Coöperatieve Rabobank U.A.

Full Rating Report

Ratings

Coöperatieve Rabobank U.A

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.

	31 Dec 17	31 Dec 16
Total assets (USDm)	723,167	698,422
Total assets (EURm)	602,991	662,593
Total equity (EURm)	33,291	32,294
Published net income (EURm)	2,674	2,024
Operating profit/risk-weighted assets (%)	2.0	1.7
Operating ROAE (%)	11.9	11.3
Fitch Core Capital/weighted risks (%)	15.7	14.1
Tangible equity/tangible assets (%)	5.3	4.6
Common equity Tier 1 ratio (fully loaded) (%)	15.5	13.5
Non-performing loans/gross loans (%)	4.3	4.3

Amendment

This report, originally published on 2 August 2018, has been amended to correct the size of the qualifying junior debt buffer. All other content is as of the original publication date.

Related Research

Cooperatieve Rabobank U.A. - Ratings Navigator (December 2017)

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Key Rating Drivers

Low Risk Appetite: Coöperatieve Rabobank U.A.'s 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 factors in our expectation that the bank's capital ratios will remain sound while unreserved non-performing loans (NPLs) will decrease, and that prudent liquidity and diversified funding will be maintained.

Asset Quality Gradually Improving: The quality of Rabobank's loan book is weaker than domestic peers' but NPLs are decreasing and we expect this will continue. The bank still has notable exposure to commercial real estate (CRE), which is of rather weak quality. The reserve coverage of just over 30% is relatively low but acceptable in light of a high share of well-collateralised loans. Rabobank's large residential mortgage loan book, which represents just below half of total loans, has proved more resilient through the cycle than domestic peers'.

Addressing Profitability Challenges: Rabobank's profitability has improved in recent years, largely as a result of lower loan impairment charges (LICs). While LICs are currently at an unsustainably low level (the bank reported net releases of provisions in 2017), we expect Rabobank to continue to benefit from the benign operating environment in the Netherlands and the current low interest rates, which reduce borrowers' debt service costs, as well as from the bank's cost-cutting initiatives.

Solid Capital Ratios: At end- 2017, Rabobank's Fitch Core Capital (FCC)/risk-weighted assets (RWA) ratio was a solid 15.7% and its fully loaded common equity Tier 1 (CET1) ratio was 15.5%. However, net NPLs represented about 40% of FCC at the same date, a high level compared to similarly rated peers. This should improve as the stock of NPLs decreases. Leverage compares well with peers.

Reliance on Wholesale Funding: 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 liquidity management is prudent.

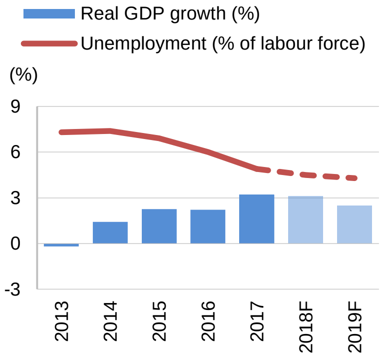
IDR Notched Above VR: Rabobank's Long-Term Issuer Default Rating (IDR) and senior debt ratings are one notch above the VR because Fitch believes the risk of default on senior obligations is lower than the risk of the bank failing. This is due to the large buffer of qualifying junior debt, which could 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

Setbacks in Improving Trend: Rabobank's VR is sensitive to material setbacks in the improving trend in the bank's structural profitability or a failure to reduce the ratio of unreserved non-performing loans to capital. A reduced focus on maintaining a high liquidity buffer would put pressure on the ratings, due to the reliance on wholesale funding. The VR is also sensitive to investor sentiment turning against it. An upgrade is unlikely given its already high level.

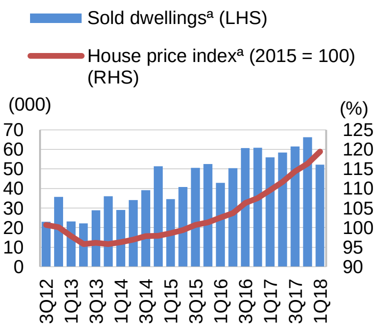
Lower Junior Debt Buffer: The qualifying junior debt buffer amounted to about 11.3% of RWA at end-2017. Fitch believes that the buffer would need to be at a minimum of 10% of weighted risks to maintain the one-notch uplift from the VR.

Dutch Economy



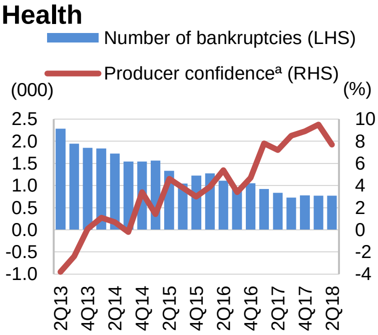
Source: Fitch Ratings (Sovereign data)

Dutch Housing Market



[a] Existing homes
Source: CBS

Dutch Corporate Sector Health



[a] At period-end
Source: CBS

Operating Environment

'AAA' Rated Sovereign; Strong Economic Momentum

Rabobank predominantly operates in the Netherlands and its performance is therefore linked to the health of the Dutch economy. The Netherlands maintained its 'AAA' rating throughout the global financial crisis and Fitch recently affirmed the ratings with a Stable Outlook. The country's high value-added, flexible and diversified economy benefits from effective institutions, historically broad public and political consensus in support of fiscal discipline, and consistently large current account surpluses.

The Dutch economy is enjoying a broad-based cyclical upswing, with GDP growth accelerating to 3.2% in 2017, the fastest rate for 10 years. Confidence indicators are at very high levels. Consumption is helped by falling unemployment. There is a recovery in the housing market, with prices growing by over 8% in 2017, helped by a competitive mortgage lending market with low rates and a high number of transactions. Growth in the largest cities continues to outpace national levels and shows signs of overheating. Fitch expects further price increases driven by favourable economic environment and strong affordability.

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 Bank N.V. (A+/Positive/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. Financial markets are advanced, sophisticated and well-known to investors worldwide. The Dutch banks use wholesale funding to varying degrees, including covered bonds and securitisations.

The Dutch banking regulatory environment is developed and transparent. DNB, the Dutch central bank, is the regulator for all Dutch financial institutions, including insurance companies and pension funds. Major Dutch banks, including Rabobank, are also directly supervised by the ECB, which sets their minimum capital requirements. DNB conducts regular stress-tests and implements local capital add-ons.

The EU's Bank Recovery and Resolution Directive (BRRD) was implemented into national law in November 2015 and Dutch banks will be subject to minimum requirements for their own funds and eligible liabilities available for bail in, known as MREL. We expect the Netherlands to follow a Europe-wide solution for eligible debt, which based on current proposals will entail the introduction of the new non-preferred senior debt class. The relevant changes to the Dutch legal framework are being implemented and should come into force no later than end-2018.

