurring Expense	n.a.	n.a.	-	0.0	0.00	310.0	0.06	1,214.0	0.22
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	0.0	0.00
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	**1,831.0**	**1,609.0**	**0.62**	**3,906.0**	**0.78**	**3,632.0**	**0.70**	**2,718.0**	**0.48**
32. Tax expense	451.8	397.0	0.15	902.0	0.18	958.0	0.18	694.0	0.12
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**1,379.3**	**1,212.0**	**0.47**	**3,004.0**	**0.60**	**2,674.0**	**0.51**	**2,024.0**	**0.36**
35. Change in Value of AFS Investments	94.5	83.0	0.03	(160.0)	(0.03)	(129.0)	(0.02)	24.0	0.00
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	61.5	54.0	0.02	134.0	0.03	(1,161.0)	(0.22)	248.0	0.04
38. Remaining OCI Gains/(losses)	10.2	9.0	0.00	136.0	0.03	(254.0)	(0.05)	(426.0)	(0.08)
39. Fitch Comprehensive Income	**1,545.4**	**1,358.0**	**0.53**	**3,114.0**	**0.62**	**1,130.0**	**0.22**	**1,870.0**	**0.33**
40. Memo: Profit Allocation to Non-controlling Interests	19.3	17.0	0.01	60.0	0.01	58.0	0.01	64.0	0.01
41. Memo: Net Income after Allocation to Non-controlling Interests	1,359.9	1,195.0	0.46	2,944.0	0.58	2,616.0	0.50	1,960.0	0.35
42. Memo: Common Dividends Relating to the Period	275.4	242.0	0.09	484.0	0.10	484.0	0.09	387.0	0.07
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	273.1	240.0	0.09	566.0	0.11	623.0	0.12	824.0	0.15
Exchange rate		USD1 = EUR0.878734		USD1 = EUR0.873057		USD1 = EUR0.83382		USD1 = EUR0.9487	

