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Insight beyond the rating.

Ratings

Issuer	Debt	Rating	Rating Action	Trend
Coöperatieve Rabobank U.A.	Long-Term Issuer Rating	AA	Confirmed	Stable
Coöperatieve Rabobank U.A.	Short-Term Issuer Rating	R-1 (high)	Confirmed	Stable
Coöperatieve Rabobank U.A.	Intrinsic Assessment	AA	--	--

See page 9 for full list of ratings

Rating Considerations

Franchise Strength: Leading franchise in the Dutch retail, SME and corporate market with strong global presence in food and agribusiness financing. (Grid Grade: Very Strong/Strong)			
Earnings Power: Resilient underlying and improving profitability, benefitting from a sustained recovery in the Dutch economy. Efficiency levels are only modest, albeit improving. (Grid Grade: Strong)	Risk Profile: Generally conservative risk profile, consistent with its retail and food & agribusiness franchise. (Grid Grade: Strong)	Funding and Liquidity: Sound funding and liquidity profile, supported by growing deposit franchise, albeit utilisation of wholesale funding is relatively high. Strong liquidity position. (Grid Grade: Very Strong/Strong)	Capitalisation: Solid capital position, underpinned by strengthened capital ratios and large buffer of bail-in-able instruments. (Grid Grade: Very Strong/Strong)

Rating Drivers

Factors with Positive Rating Implications

Positive rating pressure is unlikely in the medium term, given the already high rating level. However, any upside would require a successful execution of the strategic plan with regards to efficiency improvements as well as wholesale funding reduction, together with a substantial strengthening of profitability, whilst maintaining solid asset quality and capital position.

Factors with Negative Rating Implications

Negative rating implications could result from an inability to improve profitability, or from a material deterioration in asset quality or capital.

Financial Information

EUR Millions	30/06/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Total Assets	623,197	662,593	678,827	681,086	669,095
Equity	40,314	40,524	41,197	38,871	38,534
Pre-provision operating income (IBPT) ⁽¹⁾	1,554	2,956	3,768	3,931	3,033
Net Income ⁽¹⁾	1,145	1,136	1,267	1,005	1,238
Net Interest Income / Risk Weighted Assets ⁽¹⁾	3.93%	3.72%	3.84%	3.91%	3.95%
Pre-provision Risk-Weighted Earning Capacity ⁽¹⁾	1.48%	1.39%	1.77%	1.86%	1.40%
Post-provision Risk-Weighted Earning Capacity ⁽¹⁾	1.55%	1.25%	1.21%	0.59%	0.23%
Efficiency Ratio ⁽¹⁾	72.09%	75.20%	69.18%	67.54%	75.04%
Non-Performing Loans % Gross Loans ⁽²⁾	4.07%	4.02%	4.10%	4.49%	3.44%
CET1 (As-reported)	15.00%	14.00%	13.49%	13.60%	13.50%

Source: Company data, SNL Financial, DBRS. Notes: (1) Adjusted to include payments on capital securities, trust preferred securities III to VI and minority interests; (2) FY13 figures are Impaired Loans rather than Non-Performing Loans.

Issuer Description

Coöperatieve Rabobank U.A. (Rabobank or the Group) is an international financial service provider headquartered in the Netherlands operating on the basis of cooperative principles. Following the merger of 106 local Rabobanks and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (the former legal name of Rabobank Nederland) in January 2016, the Group now operates as a single legal entity with one banking license.

Rating Rationale

On November 8, 2017, DBRS Ratings Limited (DBRS) confirmed the ratings of Rabobank, including the Long-Term Issuer Rating of AA, and the Short-Term Issuer rating of R-1 (high). The trend on all the ratings remained Stable. Concurrently, DBRS confirmed the Group's Intrinsic Assessment (IA) at AA and Support Assessment at SA3.

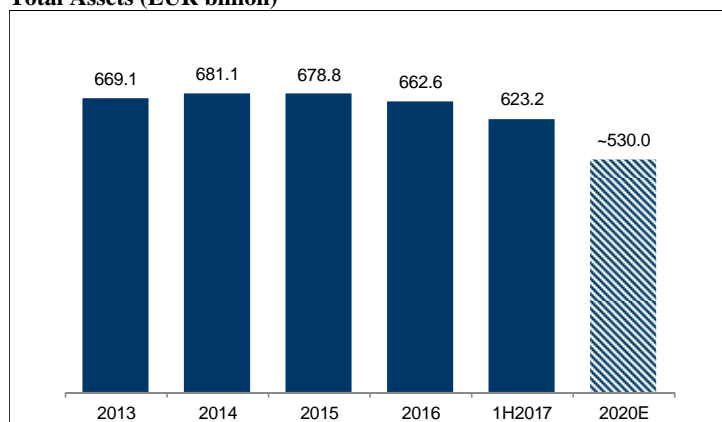
The ratings take into consideration Rabobank's leading franchise in the Dutch retail & SME market as well as its strong global presence in food and agriculture financing. The ratings also reflect the Group's strengthened capital position, sound asset quality, and improving profitability. At the same time, the ratings take into account the Group's modest, albeit improving, efficiency levels and still high reliance on wholesale funding.

Franchise Strength (Grid Grade: Very Strong / Strong)

Rabobank is one of the three leading banks in the Netherlands with EUR 623 billion in total assets as at end-June 2017. The Group's main activities include retail and wholesale banking, private banking as well as leasing and real estate services. Rabobank's franchise is underpinned by its leading positions in the Dutch market and a strong global presence in food and agriculture financing.