Company Profile

Strong in Domestic Retail Banking

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 (about 35%), 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 Bank, have market shares of about 20%-25% depending on product. Rabobank's business model is largely geared towards traditional retail and commercial banking.

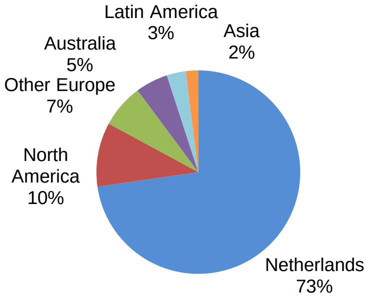
Food and Agriculture Financing Internationally

Rabobank aims to be a leading financer of F&A domestically and abroad, as it is an area where it has a longstanding expertise. The bank's total F&A net loans stood at almost EUR100 billion at end-2017, or about a quarter of total net loans to the private sector. Of this, EUR60.9 billion was granted internationally. 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.

Related Criteria

Bank Rating Criteria (June 2018)

Private Sector Lending
EUR411bn at end-2017



Source: Rabobank, Fitch Ratings

Diverse and Stable Business Model

Rabobank's operating income is dominated by net interest income (NII), 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 revenues. Domestic retail banking is the largest contributor to operating profit, accounting for over a half of operating profit reported by the business segments (excluding "other operations", which includes fair value movements on structured notes issued by the bank, results from associates, treasury and head office operations, as well as consolidation effects). Between 20% and 25% comes from the wholesale and international rural and retail business line, mainly large corporates and F&A. The leasing and real-estate segments make smaller but still meaningful contributions to the bottom line.

Simplified Cooperative Structure

Coöperatieve Rabobank U.A. is the result of the merger of 106 local cooperative banks into Rabobank Group's central institution in the beginning of 2016. Until 1 January 2016, the Rabobank Group was not a legal entity but a cooperative organisation where local banks owned the central institution serving, among other things, as the centralised treasury and issuing vehicle, and with a mutual support mechanism between the local banks, the central organisation and the large operating subsidiaries. From 2016, the group (excluding subsidiaries) operates under one banking license. We base our analysis of Rabobank's creditworthiness on consolidated figures for the group, so the ratings were not affected by the structural change.

Management and Strategy

Fitch believes Rabobank's management has a high degree of depth and experience. The bank saw some management turnover recently, with the new chief financial officer and chief risk officer joining in January and April 2016 respectively, but this has been manageable. 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. In recent years, the bank refocused on its core products and markets. The merger of the cooperative banks has been executed well. Rabobank has also made progress in rationalising the business and reducing staff, although this has not been fully reflected in cost levels yet, and management still needs to deliver on profitability targets.

Financial Targets 2016-2020

(%)	Target	End-2017[a]
Fully loaded CET1 ratio	>14	15.5
Total capital ratio	>25	26.2
Return on invested capital	>8	6.9
Cost/income[b]	53-54	71.3
Underlying cost/income[b]	53-54	65.3
Wholesale funding	<150bn	160bn

[a] As calculated by Rabobank
[b] Including regulatory levies
Source: Rabobank

Risk Appetite

Conservative Underwriting Standards

Rabobank has a low-to-moderate risk appetite and its refocused strategy has put an even greater emphasis on a prudent approach to risk-taking. Risk controls are centralised and merging into one bank has strengthened this. Underwriting standards are generally low risk and more stringent than broad industry practice, as demonstrated by a lower average loan/value (LTV) in the bank's residential mortgage loan book. Exposure to CRE has fallen (to EUR22.9 billion net or 69% of equity at end-2017; a further EUR1.3 billion of loans were sold in 2018 year to date) and Fitch views the tail risk to be limited given the sound domestic economic environment.

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, including through 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. Rabobank measures market risk from trading activities daily using value at risk (VaR), which is calculated using a 97.5% confidence interval and a one-day holding period. The highest VaR recorded in 2017 was a low EUR4.9 million (average: EUR3.8 million). The highest stressed VaR calculated using data from the global financial crisis and measured on a 10-day holding period/99% confidence basis was EUR84 million in 2017, well below 1% of end-2017 equity.

Structural interest-rate risk is hedged through derivatives, and the bank monitors both equity and earnings at risk from changes in the level of interest rates. For earnings at risk, Rabobank uses 200bp shifts in the yield curve subject to a floor that limits possible interest-rate declines. Due to the latter, the effective downward shock applied by the bank was 25bp at end-2017, which would have reduced Rabobank's net interest income by EUR148 million (a modest 2% of total NII in 2017). The bank's equity is sensitive to an upward shift in the yield curve and a 100bp parallel increase would have reduced the value of equity by a low 2% at end-2017 (the limit is between 0% and 6%). The bank hedges its currency risk to minimise the impact of currency fluctuations on its CET1 ratio.

The most significant equity investment is the 29% stake in Achmea B.V (A/Stable), the Netherlands' leading insurance company.

Financial Profile

Asset Quality

Overall Adequate Asset Quality, Discrepancy Across Asset Classes

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). The foreign operations are mostly in the (rural) retail and F&A segments. F&A was the highest corporate sector exposure with just under a quarter of total net loans to the private sector at end-2017, but concentration is mitigated by large subsector and geography diversification. Rabobank's asset quality is underpinned by a large proportion of low-risk mortgage loans on its balance sheet.

Reported asset quality metrics have been affected by several technical aspects. A new write-off policy effective from 2014 meant Rabobank added back fully reserved loans that had been written off. In addition, from 2015 the bank has disclosed NPLs instead of impaired loans, which include unlikely to pay loans with zero loan loss allowances (due to sufficient collateral), and from 2017 reported NPLs also include exposures outside the private-sector loan book. Fitch expects the stock of NPLs to gradually decline, supported by the recovering Dutch economy, but Rabobank's asset-quality metrics still compare unfavourably with peers'.

Healthy and Resilient Residential Mortgage Lending

Almost half of Rabobank's customer loans are Dutch mortgage loans. This book has remained resilient and its quality appears somewhat stronger than those of domestic peers, reflecting the bank's prudent underwriting policy and presence in more rural areas. The quality of mortgage loans improved in 2017, with the NPL ratio declining from already low levels.