Cooperatieve Rabobank U.A.
Balance Sheet

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
Assets									
A. Loans									
1. Residential Mortgage Loans	215,568.1	189,427.0	31.22	190,651.0	32.29	200,907.0	33.32	206,450.0	31.16
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	266,716.7	234,373.0	38.62	186,563.0	31.60	179,204.0	29.72	187,827.0	28.35
5. Other Loans	7,023.7	6,172.0	1.02	50,183.0	8.50	45,052.0	7.47	49,949.0	7.54
6. Less: Loan Loss Allowances	4,545.2	3,994.0	0.66	3,735.0	0.63	5,446.0	0.90	7,487.0	1.13
7. Net Loans	**484,763.3**	**425,978.0**	**70.20**	**423,662.0**	**71.75**	**419,717.0**	**69.61**	**436,739.0**	**65.91**
8. Gross Loans	**489,308.5**	**429,972.0**	**70.85**	**427,397.0**	**72.39**	**425,163.0**	**70.51**	**444,226.0**	**67.04**
9. Memo: Impaired Loans included above	19,163.9	16,840.0	2.78	18,436.0	3.12	18,315.0	3.04	18,873.0	2.85
10. Memo: Specific Loan Loss Allowances	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
B. Other Earning Assets									
1. Loans and Advances to Banks	35,334.9	31,050.0	5.12	9,116.0	1.54	9,968.0	1.65	12,046.0	1.82
2. Reverse Repos and Securities Borrowing	17,755.1	15,602.0	2.57	21,672.0	3.67	30,133.0	5.00	29,466.0	4.45
3. Derivatives	30,155.9	26,499.0	4.37	22,660.0	3.84	25,505.0	4.23	42,372.0	6.39
4. Trading Securities and at FV through Income	4,837.6	4,251.0	0.70	5,167.0	0.88	2,954.0	0.49	3,906.0	0.59
5. Securities at FV through OCI / Available for Sale	16,276.8	14,303.0	2.36	18,730.0	3.17	28,689.0	4.76	34,580.0	5.22
6. Securities at Amortised Cost / Held to Maturity	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Other Securities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
8. Total Securities	**21,114.5**	**18,554.0**	**3.06**	**23,897.0**	**4.05**	**31,643.0**	**5.25**	**38,486.0**	**5.81**
9. Memo: Government Securities included Above	n.a.	n.a.	-	14,569.0	2.47	24,278.0	4.03	29,215.0	4.41
10. Memo: Total Securities Pledged	n.a.	n.a.	-	4,426.0	0.75	n.a.	-	n.a.	-
11. Equity Investments in Associates	2,823.4	2,481.0	0.41	2,374.0	0.40	2,521.0	0.42	2,417.0	0.36
12. Investments in Property	251.5	221.0	0.04	193.0	0.03	193.0	0.03	293.0	0.04
13. Insurance Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Earning Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
15. Total Earning Assets	**592,198.5**	**520,385.0**	**85.75**	**503,574.0**	**85.29**	**519,680.0**	**86.18**	**561,819.0**	**84.79**
C. Non-Earning Assets									
1. Cash and Due From Banks	72,189.1	63,435.0	10.45	73,335.0	12.42	66,861.0	11.09	84,405.0	12.74
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	n.a.	-	n.a.	-	486.0	0.07
3. Foreclosed Assets	n.a.	n.a.	-	n.a.	-	0.0	0.00	0.0	0.00
4. Fixed Assets	5,566.0	4,891.0	0.81	6,149.0	1.04	6,860.0	1.14	6,553.0	0.99
5. Goodwill	n.a.	n.a.	-	519.0	0.09	519.0	0.09	537.0	0.08
6. Other Intangibles	955.9	840.0	0.14	447.0	0.08	483.0	0.08	552.0	0.08
7. Current Tax Assets	251.5	221.0	0.04	243.0	0.04	175.0	0.03	171.0	0.03
8. Deferred Tax Assets	1,266.6	1,113.0	0.18	1,165.0	0.20	1,733.0	0.29	2,360.0	0.36
9. Discontinued Operations	9,842.6	8,649.0	1.43	268.0	0.05	992.0	0.16	281.0	0.04
10. Other Assets	8,307.4	7,300.0	1.20	4,737.0	0.80	5,688.0	0.94	5,915.0	0.89
11. Total Assets	**690,577.6**	**606,834.0**	**100.00**	**590,437.0**	**100.00**	**602,991.0**	**100.00**	**662,593.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	392,505.6	344,908.0	56.84	342,397.0	57.99	340,574.0	56.48	347,500.0	52.45