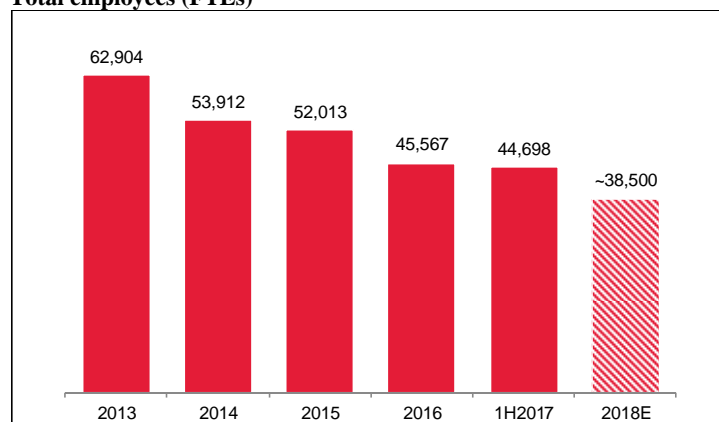
The implementation of the Group's Strategic Framework 2016-2020 is showing progress. Rabobank has disposed of non-core assets, including its subsidiary Athlon Car Lease, and loan portfolios to optimise its balance sheet. Execution of efficiency measures is underway, with the exit of ~6,100 full time equivalents (FTEs) since end-2015, compared to a targeted reduction of 12,000 FTEs for the 2016-2018 period. In addition, the Group's capital position is already above 2020 targets thanks to the issuance of EUR 1.6 billion of Rabobank certificates in 2017 as well as de-risking. Furthermore, through its deleveraging strategy, wholesale funding decreased to EUR 171 billion in June 2017, from EUR 203 billion at end-2015, and the Group is aiming for < EUR 150 billion by 2020.

Total Assets (EUR billion)



Source: Company data, DBRS.

Total employees (FTEs)



Business Segments

The Group's activities are organised into four main operating segments: Domestic Retail Banking, Wholesale Banking and International Retail Banking (or WRR), Leasing, and Real Estate.

Domestic Retail Banking (Reported Net Profit of EUR 1.0 billion in 1H17)

DBRS continues to view the Group's domestic retail and SME business as the anchor of the overall franchise. This segment provides a full range of banking products and financial services to retail and SME customers through the local Rabobanks, Obvion (a mortgage lender) and Roparco (savings bank). The Group benefits from leading domestic positions in residential mortgages (20.5% market share), private savings (33.7%) and food and agribusiness lending (~85%). In 1H17, the division reported a net profit of EUR 1 billion, compared to EUR 550 million in 1H16. During 1H16 the Group was impacted by significant one-offs, including SME derivative related provisions

for EUR 514 million. On an underlying basis, net profit increased 6% Year-on-year (YoY) to EUR 1.4 billion, thanks to impairment write-backs and continued cost control, which more than offset weaker net interest income.

Wholesale, Rural & Retail Banking (Reported Net Profit of EUR 494 million in 1H17)

Wholesale Rural & Retail Banking (WRR) serves large Dutch and foreign corporates, and includes Rabobank’s international food and agribusiness franchise, where the Group is acknowledged as a global leader, and accounts for 60% of the segment’s total loan portfolio. This division also incorporates the Group’s international capital-markets businesses such as Global Financial Markets, Corporate Finance, and Trade and Commodity Finance. For 1H17, WRR reported a net profit of EUR 494 million in 1H17, up 8% YoY, supported by higher trading results and lower impairment charges.

Leasing (Reported Net Profit of EUR 176 million in 1H17)

Rabobank provides vendor finance globally through DLL, its fully-owned leasing subsidiary. This arm offers asset-based financial solutions by partnering with equipment manufacturers and distributors, operating primarily in the food and agricultural sectors. For the first six months of 2017, DLL reported a net profit of EUR 176 million, compared to EUR 246 million a year earlier. The higher results in 2016 were mainly due to the sale of Athlon Car Lease in December 2016.

Real Estate (Reported Net Profit of EUR 88 million in 1H17)

The Real Estate segment includes two subsidiaries, FGH Bank and Rabo Real Estate Group. Principally operating in the Netherlands, and to a lesser extent in France and Germany, this segment is active in retail and corporate real estate especially in the development of residential areas, property finance and real estate fund management. For 1H17, the division posted a net profit of EUR 88 million, down 8% YoY, mainly due to the internal transfer of parts of the loan portfolio from FGH Bank to Rabobank. Positive developments in loan impairment charges continued, thanks to a supportive real estate market in the Netherlands.

Other Segments (Reported Net Loss of EUR 273 million in 1H17)

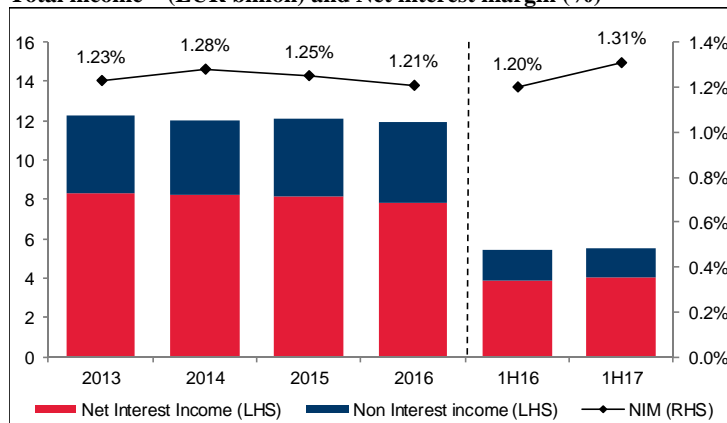
Other segments comprises a variety of areas, including the investment in Achmea B.V., treasury and head office.