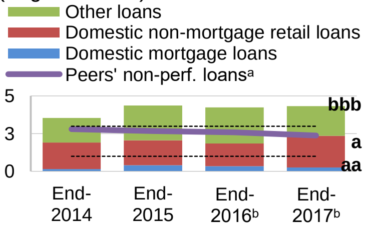
High LTV ratios by international standards are typical of the Dutch mortgage loan market as a result of past tax incentives. A high LTV would affect losses in the event of default but does not indicate increased risk of non-performance in the Dutch context, as mortgage loans are also granted based on debt servicing capacity with transparent and reasonably conservative affordability standards. In addition, the legislation is generally creditor-friendly. As a result, losses on Dutch mortgage lending have been low over time. We also expect LTV ratios and the share of high-LTV loans to decline due to rising house prices, a growing share of amortising mortgage loans, and because low interest rates incentivise borrowers to use their savings for loan prepayments.

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.

Non-Performing Loans

(% gross loans)



[a] Average includes Rabobank, ING Bank, ABN AMRO Bank, Swedbank AB (VR: aa-), Skandinaviska Enskilda Banken AB (aa-), Credit Agricole (a+) and Groupe BPCE (a)
[b] Mix not comparable due to transfers of some other loans into domestic retail banking in 2017
Source: Banks, Fitch Ratings

Dutch Mortgage Lending

(%)	Rabobank End- 2017	Rabobank End-2016	Dutch banks average[a] End-2017
Average LTV[b] (%)	69	69	69
% NHG[c]-guaranteed	20	21	23
% LTV > 100% (non-NHG)	9	8	8[d]
% Fully interest-only	22	23	21[e]
Non-performing loans (%)	0.6	0.8	0.7
LICs/average gross loans (bp)	0.0	0.5	-2[e]
RWA density (%)	15	16	13[e]

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

Weaker Quality SME and CRE Loans

NPLs in non-mortgage domestic retail banking are high (about 10% at end-2017) mainly due to the weaker quality of Dutch non-F&A SME loans (a little over 10% of loans) and a large part of the CRE portfolio being included in the segment. Dutch SMEs have not yet fully benefited from the recent robust economic growth. We believe the level of NPLs to be more significant in this portfolio, but for the bottom to have been reached and for the quality to continue to slowly recover.

CRE loans (in total 6% of loans at end-2017 spread across several business segments) experienced severe stress in the past, notably the land exposures, and have been in a clean-up since 2013. NPLs remain high (15% at end-2017), but are declining. Unlike Dutch peers, Rabobank was slow to write off these loans, but is now helped by the strongly recovering market and is reporting net recoveries of provisions on this portfolio (EUR252 million in 2017).

F&A represents just below 25% of the loan book, of which about two-thirds is granted abroad. The portfolio appears fairly well diversified by sub-sector. 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.

Other Earning Assets Are Healthy

Rabobank's EUR27 billion of available-for-sale securities at end-2017 (4% of assets) is mostly in the form of sovereign bonds, mainly high-quality instruments eligible as level 1 assets in the liquidity coverage ratio (LCR) calculation (about half is Dutch). Reflecting the bank's conservative liquidity management, cash and central bank placements, all level 1 LCR eligible, amounted to EUR66 billion at end-2017 (the central bank placements were mainly to the DNB, the Bank of England, the Swiss National Bank and the US Federal Reserve Bank).

Loan Quality

	End-2017					End-2016	
	Share in the loan book[a] (%)	Loan exposure change in 2017 (%)	NPL (%)	Loan loss allowances/ NPLs (%)	Impairment charge (bp)	Share in the loan book[a] (%)	Impairment charge (bp)
Domestic retail	68	-2	3.6	25	-9	67	1
Of which mortgage loans	47	-1	0.6	15	0	46	1
Wholesale and international retail	25	-7	6.1	34	9	26	25
Leasing	7	-2	1.6	55	36	7	32
Real estate	0.4	-33	63.9	37	-521	1	-141
Total	**100**	**-3**	**4.4**	**30**	**-5**	**100**	**7**
Total CRE	6	-4	15.2	30	-108	6	-11

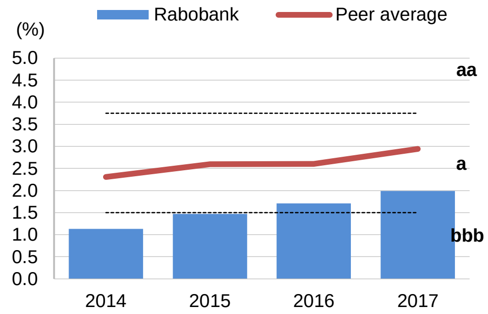
[a] Based on net loans to private clients
Source: Rabobank, Fitch

Earnings and Profitability

Earnings Supported by Releases of Loan Loss Allowances

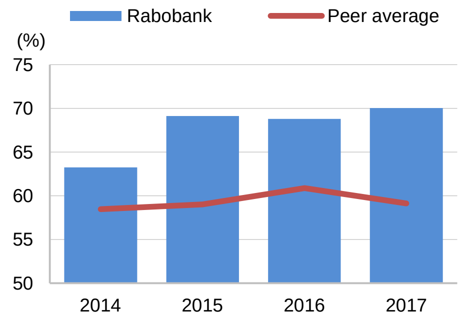
Rabobank's profitability has improved in recent years, largely as a result of lower LICs, but it remains weaker than peers' due to its high cost base. Fitch expects the gap to narrow and structural profitability to improve through the announced reduction of the workforce by 12,000 FTEs (excluding divestments) during the 2016 to 2020 period (almost 7,000 achieved by end-2017), representing almost a quarter of end-2015 staff. The bank targets a cost/income ratio of 53%-54% by 2020 (including regulatory levies), which would be in line with similarly rated peers.

Operating Profit/ RWAs



Source: Banks, Fitch Ratings

Cost/Income



Source: Banks, Fitch Ratings

We expect the bank to meet its cost reduction target. Revenues are reliant on maintaining a good net interest margin (NIM) and an appropriate management of global interest-rate risk. Rabobank's NIM is good (164bp in 2017, according to Fitch's calculations) considering its large holdings of low-yielding liquid assets. The NIM has benefited from stricter enforcement of risk-based pricing throughout the group in recent years and this should help protect the NIM in the low-rate environment.

Rabobank's LICs are unsustainably low, and the bank reported net releases of loan loss allowances in 2017. While we expect LICs to normalise eventually, we believe that in the near term Rabobank's profitability will continue to benefit from the benign operating environment in the Netherlands.