2. Deposits from Banks	24,872.1	21,856.0	3.60	19,306.0	3.27	18,526.0	3.07	21,588.0	3.26
3. Repos and Securities Lending	n.a.	n.a.	-	104.0	0.02	504.0	0.08	630.0	0.10
4. Commercial Paper and Short-term Borrowings	n.a.	n.a.	-	29,729.0	5.04	37,727.0	6.26	45,796.0	6.91
5. Customer Deposits and Short-term Funding	**417,377.7**	**366,764.0**	**60.44**	**391,536.0**	**66.31**	**397,331.0**	**65.89**	**415,514.0**	**62.71**
6. Senior Unsecured Debt	149,281.8	131,179.0	21.62	101,077.0	17.12	96,696.0	16.04	113,546.0	17.14
7. Subordinated Borrowing	17,703.9	15,557.0	2.56	16,498.0	2.79	16,170.0	2.68	16,861.0	2.54
8. Covered Bonds	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Long-term Funding	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
10. Total LT Funding	**166,985.7**	**146,736.0**	**24.18**	**117,575.0**	**19.91**	**112,866.0**	**18.72**	**130,407.0**	**19.68**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	8,035.4	7,061.0	1.16	7,014.0	1.19	14,373.0	2.38	17,259.0	2.60
13. Total Funding	**592,398.8**	**520,561.0**	**85.78**	**516,125.0**	**87.41**	**524,570.0**	**86.99**	**563,180.0**	**85.00**
14. Derivatives	31,728.6	27,881.0	4.59	23,927.0	4.05	28,103.0	4.66	48,024.0	7.25
15. Total Funding and Derivatives	**624,127.4**	**548,442.0**	**90.38**	**540,052.0**	**91.47**	**552,673.0**	**91.66**	**611,204.0**	**92.24**
E. Non-Interest Bearing Liabilities									
1. Fair Value Portion of Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Credit impairment reserves	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Reserves for Pensions and Other	954.8	839.0	0.14	1,380.0	0.23	1,829.0	0.30	1,861.0	0.28
4. Current Tax Liabilities	183.2	161.0	0.03	229.0	0.04	248.0	0.04	269.0	0.04
5. Deferred Tax Liabilities	562.2	494.0	0.08	452.0	0.08	396.0	0.07	618.0	0.09
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	11,304.9	9,934.0	1.64	0.0	0.00	256.0	0.04	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	7,862.4	6,909.0	1.14	6,088.0	1.03	7,979.0	1.32	8,117.0	1.23
10. Total Liabilities	**644,995.0**	**566,779.0**	**93.40**	**548,201.0**	**92.85**	**563,381.0**	**93.43**	**622,069.0**	**93.88**
F. Hybrid Capital									
1. Pref. Shares and Hybrid Capital accounted for as Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Pref. Shares and Hybrid Capital accounted for as Equity	5,024.3	4,415.0	0.73	7,046.0	1.19	6,319.0	1.05	8,230.0	1.24
G. Equity									
1. Common Equity	40,743.8	35,803.0	5.90	35,507.0	6.01	34,217.0	5.67	31,657.0	4.78
2. Non-controlling Interest	559.9	492.0	0.08	481.0	0.08	475.0	0.08	525.0	0.08
3. Securities Revaluation Reserves	392.6	345.0	0.06	240.0	0.04	464.0	0.08	571.0	0.09
4. Foreign Exchange Revaluation Reserves	(875.1)	(769.0)	(0.13)	(817.0)	(0.14)	(938.0)	(0.16)	203.0	0.03
5. Fixed Asset Revaluations and Other Accumulated OCI	(262.9)	(231.0)	(0.04)	(221.0)	(0.04)	(927.0)	(0.15)	(662.0)	(0.10)
6. Total Equity	**40,558.3**	**35,640.0**	**5.87**	**35,190.0**	**5.96**	**33,291.0**	**5.52**	**32,294.0**	**4.87**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equity	45,582.6	40,055.0	6.60	42,236.0	7.15	39,610.0	6.57	40,524.0	6.12
8. Total Liabilities and Equity	**690,577.6**	**606,834.0**	**100.00**	**590,437.0**	**100.00**	**602,991.0**	**100.00**	**662,593.0**	**100.00**
9. Memo: Fitch Core Capital	39,504.6	34,714.0	5.72	34,068.0	5.77	32,331.8	5.36	30,404.8	4.59

