

**Rabo Covered Bond Company B.V.**

**Annual Report 2023**

**Amsterdam, the Netherlands**

Rabo Covered Bond Company B.V.  
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The Netherlands  
Chamber of Commerce: 67.959.687

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## **1 Director's report**

### **1.1 Activities and results**

Rabo Covered Bond Company B.V. ("the Company") was incorporated on January 31, 2017.

The main objective of the Company is to provide security for the obligations under the Rabo Covered Bond Programme ("the Covered Bond Programme"). Intertrust Management B.V. is the statutory managing director of the Company. The Company has no staff.

The Covered Bond Company (CBC) guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds issued by Coöperatieve Rabobank U.A. ("Rabobank" or "the Issuer"). As consideration for the Company to meet its obligation under the issued guarantee, Rabobank transferred eligible assets to the Company. Rabobank transferred eligible mortgage loans to the Company through a silent assignment (*stille cessie*). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served ("the Events"), Rabobank is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been served the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the Covered Bond Programme; payment of interest and principal on the Covered Bonds.

Rabobank may issue, under the Covered Bond Programme, various series of Covered Bonds with a total notional amount of EUR 30,000 million. At 31 December 2023 the following bonds are outstanding:

- On May 31, 2017 Rabobank issued under this programme their first two series of Covered Bonds ("the Bonds") in a total value of EUR 2,500 million.
- In 2018 Rabobank issued various new Bond-series with a total value of EUR 3,885 million.
- In 2019 Rabobank issued various new Bond-series with a total value of EUR 4,675 million which brings the total value of the Bonds to EUR 11,060 million as per December 31, 2019.
- In 2020 Rabobank issued three new Bond-series with a total value of EUR 2,263 million. Which brings the total value of the Bonds to EUR 13,323 million as per December 31, 2020.
- In 2021 Rabobank issued six new Bond-series with a total value of EUR 2,005 million. Which brings the total value of the Bonds to EUR 15,328 million as per December 31, 2021.
- In 2022 Rabobank issued 11 new Bond-series with a total value of EUR 2,665 million. Which brings the total value of the bonds to EUR 17,993 million as per December 31, 2022.
- In 2023 Rabobank issued 5 new Bond-series with a total value of EUR 3,375 million. Which brings the total value of the bonds to EUR 21,368 million as per December 31, 2023.

In order for the Company to issue the related guarantee, Rabobank transferred assets - mortgage loans – through silent assignments. In 2023 the Company transferred mortgage loans with a net value of EUR 3,489 million. As per December 31, 2023 the net outstanding amount of transferred mortgage loans was EUR 22,882 million. Mortgage loans remain on Rabobank's balance sheet for accounting purposes since the mortgage loans are economically owned by Rabobank but given as collateral to the Company.

All bonds were at issuance rated Aaa by Moody's. The rating of the Bonds issued has not been amended since the issuance.

Since the issuance of the series of Bonds neither an Assignment Notification Event, nor a breach of the Asset Cover Test has occurred nor has a Notice to pay or a CBC Acceleration Notice been served.

The Trust Deed entered into by the Company, Rabobank and Stichting Security Trustee Rabo Covered Bond Company states that all cost and expenses of the Company and all cash flows from swaps of the Company will be received and paid on behalf of the Company by Rabobank for its own account. As a result, all amounts remaining in the Company will flow back periodically to Rabobank. Cash transactions at the Company are limited to bank interest received and bank interest charged through to Rabobank and the Company will not have the right to any of the proceeds.

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In our opinion, the financial statements give a true and fair view of the assets, liabilities, financial position and statement of income of the Company and the director's report includes a fair view of the development and performance of the business and the position of the Company, together with a description of the principal risks that the Company faces. In accordance with the accounting policies described in the notes to the financial statements.

## **1.2 Financial risk management**

The Company has, under the Trust Deed, guaranteed the payment of interest and principal payable under the Covered Bonds issued by Rabobank. As a consequence, the Company will then, amongst others, run interest rate risks on both the Covered Bonds and the mortgage portfolio.

The risk appetite of the Company is low and matches the risk-profile of the Company. Various measurements have been taken to mitigate the risks for the Company. The main risks are various financial risks which will be dealt with separately.

### **Interest rate risk**

In order to limit the potential interest rate risks the Company may, if deemed necessary, enter into a swap agreement in order to mitigate the interest rate risk. In 2023 no swap agreement has been entered into by the Company. This given the fact that the fixed interest rate on the Bonds, of 1.040% weighted average, is less than the average interest rate of all transferred receivables.