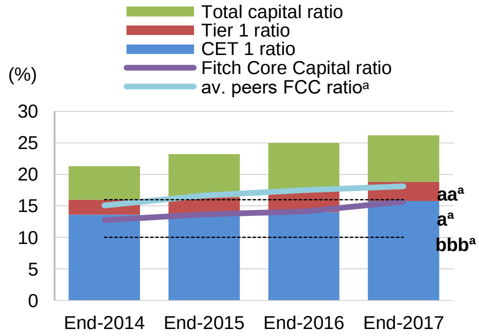
Capitalisation and Leverage

Solid and Improving Capitalisation

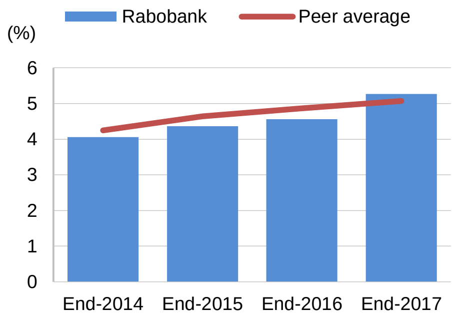
Rabobank's fully loaded CET1 ratio improved to 15.5% at end-2017 (end-2015: 13.5%), helped by the issuance of EUR1.5 billion of Rabobank Certificates in January 2017, improved profitability and a shrinking balance sheet. The FCC ratio was similarly solid at 15.7% at end-2017, and the fully loaded Basel III leverage ratio was a sound 5.4%. Despite the improvement in capital ratios and leverage, we still view Rabobank's capitalisation as somewhat weaker than similarly rated peers' due to the bank's elevated exposure to unreserved NPLs (about 40% of FCC at end-2017).

Dutch banks are relatively more sensitive compared to peers to the upcoming revision of banks' use of internal models to calculate RWAs. This is due to low modelled risk-weights applied to their mortgage loans, and typically high LTVs. Rabobank estimated that proposed Basel III end-game rules would indicatively result in an increase of RWA of about 30%-35% based on end-2017 balance sheet and excluding any future management actions. This is equivalent to about a 3.5pp-4.0pp decrease in the fully loaded CET1 ratio. We believe this will be manageable for Rabobank. The proposals still need to be implemented in the EU legislation, and final rules may differ from what is currently discussed.

The new rules will have a five-year phase-in period starting from 2022. Furthermore, we expect Rabobank to generate healthy amounts of capital internally, and the bank demonstrated it can attract capital and shrink its balance sheet if necessary.



[a] Benchmark score for the Fitch Core Capital ratio
Source: Banks, Fitch Ratings



[a] Tangible common equity/tangible assets
Source: Banks, Fitch Ratings

Large Buffer of Junior Debt Supports IDR Above VR

Rabobank's Long-Term IDR and senior 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 (CCB) 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 CCB and systemic risk buffers, amount to 15.25% of total RWA. Taking into account additional undisclosed Pillar 2 guidance and a potential risk-weight increase in a stress scenario, a qualifying junior debt buffer of 10% of RWA would most likely be sufficient to restore the group's viability without hitting senior credits.

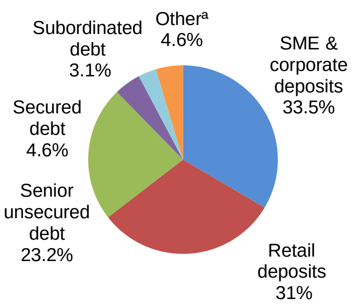
At end-2017, the qualifying junior debt buffer was 11.3% of RWA. Fitch has also assumed that the bank will maintain a sufficient buffer, given its stated targets of CET1 and total capital ratios of at least 14% and at least 25% by 2020.

Funding and Liquidity

Reducing Reliance on Debt Capital Markets; Sound Access

A structural feature of the Dutch banking system is the shortage of deposits to fund lending because loan books are large (the tax deductibility of mortgage loan interest payments encouraged little amortisation, although this is changing) and the pension system steers individuals' savings to pension funds. 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).

Funding Structure
End-2017

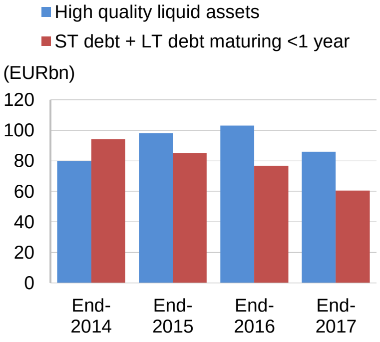


[a] Interbank funding, TLTRO and repos
Source: Rabobank, Fitch Ratings

Rabobank's balance-sheet reduction in recent years has led to reduced use of wholesale funding, but the bank maintains some reliance on the confidence-sensitive debt capital markets. Rabobank is an active issuer and regularly taps a large global investor base in various currencies. The bank issued its first covered bond in 2017, but generally makes limited use of secured funding (5% of non-equity funding, including asset-backed commercial paper), and its assets encumbrance is low (9% at end-2017).

Rabobank will be subject to MREL, although a binding requirement has not been announced yet. We expect it to be manageable for the bank due to its sound market access and likely low issuance needs in light of its already high total capital ratio (26.2% at end-2017).

Liquidity Buffer



Source: Rabobank, Fitch Ratings

Prudent Liquidity Mitigates Refinancing Risk

Liquid assets (EUR86 billion at end-2017; EUR116 billion including retained RMBS) are of high quality, mainly cash with central banks and highly rated sovereign debt. This covered short-term debt (EUR38 billion at end-2017) and long-term debt maturing within a year (about EUR23 billion) at end-2017 and mitigates refinancing risk arising from reliance on wholesale funding. Rabobank's LCR was 123% and its net stable funding ratio was 119% at end-2017. 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 BRRD – 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 unsecured 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.