	30 Jun 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Exchange rate	USD1 = EUR0.878734	USD1 = EUR0.873057	USD1 = EUR0.83382	USD1 = EUR0.9487

Cooperatieve Rabobank U.A.
Summary Analytics

	30 Jun 2019 6 Months - Interim	31 Dec 2018 Year End	31 Dec 2017 Year End	31 Dec 2016 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	3.23	3.16	2.96	2.85
2. Interest Income on Loans/ Average Gross Loans	3.57	3.51	3.53	3.65
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.80	0.75	0.63	0.71
4. Interest Expense/ Average Interest-bearing Liabilities	1.48	1.40	1.23	1.24
5. Net Interest Income/ Average Earning Assets	1.66	1.66	1.64	1.53
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.51	1.62	1.68	1.47
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.57	1.55	1.53	1.38
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.57	1.89	1.99	1.71
2. Non-Interest Expense/ Gross Revenues	65.46	67.97	70.06	68.79
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	21.47	4.78	(4.48)	7.89
4. Operating Profit/ Average Total Assets	0.54	0.63	0.63	0.54
5. Non-Interest Income/ Gross Revenues	25.73	26.58	24.89	29.02
6. Non-Interest Expense/ Average Total Assets	1.25	1.32	1.31	1.27
7. Pre-impairment Op. Profit/ Average Equity	11.67	11.59	11.42	12.24
8. Pre-impairment Op. Profit/ Average Total Assets	0.69	0.66	0.60	0.58
9. Operating Profit/ Average Equity	9.16	11.04	11.93	11.27
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	6.90	8.76	8.10	6.31
2. Net Income/ Average Total Assets	0.41	0.50	0.42	0.30
3. Fitch Comprehensive Income/ Average Total Equity	7.73	9.08	3.42	5.83
4. Fitch Comprehensive Income/ Average Total Assets	0.46	0.52	0.18	0.28
5. Taxes/ Pre-tax Profit	24.67	23.09	26.38	25.53
6. Net Income/ Risk Weighted Assets	1.18	1.50	1.35	0.96
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	16.75	16.99	16.31	14.39
2. Tangible Common Equity/ Tangible Assets	5.71	5.78	5.27	4.56
3. Equity/ Total Assets	5.87	5.96	5.52	4.87
4. Basel Leverage Ratio	5.90	6.40	6.00	5.50
5. Common Equity Tier 1 Capital Ratio	15.80	16.00	15.80	14.00
6. Fully Loaded Common Equity Tier 1 Capital Ratio	15.80	16.00	15.50	13.50
7. Tier 1 Capital Ratio	17.80	19.50	18.80	17.60
8. Total Capital Ratio	24.40	26.60	26.20	25.00
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	37.01	43.15	39.80	37.45
10. Impaired Loans less Loan Loss Allowances/ Equity	36.04	41.78	38.66	35.26
11. Cash Dividends Paid & Declared/ Net Income	39.77	34.95	41.40	59.83
12. Risk Weighted Assets/ Total Assets	34.16	33.96	32.88	31.88
E. Loan Quality				
1. Impaired Loans/ Gross Loans	3.92	4.31	4.31	4.25
2. Growth of Gross Loans	0.60	0.53	(4.29)	(0.58)
3. Loan Loss Allowances/ Impaired Loans	23.72	20.26	29.74	39.67
4. Loan Impairment Charges/ Average Gross Loans	0.18	0.05	(0.04)	0.07
5. Growth of Total Assets	2.78	(2.08)	(9.00)	(1.16)
6. Loan Loss Allowances/ Gross Loans	0.93	0.87	1.28	1.69
7. Net Charge-offs/ Average Gross Loans	0.11	0.24	0.46	0.35
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	3.92	4.31	4.31	4.25
F. Funding and Liquidity				
1. Loans/ Customer Deposits	124.66	124.82	124.84	127.83
2. Liquidity Coverage Ratio	124.00	135.00	123.00	130.00
3. Customer Deposits/ Total Funding (including Pref. Shares & Hybrids)	65.70	65.45	64.15	60.81
4. Interbank Assets/ Interbank Liabilities	142.07	47.22	53.81	55.80
5. Net Stable Funding Ratio	118.00	119.00	119.00	119.00
6. Growth of Total Customer Deposits	0.73	0.54	(1.99)	3.08