Furthermore, the notional amount outstanding of all transferred eligible mortgage receivables should at least be 105% of the notional amount outstanding of all bonds. This is a regulatory requirement. At the balance sheet date the notional amount outstanding of the transferred eligible mortgage receivables was 105.53% (2022: 107.33%).

### **Credit risk**

The Company has close to nil exposure to credit risk, which is the risk that the borrowers will be unable to pay amounts in full when due, unless the guarantee is invoked. When the guarantee is invoked all risks associated with the mortgage portfolio are transferred to the Company. Until that moment all risks and rewards associated with the assets are retained by Rabobank and the transferred Mortgage Loans are not recognised at the balance sheet of the Company.

### **Limited recourse**

Although interest rate risk and credit risk are recognized the exposure to the Company is limited. The Covered Bonds are issued at limited recourse. If a CBC Event of Default occurs and the Security is enforced, the proceeds may not be sufficient to meet the claims of all the Secured Creditors, including the Covered Bondholders. If, following enforcement of the Security, the Secured Creditors have not received the full amount due to them pursuant to the terms of the Transaction Documents, the Secured Creditors will no longer have a claim against the CBC after enforcement of the Security. The Secured Creditors may still have an unsecured claim against the Issuer for the shortfall.

### **Fraud**

In view of fraud, bribery and anti-corruption, the Managing Director implemented manual and automated internal controls such as segregation of duties and provides training to help employees to identify fraudulent behavior. In addition, the Managing Director implemented, amongst others, a code of conduct, whistleblower policies and internal policies around reporting non-compliance. The Director applies a zero-tolerance policy in relation to fraud, bribery and anti-corruption. No instances of (internal or external) fraud or any other matters are identified in this respect that had a material effect on the financial statements.

### **1.3 Post-balance sheet events**

In the first few months of 2024 up to the date of these financial statements, Rabobank issued six additional Bond with a total value of EUR 1,770 million. Which brings the total value of the Bonds to EUR 23,138 million as per April 30, 2024. The net outstanding amount of the transferred mortgage loans is EUR 24,767 million as per April 30, 2024. The management is not aware of any further events that took place after balance sheet date that could have a major effect on the financial position of the Company.

### **1.4 Result for the year**

The net result for the year under review is EUR 8,094 (2022: 8.490). This amount has been determined by the Company's tax ruling between the Issuer and Dutch tax authorities which has set the Company's income to a level to cover its expenses and net profit.

### **1.5 Future outlook**

The Dutch residential mortgage market is relatively sizeable, especially compared to other European countries. Since the 1990s, the mortgage debt stock of Dutch households has grown considerably, mainly on the back of mortgage lending on the basis of two incomes in a household, the introduction of tax-efficient product structures, such as mortgage loans with deferred principal repayment vehicles and interest-only mortgage loans, financial deregulation and increased competition among originators. In 2023 the mortgage loan portfolio showed overall solid performance. Rabobank's share of the Dutch mortgage market increased to 19.3% (2022: 16.9%) of new mortgage production in 2023. Financing backed by the National Mortgage Guarantee (Nationale Hypotheek Garantie (NHG)) remained relatively stable at 15.6% (2022: 15.5%). The weighted-average indexed loan-to-value (LTV) of the mortgage loan portfolio was 53% (2022: 51%), on December 31, 2023. Since the Covered Bond portfolio is a cross-section of the Rabobank book, these figures will be in line with the portfolio.

In 2022, mortgage rates rose rapidly, allowing households to borrow less. But with wages now rising strongly, borrowing capacity is recovering rapidly. According to our latest estimates, collective wages are rising 6.0% this year and another 4.4% in 2025. Wages also rose 6.1% last year. The modal income, the most earned employee income, rises from EUR 41,500 in 2023 to EUR 44,000 this year and EUR 46,000 next year, according to forecasts from the Netherlands Bureau for Economic Policy Research (CPB). The effect of this on the borrowing space of homebuyers is large enough to offset the effect of higher interest rates: households with an income of three times modal can still borrow slightly less than in 2022, but it is estimated that homebuyers with an income of one or two times modal can borrow more than before the interest rate increase in 2022. Moreover, we expect the lending space to receive an additional boost in 2025 from a slight decline in capital market interest rates. These capital market rates determine the funding costs of mortgage lenders, and are therefore a major determinant of mortgage rates. In October 2023, 10-year swap rates peaked at 3.5%, but in recent weeks have hovered around 2.7%. While 10-year swap rates averaged 3.0% last year, we assume 2.4% for this year and 2.2% for next year. But uncertainty about this remains high. If interest rates fall faster or further than we assume, the housing market is likely to pick up faster. If the decline in capital market interest rates does not continue, the rise in house prices may actually be somewhat lower.