Cooperatieve Rabobank U.A.
Income Statement

	31 Dec 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Year End USDm Audited - Unqualified	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	Year End EURm Audited - Unqualified	As % of Earning Assets
1. Interest Income on Loans	18,400.9	15,343.0	2.95	16,299.0	2.90	17,271.0	2.95	18,168.0	2.95
2. Other Interest Income	735.2	613.0	0.12	231.0	0.04	322.0	0.06	470.0	0.08
3. Dividend Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Gross Interest and Dividend Income	**19,136.0**	**15,956.0**	**3.07**	**16,530.0**	**2.94**	**17,593.0**	**3.01**	**18,638.0**	**3.02**
5. Interest Expense on Customer Deposits	2,588.1	2,158.0	0.42	2,445.0	0.44	3,033.0	0.52	3,719.0	0.60
6. Other Interest Expense	5,942.5	4,955.0	0.95	5,250.0	0.93	5,421.0	0.93	5,801.0	0.94
7. Total Interest Expense	**8,530.6**	**7,113.0**	**1.37**	**7,695.0**	**1.37**	**8,454.0**	**1.44**	**9,520.0**	**1.54**
8. Net Interest Income	**10,605.4**	**8,843.0**	**1.70**	**8,835.0**	**1.57**	**9,139.0**	**1.56**	**9,118.0**	**1.48**
9. Net Fees and Commissions	2,296.7	1,915.0	0.37	1,826.0	0.33	1,892.0	0.32	1,879.0	0.30
10. Net Gains (Losses) on Trading and Derivatives	152.3	127.0	0.02	288.0	0.05	164.0	0.03	1,451.0	0.24
11. Net Gains (Losses) on Assets and Liabilities at FV	(26.4)	(22.0)	(0.00)	259.0	0.05	72.0	0.01	(563.0)	(0.09)
12. Net Gains (Losses) on Other Securities	189.5	158.0	0.03	87.0	0.02	148.0	0.03	418.0	0.07
13. Net Insurance Income	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
14. Other Operating Income	903.1	753.0	0.14	1,153.0	0.21	866.0	0.15	1,142.0	0.19
15. Total Non-Interest Operating Income	**3,515.1**	**2,931.0**	**0.56**	**3,613.0**	**0.64**	**3,142.0**	**0.54**	**4,327.0**	**0.70**
16. Total Operating Income	**14,120.6**	**11,774.0**	**2.27**	**12,448.0**	**2.22**	**12,281.0**	**2.10**	**13,445.0**	**2.18**
17. Personnel Expenses	5,363.3	4,472.0	0.86	4,680.0	0.83	4,786.0	0.82	5,086.0	0.82
18. Other Operating Expenses	4,529.8	3,777.0	0.73	3,883.0	0.69	3,703.0	0.63	3,416.0	0.55
19. Total Non-Interest Expenses	**9,893.0**	**8,249.0**	**1.59**	**8,563.0**	**1.52**	**8,489.0**	**1.45**	**8,502.0**	**1.38**
20. Equity-accounted Profit/ Loss - Operating	295.0	246.0	0.05	44.0	0.01	366.0	0.06	81.0	0.01
21. Pre-Impairment Operating Profit	**4,522.6**	**3,771.0**	**0.73**	**3,929.0**	**0.70**	**4,158.0**	**0.71**	**5,024.0**	**0.81**
22. Loan Impairment Charge	(227.9)	(190.0)	(0.04)	317.0	0.06	1,134.0	0.19	2,762.0	0.45
23. Securities and Other Credit Impairment Charges	25.2	21.0	0.00	(7.0)	(0.00)	(101.0)	(0.02)	(129.0)	(0.02)
24. Operating Profit	**4,725.2**	**3,940.0**	**0.76**	**3,619.0**	**0.64**	**3,125.0**	**0.53**	**2,391.0**	**0.39**
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	2.4	2.0	0.00	313.0	0.06	n.a.	-	280.0	0.05
28. Non-recurring Expense	371.8	310.0	0.06	1,214.0	0.22	623.0	0.11	321.0	0.05
29. Change in Fair Value of Own Debt	n.a.	n.a.	-	0.0	0.00	367.0	0.06	(669.0)	(0.11)
30. Other Non-operating Income and Expenses	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
31. Pre-tax Profit	**4,355.9**	**3,632.0**	**0.70**	**2,718.0**	**0.48**	**2,869.0**	**0.49**	**1,681.0**	**0.27**
32. Tax expense	1,148.9	958.0	0.18	694.0	0.12	655.0	0.11	(161.0)	(0.03)
33. Profit/Loss from Discontinued Operations	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
34. Net Income	**3,206.9**	**2,674.0**	**0.51**	**2,024.0**	**0.36**	**2,214.0**	**0.38**	**1,842.0**	**0.30**
35. Change in Value of AFS Investments	(154.7)	(129.0)	(0.02)	24.0	0.00	(131.0)	(0.02)	361.0	0.06
36. Revaluation of Fixed Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
37. Currency Translation Differences	(1,392.4)	(1,161.0)	(0.22)	248.0	0.04	8.0	0.00	503.0	0.08
38. Remaining OCI Gains/(losses)	(304.6)	(254.0)	(0.05)	(426.0)	(0.08)	(29.0)	(0.00)	(90.0)	(0.01)
39. Fitch Comprehensive Income	**1,355.2**	**1,130.0**	**0.22**	**1,870.0**	**0.33**	**2,062.0**	**0.35**	**2,616.0**	**0.42**
40. Memo: Profit Allocation to Non-controlling Interests	69.6	58.0	0.01	64.0	0.01	75.0	0.01	58.0	0.01
41. Memo: Net Income after Allocation to Non-controlling Interests	3,137.4	2,616.0	0.50	1,960.0	0.35	2,139.0	0.37	1,784.0	0.29
42. Memo: Common Dividends Relating to the Period	580.5	484.0	0.09	387.0	0.07	387.0	0.07	385.0	0.06
43. Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	747.2	623.0	0.12	824.0	0.15	872.0	0.15	779.0	0.13
Exchange rate		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185		USD1 = EUR0.8237	