Earnings Power (Grid Grade: Strong)

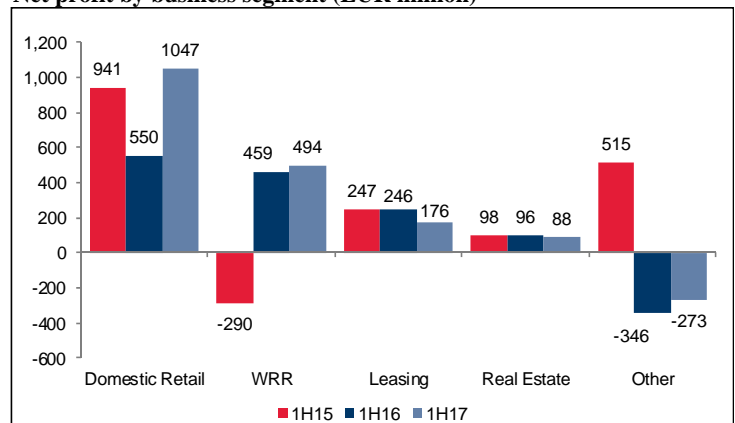
DBRS does not expect Rabobank’s earnings to be at the top-end of the peer group, given the Group’s cooperative status and operating model. Rabobank, however, continues to show a satisfactory profitability, with a DBRS-adjusted income before provisions and taxes (IBPT), including payments on the Group’s capital securities, trust preferred securities and minority interests, of EUR 1.6 billion in 1H17, a 69% increase YoY, as a result of lower one-off costs. Excluding non-recurring items, as well as the contribution of Athlon which was sold at end-2016, DBRS adjusted IBPT improved 12% YoY to EUR 1.8 billion, thanks to resilient revenue generation as well as loan impairment write-backs.

Operating expenses were down 12% YoY to EUR 3.8 billion, from EUR 4.3 billion in June 2016, when the Group incurred significant SME derivative related provisions (EUR 514 million) and larger restructuring costs. The Group’s efficiency levels, however, remained modest with a reported cost-to-income ratio (including regulatory levies) at 67.6% as of June 2017. Nonetheless, DBRS positively notes that staff costs decreased 6% YoY, as the headcount reduction progresses in line with the Group’s restructuring programme, which targets a cost-to-income ratio (including regulatory costs) of 53%-54% by 2020.

Total income⁽³⁾ (EUR billion) and Net interest margin (%)



Net profit by business segment (EUR million)



Source: Company data, DBRS. Note: (3) Adjusted to include payments on capital securities and trust preferred securities III to VI

Rabobank’s earning capacity continues to be supported by a cyclically low cost of risk. In 1H17, Rabobank benefitted from impairment write-backs of EUR 67 million, principally in the Group’s domestic retail and real estate portfolios, thanks to favorable economic and

market conditions. As a result, loan impairment charges amounted to negative 3 bps of average lending, well below the long-term average of 36 bps.

Risk Profile (Grid Grade: Strong)

Rabobank’s risk profile is mainly linked to credit risk and is generally conservative. The Group’s private sector loan portfolio totalled EUR 417.8 billion at June 2017, equivalent to 95% of the Group’s total loans, and mostly comprised of domestic lending. Residential mortgages to private individuals account for 48% of the loan book, while the remainder consists of loans to food and agribusiness (EUR 100.2 billion) and corporate and SME customers (EUR 117.9 billion).

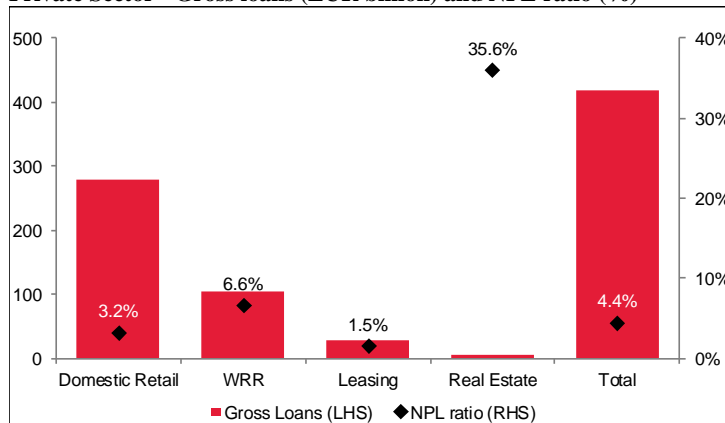
At June 2017, the Group’s domestic residential mortgage loan book stood at EUR 194.5 billion, of which 20.5% is guaranteed through the Nationale Hypotheek Garantie (NHG) scheme. Whilst Rabobank’s share of residential mortgage origination remained stable at approximately 20% in 1H17, total outstanding volumes decreased by 2.5% YoY due to early repayments. The domestic mortgage book continued to perform well, with non-performing loans (NPLs) down 33% YoY to EUR 1.3 billion at end-1H17, and the NPL ratio improving to 0.67%, from 0.97% a year earlier. DBRS notes that average loan-to-value (LTVs) was broadly stable at 71%.