Cooperatieve Rabobank U.A.
Reference Data

	30 Jun 2019			31 Dec 2018		31 Dec 2017		31 Dec 2016	
	6 Months - Interim USDm	6 Months - Interim EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets	Year End EURm	As % of Assets
A. Off-Balance Sheet Items									
1. Managed Securitized Assets Reported Off-Balance Sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
2. Other off-balance sheet exposure to securitizations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Guarantees	n.a.	n.a.	-	3,377.0	0.57	3,406.0	0.56	11,595.0	1.75
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	n.a.	-	n.a.	-	6,276.0	0.95
5. Committed Credit Lines	n.a.	n.a.	-	32,583.0	5.52	32,965.0	5.47	44,889.0	6.77
6. Other Contingent Liabilities	67,142.0	59,000.0	9.72	n.a.	-	18,154.0	3.01	n.a.	-
7. Other Off-Balance Sheet items	n.a.	n.a.	-	20,987.0	3.55	0.0	0.00	n.a.	-
8. Total Assets under Management	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
B. Average Balance Sheet									
1. Average Loans	487,843.3	428,684.5	70.64	426,911.7	72.30	434,487.3	72.06	447,112.0	67.48
2. Average Earning Assets	582,633.1	511,979.5	84.37	515,807.0	87.36	538,431.0	89.29	579,276.6	87.43
3. Average Total Assets	681,247.7	598,635.5	98.65	600,424.3	101.69	629,593.7	104.41	673,186.3	101.60
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	619,353.5	544,247.0	89.69	550,354.7	93.21	578,779.0	95.98	621,769.3	93.84
6. Average Common equity	40,575.4	35,655.0	5.88	34,847.0	5.90	33,198.3	5.51	31,433.3	4.74
7. Average Equity	40,302.3	35,415.0	5.84	34,308.0	5.81	33,032.0	5.48	32,101.3	4.84
8. Average Customer Deposits	391,076.8	343,652.5	56.63	343,196.0	58.13	343,751.3	57.01	342,515.0	51.69
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	n.a.	n.a.	-	36,772.0	6.23	33,885.0	5.62	46,788.0	7.06
Loans & Advances 3 - 12 Months	n.a.	n.a.	-	35,687.0	6.04	32,556.0	5.40	40,350.0	6.09
Loans and Advances 1 - 5 Years	n.a.	n.a.	-	103,680.0	17.56	97,912.0	16.24	92,451.0	13.95
Loans & Advances > 5 years	n.a.	n.a.	-	247,523.0	41.92	255,364.0	42.35	257,150.0	38.81
Debt Securities < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Debt Securities > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Loans & Advances to Banks < 3 Months	n.a.	n.a.	-	4,859.0	0.82	4,643.0	0.77	9,926.0	1.50
Loans & Advances to Banks 3 - 12 Months	n.a.	n.a.	-	1,345.0	0.23	1,169.0	0.19	1,295.0	0.20
Loans & Advances to Banks 1 - 5 Years	n.a.	n.a.	-	194.0	0.03	616.0	0.10	556.0	0.08
Loans & Advances to Banks > 5 Years	n.a.	n.a.	-	2,718.0	0.46	3,540.0	0.59	269.0	0.04
Liability Maturities:									
Retail Deposits < 3 months	n.a.	n.a.	-	293,960.0	49.79	287,677.0	47.71	297,083.0	44.84
Retail Deposits 3 - 12 Months	n.a.	n.a.	-	10,224.0	1.73	10,707.0	1.78	13,966.0	2.11
Retail Deposits 1 - 5 Years	n.a.	n.a.	-	14,399.0	2.44	16,036.0	2.66	14,013.0	2.11
Retail Deposits > 5 Years	n.a.	n.a.	-	23,814.0	4.03	26,154.0	4.34	22,438.0	3.39
Other Deposits < 3 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 3 - 12 Months	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits 1 - 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Other Deposits > 5 Years	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Deposits from Banks < 3 Months	n.a.	n.a.	-	3,490.0	0.59	5,586.0	0.93	14,241.0	2.15
Deposits from Banks 3 - 12 Months	n.a.	n.a.	-	4,428.0	0.75	1,716.0	0.28	2,408.0	0.36
Deposits from Banks 1 - 5 Years	n.a.	n.a.	-	4,753.0	0.80	4,262.0	0.71	3,892.0	0.59
Deposits from Banks > 5 Years	n.a.	n.a.	-	6,635.0	1.12	6,962.0	1.15	1,047.0	0.16
Senior Debt Maturing < 3 months	n.a.	n.a.	-	21,375.0	3.62	26,546.0	4.40	33,287.0	5.02
Senior Debt Maturing 3-12 Months	n.a.	n.a.	-	24,814.0	4.20	30,618.0	5.08	37,817.0	5.71
Senior Debt Maturing 1- 5 Years	n.a.	n.a.	-	60,125.0	10.18	58,132.0	9.64	61,587.0	9.29
Senior Debt Maturing > 5 Years	n.a.	n.a.	-	24,492.0	4.15	19,127.0	3.17	26,651.0	4.02
Total Senior Debt on Balance Sheet	**n.a.**	**n.a.**	**-**	**130,806.0**	**22.15**	**134,423.0**	**22.29**	**159,342.0**	**24.05**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	n.a.	n.a.	-	0.0	0.00	0.0	0.00	0.0	0.00
Subordinated Debt Maturing 3-12 Months	n.a.	n.a.	-	1,007.0	0.17	21.0	0.00	0.0	0.00
Subordinated Debt Maturing 1- 5 Year	n.a.	n.a.	-	5,804.0	0.98	4,248.0	0.70	2,012.0	0.30
Subordinated Debt Maturing > 5 Years	n.a.	n.a.	-	9,687.0	1.64	11,901.0	1.97	14,849.0	2.24
Total Subordinated Debt on Balance Sheet	**17,703.9**	**15,557.0**	**2.56**	**16,498.0**	**2.79**	**16,170.0**	**2.68**	**16,861.0**	**2.54**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	235,885.9	207,281.0	34.16	200,531.0	33.96	198,269.0	32.88	211,226.0	31.88
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**235,885.9**	**207,281.0**	**34.16**	**200,531.0**	**33.96**	**198,269.0**	**32.88**	**211,226.0**	**31.88**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**235,885.9**	**207,281.0**	**34.16**	**200,531.0**	**33.96**	**198,269.0**	**32.88**	**211,226.0**	**31.88**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	40,558.3	35,640.0	5.87	35,190.0	5.96	33,291.0	5.52	32,294.0	4.87
2. Fair-value adjustments relating to own credit risk on debt issued	114.9	101.0	0.02	31.0	0.01	624.8	0.10	303.8	0.05
3. Non-loss-absorbing non-controlling interests	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Goodwill	0.0	0.0	0.00	519.0	0.09	519.0	0.09	537.0	0.08
5. Other intangibles	955.9	840.0	0.14	447.0	0.08	483.0	0.08	552.0	0.08
6. Deferred tax assets deduction	212.8	187.0	0.03	187.0	0.03	582.0	0.10	1,104.0	0.17
7. Net asset value of insurance subsidiaries	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
8. First loss tranches of off-balance sheet securitizations	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
9. Fund for general banking risks if not already included and readily convertible into equity	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**39,504.6**	**34,714.0**	**5.72**	**34,068.0**	**5.77**	**32,331.8**	**5.36**	**30,404.8**	**4.59**

	30 Jun 2019	31 Dec 2018	31 Dec 2017	31 Dec 2016
Exchange Rate	USD1 = EUR0.878734	USD1 = EUR0.873057	USD1 = EUR0.83382	USD1 = EUR0.9487

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