Cooperatieve Rabobank U.A.
Balance Sheet

	31 Dec 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Year End USDm	Year End 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	240,947.7	200,907.0	33.32	206,450.0	31.16	212,685.0	31.73	218,482.0	32.08
2. Other Mortgage Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Other Consumer/ Retail Loans	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
4. Corporate & Commercial Loans	214,919.3	179,204.0	29.72	187,827.0	28.35	173,899.0	25.94	175,783.0	25.81
5. Other Loans	54,030.8	45,052.0	7.47	49,949.0	7.54	60,255.0	8.99	59,235.0	8.70
6. Less: Loan Loss Allowances	6,531.4	5,446.0	0.90	7,487.0	1.13	8,372.0	1.25	9,348.0	1.37
7. Net Loans	**503,366.4**	**419,717.0**	**69.61**	**436,739.0**	**65.91**	**438,467.0**	**65.41**	**444,152.0**	**65.21**
8. Gross Loans	**509,897.8**	**425,163.0**	**70.51**	**444,226.0**	**67.04**	**446,839.0**	**66.66**	**453,500.0**	**66.58**
9. Memo: Impaired Loans included above	21,965.2	18,315.0	3.04	18,873.0	2.85	19,503.0	2.91	21,250.0	3.12
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	11,954.6	9,968.0	1.65	12,046.0	1.82	13,939.0	2.08	17,710.0	2.60
2. Reverse Repos and Securities Borrowing	36,138.5	30,133.0	5.00	29,466.0	4.45	37,422.0	5.58	45,887.0	6.74
3. Derivatives	30,588.1	25,505.0	4.23	42,372.0	6.39	48,113.0	7.18	56,489.0	8.29
4. Trading Securities and at FV through Income	3,542.7	2,954.0	0.49	3,906.0	0.59	5,668.0	0.85	8,604.0	1.26
5. Available for Sale Securities	34,406.7	28,689.0	4.76	34,580.0	5.22	37,773.0	5.63	39,770.0	5.84
6. Held to Maturity Securities	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	**37,949.4**	**31,643.0**	**5.25**	**38,486.0**	**5.81**	**43,441.0**	**6.48**	**48,374.0**	**7.10**
9. Memo: Government Securities included Above	29,116.6	24,278.0	4.03	29,215.0	4.41	32,336.0	4.82	34,838.0	5.12
10. Memo: Total Securities Pledged	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
11. Equity Investments in Associates	3,023.4	2,521.0	0.42	2,417.0	0.36	3,672.0	0.55	3,807.0	0.56
12. Investments in Property	231.5	193.0	0.03	293.0	0.04	381.0	0.06	452.0	0.07
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	**623,252.0**	**519,680.0**	**86.18**	**561,819.0**	**84.79**	**585,435.0**	**87.33**	**616,871.0**	**90.57**
C. Non-Earning Assets									
1. Cash and Due From Banks	80,186.4	66,861.0	11.09	84,405.0	12.74	64,943.0	9.69	43,409.0	6.37
2. Memo: Mandatory Reserves included above	n.a.	n.a.	-	486.0	0.07	396.0	0.06	365.0	0.05
3. Foreclosed Assets	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
4. Fixed Assets	8,227.2	6,860.0	1.14	6,553.0	0.99	9,783.0	1.46	8,983.0	1.32
5. Goodwill	622.4	519.0	0.09	537.0	0.08	905.0	0.13	1,454.0	0.21
6. Other Intangibles	579.3	483.0	0.08	552.0	0.08	588.0	0.09	605.0	0.09
7. Current Tax Assets	209.9	175.0	0.03	171.0	0.03	193.0	0.03	211.0	0.03
8. Deferred Tax Assets	2,078.4	1,733.0	0.29	2,360.0	0.36	2,390.0	0.36	2,501.0	0.37
9. Discontinued Operations	1,189.7	992.0	0.16	281.0	0.04	155.0	0.02	327.0	0.05
10. Other Assets	6,821.6	5,688.0	0.94	5,915.0	0.89	5,981.0	0.89	6,725.0	0.99
11. Total Assets	**723,166.9**	**602,991.0**	**100.00**	**662,593.0**	**100.00**	**670,373.0**	**100.00**	**681,086.0**	**100.00**
Liabilities and Equity									
D. Interest-Bearing Liabilities									
1. Total Customer Deposits	408,450.3	340,574.0	56.48	347,500.0	52.45	337,105.0	50.29	324,446.0	47.64
2. Deposits from Banks	22,218.2	18,526.0	3.07	21,588.0	3.26	18,457.0	2.75	17,175.0	2.52
3. Repos and Securities Lending	604.4	504.0	0.08	630.0	0.10	1,069.0	0.16	2,733.0	0.40
4. Commercial Paper and Short-term Borrowings	45,246.0	37,727.0	6.26	45,796.0	6.91	53,583.0	7.99	55,065.0	8.08
5. Customer Deposits and Short-term Funding	**476,518.9**	**397,331.0**	**65.89**	**415,514.0**	**62.71**	**410,214.0**	**61.19**	**399,419.0**	**58.64**
6. Senior Unsecured Debt	115,967.5	96,696.0	16.04	113,546.0	17.14	121,408.0	18.11	133,995.0	19.67
7. Subordinated Borrowing	19,392.7	16,170.0	2.68	16,861.0	2.54	15,503.0	2.31	11,928.0	1.75
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	**135,360.1**	**112,866.0**	**18.72**	**130,407.0**	**19.68**	**136,911.0**	**20.42**	**145,923.0**	**21.43**
11. Memo: o/w matures in less than 1 year	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
12. Trading Liabilities	17,237.5	14,373.0	2.38	17,259.0	2.60	17,564.0	2.62	21,068.0	3.09
13. Total Funding	**629,116.6**	**524,570.0**	**86.99**	**563,180.0**	**85.00**	**564,689.0**	**84.24**	**566,410.0**	**83.16**
14. Derivatives	33,703.9	28,103.0	4.66	48,024.0	7.25	54,556.0	8.14	66,236.0	9.73
15. Total Funding and Derivatives	**662,820.5**	**552,673.0**	**91.66**	**611,204.0**	**92.24**	**619,245.0**	**92.37**	**632,646.0**	**92.89**
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	2,193.5	1,829.0	0.30	1,861.0	0.28	1,352.0	0.20	1,185.0	0.17
4. Current Tax Liabilities	297.4	248.0	0.04	269.0	0.04	230.0	0.03	255.0	0.04
5. Deferred Tax Liabilities	474.9	396.0	0.07	618.0	0.09	575.0	0.09	473.0	0.07
6. Other Deferred Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
7. Discontinued Operations	307.0	256.0	0.04	n.a.	-	n.a.	-	n.a.	-
8. Insurance Liabilities	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
9. Other Liabilities	9,569.2	7,979.0	1.32	8,117.0	1.23	7,691.0	1.15	7,656.0	1.12
10. Total Liabilities	**675,662.6**	**563,381.0**	**93.43**	**622,069.0**	**93.88**	**629,093.0**	**93.84**	**642,215.0**	**94.29**
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	7,578.4	6,319.0	1.05	8,230.0	1.24	9,133.0	1.36	7,573.0	1.11
G. Equity									
1. Common Equity	41,036.4	34,217.0	5.67	31,657.0	4.78	31,433.0	4.69	30,461.0	4.47
2. Non-controlling Interest	569.7	475.0	0.08	525.0	0.08	492.0	0.07	473.0	0.07
3. Securities Revaluation Reserves	556.5	464.0	0.08	571.0	0.09	512.0	0.08	643.0	0.09
4. Foreign Exchange Revaluation Reserves	(1,124.9)	(938.0)	(0.16)	203.0	0.03	(76.0)	(0.01)	(94.0)	(0.01)
5. Fixed Asset Revaluations and Other Accumulated OCI	(1,111.8)	(927.0)	(0.15)	(662.0)	(0.10)	(214.0)	(0.03)	(185.0)	(0.03)
6. Total Equity	**39,925.9**	**33,291.0**	**5.52**	**32,294.0**	**4.87**	**32,147.0**	**4.80**	**31,298.0**	**4.60**
7. Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as E	47,504.3	39,610.0	6.57	40,524.0	6.12	41,280.0	6.16	38,871.0	5.71
8. Total Liabilities and Equity	**723,166.9**	**602,991.0**	**100.00**	**662,593.0**	**100.00**	**670,373.0**	**100.00**	**681,086.0**	**100.00**
9. Memo: Fitch Core Capital	37,276.9	31,082.2	5.15	29,797.2	4.50	29,157.3	4.35	26,979.5	3.96
Exchange rate		USD1 = EUR0.83382		USD1 = EUR0.9487		USD1 = EUR0.9185		USD1 = EUR0.8237	