The Bank’s EUR 104.3 billion Wholesale, Rural & Retail lending portfolio is well diversified by geography and industry. More than 80% of the loan book is based abroad, with a focus on food and agribusiness and trade related sectors in food producing countries, such as United States, Australia and New Zealand. The segment’s NPL ratio remained satisfactory at 6.6%, although deteriorating from 5.2% at June 2016.

The Real Estate segment, which accounts for just 1.4% of Rabobank’s loan book and includes the non-core portfolio, remains challenged with an NPL ratio above 30%. However, the de-risking of the broader domestic commercial real estate portfolio, which is distributed among domestic retail banking, WRR and Real Estate segment and at June 2017 stood at EUR 23 billion (5% of loan portfolio), is showing progress. This was supported by disposals and a sustained recovery in the Dutch housing market. In the last 12 months, the stock of NPLs in this portfolio decreased by 27% YoY to EUR 3.8 billion, whilst the NPL ratio improved to 16% in June 2017, from 19%.

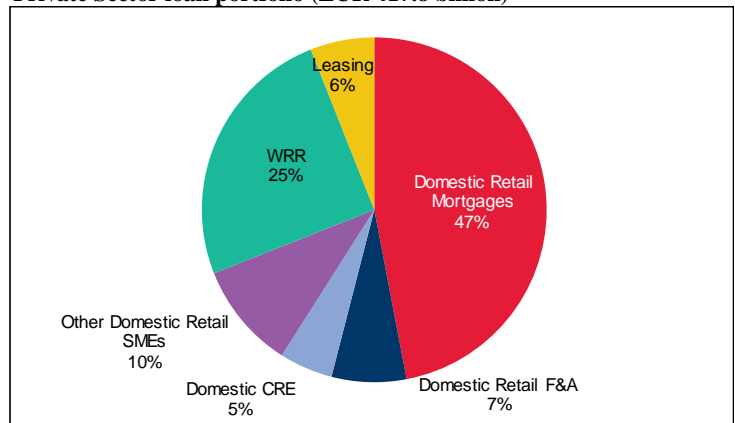
Overall, total NPLs accounted for 4.4% of the total private sector loans at end-1H17, unchanged from end-2016. The coverage ratio, however, decreased to 38%, from 41% in December 2016, as a result of write-offs and releases in domestic retail banking and commercial real estate.

Private Sector - Gross loans (EUR billion) and NPL ratio (%)



Source: Company data, DBRS. Data as of June 30, 2017

Private Sector loan portfolio (EUR 417.8 billion)



Rabobank has a manageable operational and market risk profile. As of June 2017, the Group estimates that a 25bps downward shift in the yield curve would reduce the Group’s income by EUR 129 million. Market risk in the trading book is monitored through Value at Risk (VaR), with a 97.5% confidence level and a horizon of one day. The highest VaR recorded in 1H17 was EUR 4.9 million, well below the Group’s maximum VaR limit.

Rabobank remains exposed to legal risks, mainly related to the sale of Dutch SME interest rate derivatives as well as older outstanding cases linked to the Libor and Euribor investigations started in 2013 and the action against Rabobank National Association (RNA) for breaches of the United States’ Bank Secrecy Act / Anti-Money Laundering framework.

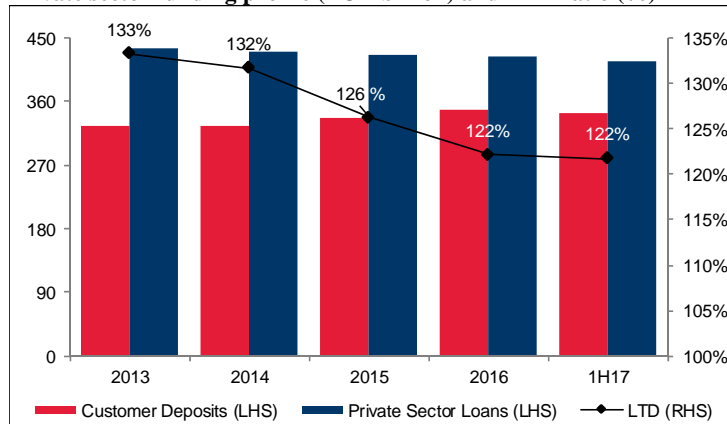
Funding and Liquidity (Grid Grade: Very Strong / Strong)

The Group maintains a solid funding profile, with a large liquidity buffer mitigating its high utilisation of wholesale funding. Following good deposit growth and deleveraging efforts, Rabobank's loan-to-deposit (LTD) ratio improved to 122% in June 2017, from 126% at end-2015. In line with the Group's Strategic Framework 2016-2020, wholesale funding usage continued to reduce, reaching EUR 171 billion at end-June 2017, from EUR 203 billion at 2015YE. Although this remains considerable, DBRS views positively the Group's diversified funding mix and maturity profile as well as the Group's good market access. In this context, in May 2017 Rabobank issued its inaugural EUR 2.5 billion Dual tranche covered bond.

Rabobank's reliance on wholesale funds is mitigated by a solid liquidity position. At end-1H17, the Group's total liquidity buffer measured in high quality liquid assets (HQLA) and retained residential mortgage backed securities (RMBS) eligible as ECB collateral stood at EUR 121.9 billion, which compares well with the Bank's total short-term debt outstanding of EUR 38.4 billion and total long-term debt maturing in one year of ~EUR 26 billion.