House prices are rising rapidly again, because the borrowing capacity of potential home buyers is increasing while the supply of houses is limited and decreasing. This year we expect owner-occupied homes to be on average 6.2 percent more expensive than in 2023, followed by a further house price increase of 6.3 percent in 2025. Due to the limited supply, we expect relatively few transactions of existing owner-occupied homes: approximately 185,000 this year and 183,000 next year. The drying up of supply is partly due to an expected dip in housing construction, following a sharp decline in the number of building permits granted in the past two years

In the light of the risk factors facing the Company, as described above, the economic developments over the past year or so and future outlook are generally considered positive for the Company.

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Management believes that the Company's risks are adequately mitigated by the various credit enhancements, as described in the financial statements and the Prospectus. Moreover, the Company's obligations to Noteholders are of limited recourse (see above). As a consequence, no noticeable changes in the current position of the Company are expected for the next 12 months.

Amsterdam, 3 May 2024.

Managing director,  
Intertrust Management B.V.

## 2 Financial statements

### 2.1 Balance sheet as at December 31, 2023 (before appropriation of result)

	<i>Notes</i>	<b>31-12-2023</b>		<b>31-12-2022</b>	
		€	€	€	€
<b>ASSETS</b>					
<b>Current assets</b>					
Receivables and prepayments	2.5.1	56,551		31,808	
Cash and cash equivalents	2.5.2	<u>14,319</u>		<u>30,000</u>	
			70,870		61,808
<b>Total Assets</b>			<u><u>70,870</u></u>		<u><u>61,808</u></u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>					
<b>Shareholders' Equity</b>					
Share capital	2.5.3	1		1	
Other reserves		49,465		40,975	
Result current period		<u>8,094</u>		<u>8,490</u>	
			57,560		49,466
<b>Current liabilities</b>					
Accrued expenses and other liabilities	2.5.4	<u>13,310</u>		<u>12,342</u>	
			13,310		12,342
			<u><u>70,870</u></u>		<u><u>61,808</u></u>

The accompanying notes form an integral part of these financial statements.

**2.2 Profit and loss account for the year ended December 31, 2023**

	<u>Notes</u>	<b>31-12-2023</b>		<b>31-12-2022</b>	
		€	€	€	€
Other Income	2.5.6	<u>57,453</u>	57,453	<u>52,262</u>	52,262
			<u>57,453</u>	<u>52,262</u>	
Operating expenses	2.5.7	<u>47,460</u>	47,460	<u>42,276</u>	42,276
<b>Profit before tax</b>			<u>9,993</u>	<u>9,986</u>	
Corporate income tax	2.5.5	<u>1,899</u>	1,899	<u>1,496</u>	1,496
<b>Net profit</b>			<u><u>8,094</u></u>	<u><u>8,490</u></u>	

The accompanying notes form an integral part of these financial statements.



## **2.3 General notes to the financial statements**

### **2.3.1 General information**

Rabo Covered Bond Company B.V. (“the Company”) was incorporated on January 31, 2017. The registered office of the Company is at Basisweg 10 Amsterdam, the Netherlands.

The objectives of the Company are:

- a. to obtain, to hold in possession, to dispose of, to encumber and otherwise manage goods, including but not limited to claims on private persons, enterprises and authorities, whether embodied in value papers, as well as to exercise the rights attached to such claims;
- b. to raise funds through, inter alia, borrowing under loan agreements, the use of financial derivatives or otherwise and to invest and put out funds obtained by the Company in, inter alia, (interest in) loans, bonds, debt instruments and other evidences acquire, purchase, conduct the management of indebtedness, shares, warrants and other similar securities and also financial derivatives
- c. to grant guarantees and security for the obligations and debts of the Company and of third parties, including cooperative with excluded liability (*coöperatie met uitgesloten aansprakelijkheid*): Coöperatieve Rabobank U.A., having its seat (*statutaire zetel*) in Amsterdam, The Netherlands, and registered with the Dutch Commercial Register (*Handelsregister*) under number 30046259 (“the Cooperative”);
- d. to enter into agreements, including, but not limited to, financial derivatives such as interest and/or currency exchange agreements in connection with the objects mentioned under (a), (b) and (c) of this article;
- e. to enter into agreements, including, but not limited to, bank, securities and cash administration agreements creating security in connection with the objects mentioned under (a), (b), (c) and (d) above,