Cooperatieve Rabobank U.A.
Summary Analytics

	31 Dec 2017 Year End	31 Dec 2016 Year End	31 Dec 2015 Year End	31 Dec 2014 Year End
A. Interest Ratios				
1. Interest Income/ Average Earning Assets	2.96	2.85	2.91	3.07
2. Interest Income on Loans/ Average Gross Loans	3.53	3.65	3.76	3.97
3. Interest Expense on Customer Deposits/ Average Customer Deposits	0.63	0.71	0.92	1.15
4. Interest Expense/ Average Interest-bearing Liabilities	1.23	1.24	1.35	1.53
5. Net Interest Income/ Average Earning Assets	1.64	1.53	1.51	1.50
6. Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets	1.68	1.47	1.33	1.05
7. Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets	1.53	1.38	1.37	1.37
B. Other Operating Profitability Ratios				
1. Operating Profit/ Risk Weighted Assets	1.99	1.71	1.47	1.13
2. Non-Interest Expense/ Gross Revenues	70.06	68.79	69.12	63.24
3. Loans and securities impairment charges/ Pre-impairment Op. Profit	(4.48)	7.89	24.84	52.41
4. Operating Profit/ Average Total Assets	0.63	0.54	0.46	0.35
5. Non-Interest Income/ Gross Revenues	24.89	29.02	25.58	32.18
6. Non-Interest Expense/ Average Total Assets	1.31	1.27	1.26	1.26
7. Pre-impairment Op. Profit/ Average Equity	11.42	12.24	13.04	16.25
8. Pre-impairment Op. Profit/ Average Total Assets	0.60	0.58	0.62	0.74
9. Operating Profit/ Average Equity	11.93	11.27	9.80	7.73
C. Other Profitability Ratios				
1. Net Income/ Average Total Equity	8.10	6.31	6.94	5.96
2. Net Income/ Average Total Assets	0.42	0.30	0.33	0.27
3. Fitch Comprehensive Income/ Average Total Equity	3.42	5.83	6.46	8.46
4. Fitch Comprehensive Income/ Average Total Assets	0.18	0.28	0.31	0.39
5. Taxes/ Pre-tax Profit	26.38	25.53	22.83	(9.58)
6. Net Income/ Risk Weighted Assets	1.35	0.96	1.04	0.87
D. Capitalization				
1. FCC/ FCC-Adjusted Risk Weighted Assets	15.68	14.11	13.68	12.73
2. Tangible Common Equity/ Tangible Assets	5.27	4.56	4.36	4.06
3. Equity/ Total Assets	5.52	4.87	4.80	4.60
4. Basel Leverage Ratio	6.00	5.50	5.10	4.90
5. Common Equity Tier 1 Capital Ratio	15.80	14.00	13.50	13.60
6. Fully Loaded Common Equity Tier 1 Capital Ratio	15.50	13.50	12.00	11.80
7. Tier 1 Capital Ratio	18.80	17.60	16.40	16.00
8. Total Capital Ratio	26.20	25.00	23.20	21.30
9. Impaired Loans less Loan Loss Allowances/ Fitch Core Capital	41.40	38.21	38.18	44.11
10. Impaired Loans less Loan Loss Allowances/ Equity	38.66	35.26	34.63	38.03
11. Cash Dividends Paid & Declared/ Net Income	41.40	59.83	56.87	63.19
12. Risk Weighted Assets/ Total Assets	32.88	31.88	31.79	31.11
E. Loan Quality				
1. Impaired Loans/ Gross Loans	4.31	4.25	4.36	4.69
2. Growth of Gross Loans	(4.29)	(0.58)	(1.47)	(0.06)
3. Loan Loss Allowances/ Impaired Loans	29.74	39.67	42.93	43.99
4. Loan Impairment Charges/ Average Gross Loans	(0.04)	0.07	0.25	0.60
5. Growth of Total Assets	(9.00)	(1.16)	(1.57)	1.79
6. Loan Loss Allowances/ Gross Loans	1.28	1.69	1.87	2.06
7. Net Charge-offs/ Average Gross Loans	0.46	0.35	0.50	0.49
8. Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	4.31	4.25	4.36	4.69
F. Funding and Liquidity				
1. Loans/ Customer Deposits	124.84	127.83	132.55	139.78
2. Liquidity Coverage Ratio	123.00	130.00	128.00	144.00
3. Customer Deposits/ Total Funding (excluding derivatives)	64.15	60.81	58.75	56.53
4. Interbank Assets/ Interbank Liabilities	53.81	55.80	75.52	103.11
5. Net Stable Funding Ratio	119.00	119.00	116.00	115.00
6. Growth of Total Customer Deposits	(1.99)	3.08	3.90	(0.09)