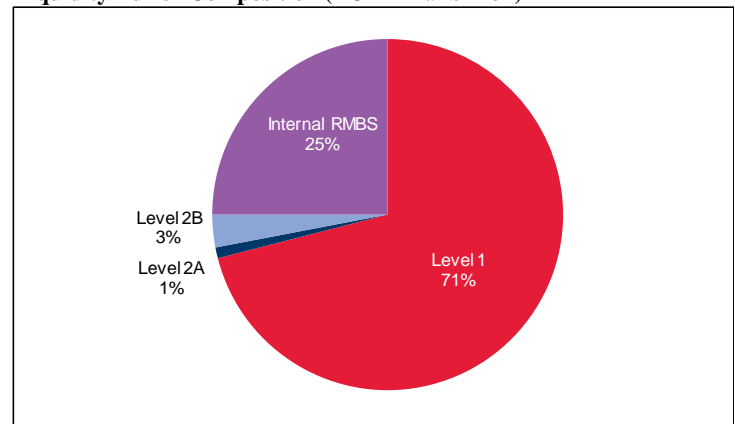
The Group's LCR and NSFR were well above current and future regulatory requirements at 132% and 121%, respectively at end-1H17.

Private sector funding profile (EUR billion) and LTD ratio (%)



Source: Company data, DBRS. Data as of June 30, 2017

Liquidity Buffer Composition (EUR 121.9 billion)



Capitalisation (Grid Grade: Very Strong / Strong)

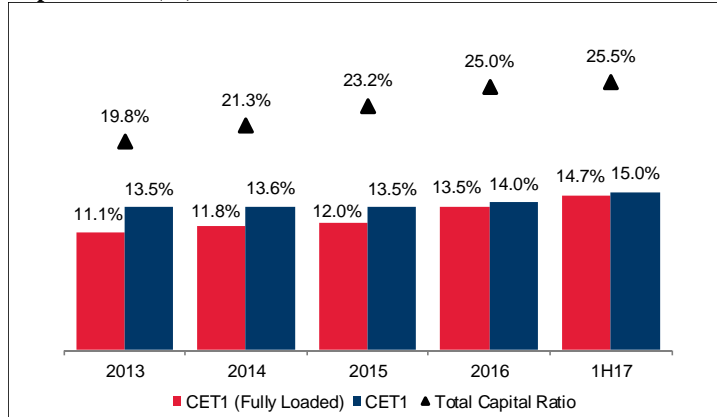
DBRS considers Rabobank's capital position as strong. The Group's CET1 ratio strengthened to 15.0% (or 14.7% fully loaded) at June 2017, from 14.0% (or 13.5%) at end-2016, thanks to the issuance of EUR 1.6 billion of Rabobank certificates in January 2017, retained profits and deleveraging. This provides a 600bps buffer over the 9% minimum CET1 SREP requirement set for 2017. The leverage ratio stood at 5.8% (transitional) and 5.1% fully loaded.

Rabobank has historically maintained a substantial cushion for non-subordinated debt holders. At end-1H17, the Group's buffer of bail-in-able liabilities, comprising retained earnings & reserves, Rabobank Certificates, hybrid and subordinated instruments and senior contingent notes, stood at EUR 57.4 billion, corresponding to approximately 28% of RWAs and 9.2% of total assets.

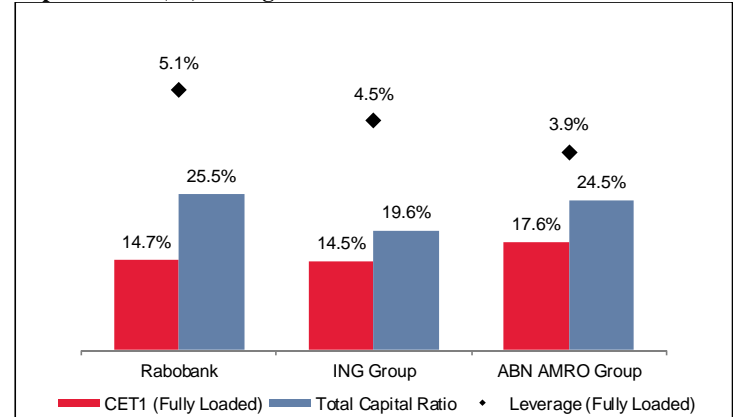
Despite Rabobank's solid position, capital remains a key focus given the evolving regulatory environment, including the proposed revisions of the standardised (SA) and the internal ratings based (IRB) approach for credit risk (referred to as *Basel IV*), which might introduce output floors to IRB models. Considering that approx. 80% of the Group's credit risk weights is calculated using the IRB approach and typically high loan-to-value ratios in the Netherlands, any potential change to residential real estate and SME risk weights could affect the Group's regulatory capital ratios.

In order to mitigate the potential impact, Rabobank has been proactively disposing of non-core assets and low-risk weighted loans. In particular, during 2016 Rabobank sold (1) Athlon Car Lease, reducing the balance sheet by approx. EUR 4 billion; (2) residential mortgage loan portfolios worth EUR 1.8 billion; (3) the real estate financing activities of the subsidiary RNHB with a loan portfolio of approximately EUR 1.7 billion as well as (4) its stake in Robeco. More recently, the Group entered into a risk sharing transaction which provided RWA relief of EUR 1 billion, sold its remaining share in Van Lanschot Kempen, disposed of a mortgage portfolio worth ~EUR 600 million to La Banque Postale as well as EUR 3 billion of commercial loans to PFZW, a Dutch Pension Fund.

