



Rabobank

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Rabobank Posts a Net Result of EUR 2,818 Million in the First Half of 2024

Driven by good business performance, Rabobank posted a net profit of EUR 2,818 million in the first half of 2024. Consistently strong results allow the cooperative Rabobank to increase its impact for society.

Chair of the Managing Board Stefaan Decraene: “Although most of our customers appear to be resilient, they continue to operate in a dynamic environment with many economic and geopolitical uncertainties. As a cooperative bank, it is our ambition to support them with our knowledge, network, and financial solutions and be a stable factor in an unstable world. That is how we sustainably help our customers to make a difference.

“To further enhance our customer service model we are reshaping our Domestic Retail Banking (DRB). Simplifying our organization while safeguarding our cooperative nature increases our customer focus, improves our products and services, and enables us to have a greater impact society.

“As a cooperative bank, Rabobank aims for a positive impact not only with our products and services, but also through other means. With a solid business performance we can do more for society. For example, the cooperative initiatives we launched last year made EUR 400 million available to help our customers, members, and employees to transition to a more sustainable future. In the past six months, the first 13,000 mortgage customers have applied for the Cooperative Insulation Budget, over 1,000 SMEs have done the same for our Sustainability Contribution SME, and we backed numerous societal projects in the Netherlands.

“In the first half of 2024 Rabobank launched a new cooperative initiative. Rabobank has supported local sports clubs in the Netherlands for years through Rabo ClubSupport. This summer we have gone a step further with our Rabo Sports Promotion. Young athletes from over 20,000 sports clubs in the Netherlands who have a Rabobank account are now eligible for a contribution of EUR 125. This is one way we hope to stimulate both the physical and mental health of young customers in the Netherlands, and connect them sustainably to our cooperative bank. The initiative is ongoing: customers can apply for the contribution with just a few clicks in the Rabo App or on our website.

“I’m thankful for the hard work and commitment of our employees over the past six months. Along with the continued trust of our customers and members I believe that we can fulfil our mission of Growing a better world together.”

Financial Performance

In the first half year of 2024, Rabobank's financial performance remained strong, which resulted in a net profit of EUR 2,818 million compared to EUR 2,528 million in the same period last year.

Total income increased by 6% driven by business growth, and the continuing impact of the interest rate environment which benefitted our net interest income. Within our DRB activities, margins on deposits are comparable with last year. Our lending business continued to be influenced by the prevailing competitive environment, resulting in a slightly lower average margin on our mortgage portfolio. Within our Wholesale & Rural (W&R) business more loans were provided to customers who contribute to the energy transition and also our leasing subsidiary DLL saw an increase in their portfolio, translating into higher net interest income. Fee income increased in both DRB as well as W&R and resulted in an increase of 15% in net fee and commission income (NFCI) in the first half of 2024. At DRB, NFCI was higher due to increased income from payments, insurance and investment products. The latter was driven by new inflow and positive developments in the stock markets. While BPD in the Netherlands was able to increase the number of transactions at recovering margins, the housing market in Germany is still lagging due to uncertainty and affordability issues, impacting the overall results of BPD.

Operating expenses were up by 13% reflecting the impact of the collective labor agreement and a higher average headcount, which was mainly visible in our FEC and IT departments. For the remainder of the year we expect costs to be impacted by inflationary effects, staff costs and continued investments in digitalization and data capabilities. Currently FEC costs and FTE dedicated to FEC are expected to peak in 2024.

Loan impairment charges on financial assets were EUR 279 million, lower than in the same period last year (Jun 2023: EUR 339 million). This was mainly the result of releases within our DRB segment as the Dutch economy remains relatively robust. Within W&R, loan impairment charges reflected more normalized levels, while at DLL they were somewhat elevated. The Non Performing Loans (NPL) ratio was stable at 1.7% (Dec 2023: 1.6%).

While the global demand for loans remained moderate, corrected for FX effects Rabobank's private sector loan portfolio was up by approximately EUR 7.9 billion in the first half of 2024. Rabobank's worldwide Food & Agri portfolio grew by 4% to EUR 119.6 billion. Rabobank maintained a solid position in the Dutch mortgage market with a market share of 18.6% (2023: 19.3%), while the overall residential mortgage book increased by EUR 0.5 billion to EUR 194.3 billion. Total deposits were up by EUR 10.2 billion mainly due to a continued increase in deposits from domestic retail customers which was partly driven by yet unused holiday payments.

Rabobank's cost/income ratio improved from 51.3% to 50.7% as income growth and lower regulatory levies more than compensated for the higher cost base. The return on equity developed positively as well and grew to 11.1%. Our CET1 ratio landed at 16.3%. Both the increase in risk weighted assets, largely driven by our model strategy and business developments, and the ~EUR 1 billion tender offer on Rabobank Certificates had a downward effect, while the strong financial results contributed positively. With the 16.3% CET1 ratio Rabobank maintains a strong capital position, comfortably above regulatory requirements and our own ambition of >14% while our conservative liquidity management ensures a sound liquidity position. With these strong financial results in the first six months of 2024 combined with a solid capital and liquidity position Rabobank remains rock-solid.

[For interim results and further details, please see our Interim Report](#)

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