Cooperatieve Rabobank U.A.
Reference Data

	31 Dec 2017			31 Dec 2016		31 Dec 2015		31 Dec 2014	
	Year End USDm	Year End 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	4,084.8	3,406.0	0.56	11,595.0	1.75	10,402.0	1.55	11,826.0	1.74
4. Acceptances and documentary credits reported off-balance sheet	n.a.	n.a.	-	6,276.0	0.95	4,980.0	0.74	5,392.0	0.79
5. Committed Credit Lines	39,534.9	32,965.0	5.47	44,889.0	6.77	46,903.0	7.00	35,432.0	5.20
6. Other Contingent Liabilities	21,772.1	18,154.0	3.01	n.a.	-	n.a.	-	0.0	0.00
7. Other Off-Balance Sheet items	0.0	0.0	0.00	n.a.	-	n.a.	-	n.a.	-
8. Total Assets under Management	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
B. Average Balance Sheet									
1. Average Loans	521,080.4	434,487.3	72.06	447,112.0	67.48	458,854.7	68.45	458,151.3	67.27
2. Average Earning Assets	645,740.1	538,431.0	89.29	579,276.6	87.43	603,799.0	90.07	607,030.3	89.13
3. Average Total Assets	755,071.5	629,593.7	104.41	673,186.3	101.60	675,434.3	100.75	676,564.7	99.34
4. Average Managed Securitized Assets (OBS)	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Average Interest-Bearing Liabilities	694,129.4	578,779.0	95.98	621,769.3	93.84	625,124.3	93.25	622,414.7	91.39
6. Average Common equity	39,814.7	33,198.3	5.51	31,433.3	4.74	31,092.0	4.64	32,528.3	4.78
7. Average Equity	39,615.3	33,032.0	5.48	32,101.3	4.84	31,895.3	4.76	30,912.3	4.54
8. Average Customer Deposits	412,260.8	343,751.3	57.01	342,515.0	51.69	329,903.3	49.21	324,076.3	47.58
C. Maturities									
Asset Maturities:									
Loans & Advances < 3 months	40,638.3	33,885.0	5.62	46,788.0	7.06	51,264.0	7.65	51,343.0	7.54
Loans & Advances 3 - 12 Months	39,044.4	32,556.0	5.40	40,350.0	6.09	37,948.0	5.66	38,483.0	5.65
Loans and Advances 1 - 5 Years	117,425.8	97,912.0	16.24	92,451.0	13.95	89,456.0	13.34	83,696.0	12.29
Loans & Advances > 5 years	306,257.9	255,364.0	42.35	257,150.0	38.81	259,799.0	38.75	270,630.0	39.74
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	5,568.3	4,643.0	0.77	9,926.0	1.50	10,271.0	1.53	13,594.0	2.00
Loans & Advances to Banks 3 - 12 Months	1,402.0	1,169.0	0.19	1,295.0	0.20	1,878.0	0.28	2,626.0	0.39
Loans & Advances to Banks 1 - 5 Years	738.8	616.0	0.10	556.0	0.08	1,300.0	0.19	1,206.0	0.18
Loans & Advances to Banks > 5 Years	4,245.5	3,540.0	0.59	269.0	0.04	490.0	0.07	284.0	0.04
Liability Maturities:									
Retail Deposits < 3 months	345,010.9	287,677.0	47.71	297,083.0	44.84	289,814.0	43.23	279,191.0	40.99
Retail Deposits 3 - 12 Months	12,840.9	10,707.0	1.78	13,966.0	2.11	12,322.0	1.84	9,728.0	1.43
Retail Deposits 1 - 5 Years	19,232.0	16,036.0	2.66	14,013.0	2.11	12,550.0	1.87	14,295.0	2.10
Retail Deposits > 5 Years	31,366.5	26,154.0	4.34	22,438.0	3.39	22,419.0	3.34	21,232.0	3.12
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	6,699.3	5,586.0	0.93	14,241.0	2.15	11,789.0	1.76	10,360.0	1.52
Deposits from Banks 3 - 12 Months	2,058.0	1,716.0	0.28	2,408.0	0.36	2,492.0	0.37	1,263.0	0.19
Deposits from Banks 1 - 5 Years	5,111.4	4,262.0	0.71	3,892.0	0.59	3,415.0	0.51	4,953.0	0.73
Deposits from Banks > 5 Years	8,349.5	6,962.0	1.15	1,047.0	0.16	761.0	0.11	599.0	0.09
Senior Debt Maturing < 3 months	31,836.6	26,546.0	4.40	33,287.0	5.02	32,507.0	4.85	32,547.0	4.78
Senior Debt Maturing 3-12 Months	36,720.2	30,618.0	5.08	37,817.0	5.71	48,306.0	7.21	59,470.0	8.73
Senior Debt Maturing 1- 5 Years	69,717.7	58,132.0	9.64	61,587.0	9.29	60,720.0	9.06	63,839.0	9.37
Senior Debt Maturing > 5 Years	22,939.0	19,127.0	3.17	26,651.0	4.02	33,458.0	4.99	33,204.0	4.88
Total Senior Debt on Balance Sheet	**161,213.5**	**134,423.0**	**22.29**	**159,342.0**	**24.05**	**174,991.0**	**26.10**	**189,060.0**	**27.76**
Fair Value Portion of Senior Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
Subordinated Debt Maturing < 3 months	0.0	0.0	0.00	0.0	0.00	48.0	0.01	n.a.	-
Subordinated Debt Maturing 3-12 Months	25.2	21.0	0.00	0.0	0.00	10.0	0.00	3.0	0.00
Subordinated Debt Maturing 1- 5 Year	5,094.6	4,248.0	0.70	2,012.0	0.30	2,008.0	0.30	1,077.0	0.16
Subordinated Debt Maturing > 5 Years	14,272.9	11,901.0	1.97	14,849.0	2.24	13,437.0	2.00	10,848.0	1.59
Total Subordinated Debt on Balance Sheet	**19,392.7**	**16,170.0**	**2.68**	**16,861.0**	**2.54**	**15,503.0**	**2.31**	**11,928.0**	**1.75**
Fair Value Portion of Subordinated Debt	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
D. Risk Weighted Assets									
1. Risk Weighted Assets	237,783.9	198,269.0	32.88	211,226.0	31.88	213,092.0	31.79	211,870.0	31.11
2. Fitch Core Capital Adjustments for Insurance and Securitisation Risk Weighted Asse	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
3. Fitch Core Capital Adjusted Risk Weighted Assets	**237,783.9**	**198,269.0**	**32.88**	**211,226.0**	**31.88**	**213,092.0**	**31.79**	**211,870.0**	**31.11**
4. Other Fitch Adjustments to Risk Weighted Assets	n.a.	n.a.	-	n.a.	-	n.a.	-	n.a.	-
5. Fitch Adjusted Risk Weighted Assets	**237,783.9**	**198,269.0**	**32.88**	**211,226.0**	**31.88**	**213,092.0**	**31.79**	**211,870.0**	**31.11**
E. Fitch Core Capital Reconciliation									
1. Total Equity as reported (including non-controlling interests)	39,925.9	33,291.0	5.52	32,294.0	4.87	32,147.0	4.80	31,298.0	4.60
2. Fair-value adjustments relating to own credit risk on debt issued	(749.3)	(624.8)	(0.10)	(303.8)	(0.05)	62.3	0.01	(505.5)	(0.07)
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	622.4	519.0	0.09	537.0	0.08	905.0	0.13	1,454.0	0.21
5. Other intangibles	579.3	483.0	0.08	552.0	0.08	588.0	0.09	605.0	0.09
6. Deferred tax assets deduction	698.0	582.0	0.10	1,104.0	0.17	1,559.0	0.23	1,754.0	0.26
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 equi	0.0	0.0	0.00	0.0	0.00	0.0	0.00	0.0	0.00
10. Fitch Core Capital	**37,276.9**	**31,082.2**	**5.15**	**29,797.2**	**4.50**	**29,157.3**	**4.35**	**26,979.5**	**3.96**

Exchange Rate	USD1 = EUR0.83382	USD1 = EUR0.9487	USD1 = EUR0.9185	USD1 = EUR0.8237

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