Capital ratios (%)



Capital ratios (%) – Largest Dutch Banks⁽⁴⁾



Source: Company data, DBRS. Note: (4) Data for Rabobank as of June 30, 2017; Data for ING Group and ABN AMRO Group as of September 30, 2017.

Summary Grid Grades

Building Block	Coöperatieve Rabobank U.A.
Franchise Strength	Very Strong/Strong
Earnings Power	Strong
Risk Profile	Strong
Funding and Liquidity	Very Strong/Strong
Capitalisation	Very Strong/Strong
Intrinsic Assessment	AA

	2017H1		2016Y		2015Y		2014Y		2013Y	
Coöperatieve Rabobank U.A.	30/06/2017		31/12/2016		31/12/2015		31/12/2014		31/12/2013	
EUR Millions	EUR		EUR		EUR		EUR		EUR	
Balance Sheet	IFRS		IFRS		IFRS		IFRS		IFRS	
Cash and deposits w/ central banks	71,809	11.52%	84,405	12.74%	64,943	9.57%	43,409	6.37%	43,039	6.43%
Lending to/deposits w/ credit institutions	26,184	4.20%	25,444	3.84%	32,434	4.78%	45,962	6.75%	40,787	6.10%
Financial Securities*	33,978	5.45%	37,360	5.64%	42,816	6.31%	48,067	7.06%	55,433	8.28%
- Trading portfolio	0	0.00%	2,313	0.35%	2,952	0.43%	3,567	0.52%	4,118	0.62%
- At fair value	0	0.00%	467	0.07%	1,190	0.18%	3,235	0.47%	3,883	0.58%
- Available for sale	30,455	4.89%	34,580	5.22%	37,773	5.56%	39,770	5.84%	46,552	6.96%
- Held-to-maturity	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
- Other	3,523	0.57%	0	0.00%	901	0.13%	1,495	0.22%	880	0.13%
Financial derivatives instruments	29,856	4.79%	42,372	6.39%	48,113	7.09%	56,489	8.29%	39,703	5.93%
- Fair Value Hedging Derivatives	NA	-	4,934	0.74%	4,961	0.73%	6,317	0.93%	3,585	0.54%
- Mark to Market Derivatives	NA	-	37,438	5.65%	43,152	6.36%	50,172	7.37%	36,118	5.40%
Gross lending to customers	447,873	71.87%	461,420	69.64%	475,910	70.11%	472,937	69.44%	466,717	69.75%
- Loan loss provisions	6,902	1.11%	7,487	1.13%	8,391	1.24%	9,348	1.37%	8,581	1.28%
Insurance assets	NA	-	NA	-	NA	-	NA	-	NA	-
Investments in associates/subsidiaries	2,534	0.41%	2,417	0.36%	3,672	0.54%	3,807	0.56%	3,747	0.56%
Fixed assets	4,722	0.76%	4,883	0.74%	8,146	1.20%	7,600	1.12%	7,956	1.19%
Goodwill and other intangible assets	1,081	0.17%	1,089	0.16%	1,493	0.22%	2,059	0.30%	1,991	0.30%
Other assets	12,062	1.94%	10,690	1.61%	9,691	1.43%	10,104	1.48%	18,303	2.74%
Total assets	623,197	100.00%	662,593	100.00%	678,827	100.00%	681,086	100.00%	669,095	100.00%
Total assets (USD)	711,006		698,790		737,294		824,460		921,872	
Loans and deposits from credit institutions	20,793	3.34%	22,006	3.32%	19,038	2.80%	18,066	2.65%	14,745	2.20%
Repo Agreements in Deposits from Customers	NA	-	212	0.03%	488	0.07%	2,025	0.30%	1,474	0.22%
Deposits from customers	343,180	55.07%	351,374	53.03%	348,977	51.41%	328,690	48.26%	327,773	48.99%
- Demand	NA	-	76,757	11.58%	77,966	11.49%	56,255	8.26%	91,015	13.60%
- Time and savings	NA	-	258,852	39.07%	258,446	38.07%	259,429	38.09%	222,751	33.29%
Issued debt securities	158,280	25.40%	171,988	25.96%	188,401	27.75%	204,377	30.01%	211,405	31.60%
Financial derivatives instruments	32,911	5.28%	48,024	7.25%	54,556	8.04%	66,236	9.73%	48,713	7.28%
- Fair Value Hedging Derivatives	NA	-	10,379	1.57%	12,848	1.89%	17,938	2.63%	14,441	2.16%
- Other	NA	-	37,645	5.68%	41,708	6.14%	48,298	7.09%	34,272	5.12%
Insurance liabilities	NA	-	NA	-	NA	-	NA	-	NA	-
Other liabilities	11,184	1.79%	11,604	1.75%	10,667	1.57%	10,893	1.60%	18,636	2.79%
- Financial liabilities at fair value through P/L	14,692	2.36%	16,520	2.49%	16,991	2.50%	19,744	2.90%	19,069	2.85%
Subordinated debt	16,535	2.65%	16,861	2.54%	15,503	2.28%	11,928	1.75%	7,815	1.17%
Hybrid Capital	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Equity	40,314	6.47%	40,524	6.12%	41,197	6.07%	38,871	5.71%	38,534	5.76%
Total liabilities and equity funds	623,197	100.00%	662,593	100.00%	678,827	100.00%	681,086	100.00%	669,095	100.00%
Income Statement										
Interest income	8,070		16,438		17,593		18,638		19,707	
Interest expenses	3,616		7,695		8,454		9,520		10,612	
Net interest income and credit commissions**	4,083	73.34%	7,855	65.91%	8,192	67.00%	8,281	68.37%	8,326	68.53%
Net fees and commissions	988	17.75%	1,918	16.09%	1,892	15.47%	1,879	15.51%	2,001	16.47%
Trading / FX Income	NA	-	NA	-	NA	-	NA	-	NA	-
Net realised results on investment securities (available for sale)	12	0.22%	87	0.73%	148	1.21%	418	3.45%	56	0.46%
Net results from other financial instruments at fair value	NA	-	NA	-	NA	-	NA	-	NA	-
Net income from insurance operations	NA	-	NA	-	NA	-	NA	-	NA	-
Results from associates/subsidiaries accounted by the equity method	105	1.89%	106	0.89%	351	2.87%	145	1.20%	79	0.65%
Other operating income (incl. dividends)	379	6.81%	1,951	16.37%	1,644	13.45%	1,389	11.47%	1,688	13.89%
Total operating income	5,567	100.00%	11,917	100.00%	12,227	100.00%	12,112	100.00%	12,150	100.00%
Staff costs	2,136	53.23%	4,521	50.45%	4,786	56.58%	5,086	62.17%	5,322	58.37%
Other operating costs	1,676	41.76%	4,002	44.66%	3,230	38.18%	2,658	32.49%	3,267	35.83%
Depreciation/amortisation	201	5.01%	438	4.89%	443	5.24%	437	5.34%	528	5.79%
Total operating expenses	4,013	100.00%	8,961	100.00%	8,459	100.00%	8,181	100.00%	9,117	100.00%
Pre-provision operating income	1,554		2,956		3,768		3,931		3,033	
Loan loss provisions***	-67		310		1,193		2,693		2,531	
Post-provision operating income	1,621		2,646		2,575		1,238		502	
Impairment on tangible assets	0		812		0		12		11	
Impairment on intangible assets	0		4		653		61		56	
Other non-operating items****	0		0		0		321		774	
Pre-tax income	1,621		1,830		1,922		844		-339	
(-) Taxes	476		694		655		-161		88	
(-) Other After-tax Items (Reported)	0		0		0		0		0	
(+) Discontinued Operations (Reported)	0		0		0		0		1,665	
(-) Minority interest	0		0		0		0		0	
Net income	1,145		1,136		1,267		1,005		1,238	
Net income (USD)	1,153		1,129		1,223		1,931		3,771	

* Includes derivatives when breakdown unavailable ** Adjusted to include payments on Capital Securities, Trust Preferred Securities III to IV and minority interests *** LLP includes Impairments on financial assets **** Incl. Other Provisions

Off-balance sheet and other items	30/06/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Asset under management	NA	NA	NA	NA	NA
Derivatives (notional amount)	NA	3,170,212	2,968,182	2,704,102	2,880,809
BIS Risk-w eighted assets (RWA)	207,589	211,226	213,092	211,870	210,829
No. of employees (end-period)	44,698	45,567	52,013	53,912	56,870

Earnings and Expenses

Earnings					
Net interest margin [1]	1.31%	1.21%	1.25%	1.28%	1.23%
Yield on average earning assets	2.59%	2.53%	2.68%	2.88%	2.91%
Cost of interest bearing liabilities	1.34%	1.37%	1.48%	1.69%	1.89%
Pre-provision earning capacity (total assets basis) [2]	0.48%	0.44%	0.55%	0.58%	0.43%
Pre-provision earning capacity (risk-w eighted basis) [3]	1.48%	1.39%	1.77%	1.86%	1.40%
Net Interest Income / Risk Weighted Assets	3.93%	3.72%	3.84%	3.91%	3.95%
Non-Interest Income / Total Revenues	26.66%	34.09%	33.00%	31.63%	31.47%
Post-provision earning capacity (risk-w eighted basis)	1.55%	1.25%	1.21%	0.59%	0.23%
Expenses					
Efficiency ratio (operating expenses / operating income)	72.09%	75.20%	69.18%	67.54%	75.04%
All inclusive costs to revenues [4]	72.09%	82.01%	69.18%	70.29%	81.50%
Operating expenses by employee	179,561	196,655	162,632	151,747	160,313
Loan loss provision / pre-provision operating income	-4.31%	10.49%	31.66%	68.51%	83.45%
Profitability Returns					
Pre-tax return on Tier 1 (excl. hybrids)	13.95%	7.98%	9.05%	4.09%	-1.63%
Return on equity	5.75%	2.84%	3.11%	2.62%	3.25%
Return on average total assets	0.36%	0.17%	0.19%	0.15%	0.17%
Return on average risk-w eighted assets	1.09%	0.54%	0.60%	0.48%	0.57%
Dividend payout ratio [5]	NA	NA	NA	NA	NA
Internal capital generation [6]	NA	NA	NA	NA	NA

Growth

Loans	-5.71%	-2.91%	0.85%	1.19%	-6.14%
Deposits	-4.78%	0.61%	5.67%	0.45%	-1.52%
Net interest income	-6.67%	-4.11%	-1.07%	-0.54%	0.51%
Fees and commissions	0.61%	1.37%	0.69%	-6.10%	-10.19%
Expenses	-11.26%	5.93%	3.40%	-10.27%	-0.63%
Pre-provision earning capacity	12.77%	-21.55%	-4.15%	29.61%	-17.83%
Loan-loss provisions	-145.27%	-74.02%	-55.70%	6.40%	1.89%
Net income	14.84%	-10.34%	26.07%	-18.82%	-39.84%

Risks

RWA% total assets	33.31%	31.88%	31.39%	31.11%	31.51%
Credit Risks					
Non Performing loans % gross loans [7]	4.07%	4.02%	4.10%	4.49%	3.44%
Loss loan provisions % impaired loans	44.31%	40.40%	43.02%	43.99%	53.49%
Non Performing loans (net of LLPs) % equity	28.14%	24.58%	25.67%	26.22%	20.63%
Liquidity and Funding					
Customer deposits % total funding	63.69%	62.50%	61.02%	58.38%	58.35%
Total w hole sale funding % total funding [8]	36.31%	37.50%	38.98%	41.62%	41.65%
- Interbank % total funding	3.86%	3.91%	3.33%	3.21%	2.62%
- Debt securities % total funding	29.38%	30.59%	32.94%	36.30%	37.63%
- Subordinated debt % total funding	3.07%	3.00%	2.71%	2.12%	1.39%
Short-term w hole sale funding % total w hole sale funding	10.63%	44.16%	44.81%	46.97%	46.83%
Liquid assets % total assets	21.18%	22.22%	20.65%	20.18%	20.81%
Net short-term w hole sale funding reliance [9]	-22.63%	-10.50%	-7.48%	-5.03%	-5.60%
Adjusted net short-term w hole sale funding reliance [10]	-22.63%	-30.52%	-29.17%	-24.92%	-23.52%
Customer deposits % gross loans	76.62%	76.15%	73.33%	69.50%	70.23%

Capital [11]

Tier 1	18.06%	17.55%	16.45%	15.99%	16.64%
Tier 1 excl. All Hybrids	11.19%	10.86%	9.97%	9.75%	9.83%
CET1 (As-reported)	15.00%	14.00%	13.49%	13.60%	13.50%
Tangible Common Equity / Tangible Assets	3.93%	3.74%	3.56%	3.36%	3.26%
Total Capital	25.50%	25.03%	23.21%	21.31%	19.76%
Retained earnings % Tier 1	70.10%	69.34%	72.46%	72.41%	77.50%

[1] (Net interest income + dividends) % average interest earning assets.

[2] Pre-provision operating income % average total assets.

[3] Pre-provision operating income % average total risk-w eighted assets.

[4] (Operating & non-op. costs) % (op. & non-op. revenues)

[5] Paid dividend % net income.

[6] (Net income - dividends) % shareholders' equity at t-1.

[7] FY13 figures are impaired loans rather than Non Performing loans

[8] Whole funding excludes corporate deposits.

[9] (Short-term w hole sale funding - liquid assets) % illiquid assets

[10] (Short-term w hole sale funding - liquid assets - loans maturing w ithin 1 year) % illiquid assets

[11] Capital ratios of Interim results exclude profits for the year

* Interim information is annualised w here needed.

Methodologies

The principal applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (May 2017).

Ratings

Issuer	Debt	Rating	Rating Action	Trend
Coöperatieve Rabobank U.A.	Long-Term Issuer Rating	AA	Confirmed	Stable
Coöperatieve Rabobank U.A.	Short-Term Issuer Rating	R-1 (high)	Confirmed	Stable
Coöperatieve Rabobank U.A.	Long Term Critical Obligations Rating	AAA	Confirmed	Stable
Coöperatieve Rabobank U.A.	Short Term Critical Obligations Rating	R-1 (high)	Confirmed	Stable
Coöperatieve Rabobank U.A.	Long-Term Senior Debt	AA	Confirmed	Stable
Coöperatieve Rabobank U.A.	Short-Term Debt	R-1 (high)	Confirmed	Stable
Coöperatieve Rabobank U.A.	Long-Term Deposits	AA	Confirmed	Stable
Coöperatieve Rabobank U.A.	Short-Term Deposits	R-1 (high)	Confirmed	Stable

Rating History

	Current	2016	2015	2014	2013
Long-Term Issuer Rating	AA	NR	NR	NR	NR
Short-Term Issuer Rating	R-1 (high)	NR	NR	NR	NR
Long Term Critical Obligations Rating	AAA	AAA	NR	NR	NR
Short Term Critical Obligations Rating	R-1 (high)	R-1 (high)	NR	NR	NR
Long-Term Senior Debt	AA	AA	AA	AA (high)	AAA
Short-Term Debt	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)
Long-Term Deposits	AA	NR	NR	NR	NR
Short-Term Deposits	R-1 (high)	NR	NR	NR	NR

Previous Actions

- [DBRS Confirms Coöperatieve Rabobank at AA, Stable Trend](#), November 8, 2017
- [DBRS Harmonises its Ratings Nomenclature for Banks in Europe and Asia-Pacific](#), July 14, 2017
- [DBRS Assigns Issuer Ratings to 43 European Banking Groups](#), March 7, 2017
- [DBRS Confirms Rabobank at AA, Trend Stable](#), November 10, 2016
- [DBRS Assigns Critical Obligations Ratings to 33 European Banking Groups](#), February 4, 2016

Related Research

- [DBRS Publishes Commentary on Major Dutch Banks 2016 Results](#), February 27, 2017
- [DBRS: Year of Transition Weighs on Rabobank's FY16 Results](#), February 17, 2017

Related Research

- [Coöperatieve Rabobank U.A.](#), November 23, 2016

Notes:
All figures are in EUR unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt.

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