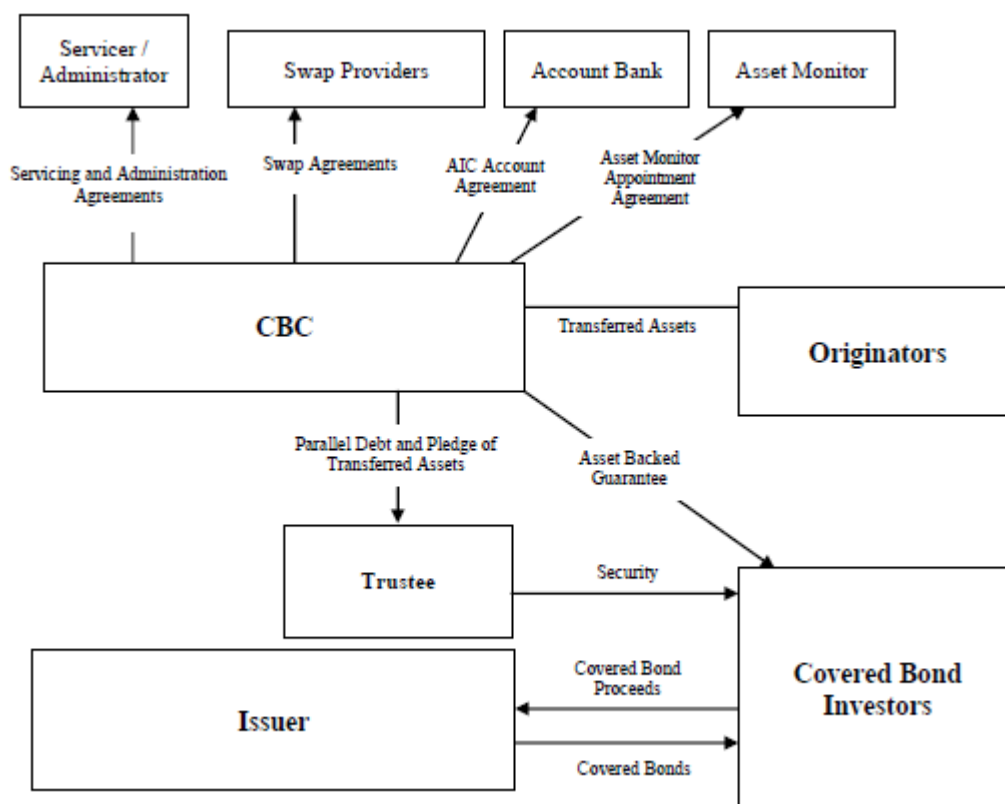
Everything in connection with the Rabobank Covered Bond Programme (of which the programme limit or other conditions may be amended from time to time), which is or will be established by the Cooperative.

The Stichting Holding Rabo Covered Bond Company (‘the Foundation’) holds all shares of the Company. Stichting Holding Rabo Covered Bond Company is a foundation incorporated under the laws of the Netherlands on January 31, 2017. The registered office of the Foundation is in Amsterdam, the Netherlands. The objectives of the Foundation are to incorporate, manage and control the shares of the Company and to exercise all rights attached to such shares, in such manner as to safeguard the interest of the Company, and any and all persons concerned to the best of its ability, including the voting rights to the shares in the Company and to perform any and all acts which are related, incidental or which may be conducive to the above. The sole director of the Foundation is Intertrust Management B.V.

The Stichting Security Trustee Rabo Covered Bond Company was incorporated under the laws of the Netherlands on March 1, 2017. The registered office of the Trustee is in Amsterdam, the Netherlands. The main objective of the Trustee is to act as agent and/or trustee for and on behalf of the holders of the bonds to be issued by the Cooperative as well as for and on behalf of (other) creditors of the public company of the Cooperative, in relation to the Rabobank Covered Bond programme. The sole director of the Trustee is Amsterdamsch Trustee’s Kantoor B.V.

### 2.3.2 Structure of the transaction and related parties

In the diagram below the structure of the transaction and the related parties are shown:



The objective of the Rabobank Covered Bond Programme's is to have a new funding source attracting funding at an Aaa-level for Rabobank. The Covered Bonds issued by Rabobank are secured by a portfolio of mortgage loans.

The Company guarantees, under the Trust Deed, the payment of interest and principal payable under the Covered Bonds issued by Coöperatieve Rabobank U.A. ("Rabobank" or "the Issuer"). As consideration for the Company to meet its obligation under the issued guarantee, Rabobank will transfer eligible assets to the Company. Rabobank transferred eligible mortgage loans to the company through a silent assignment (*stille cessie*). Meaning that until the occurrence of an Assignment Notification Event, the Asset Cover test has been breached or a Notice to pay / CBC Acceleration Notice have been served ("the Events"), Rabobank is entitled to all proceeds in relation to the transferred eligible assets. If one or more of the previously mentioned events occurs or notice(s) have been served the Company will be entitled to receive all proceeds in relation to the transferred assets, in order to fulfil its obligation under the issued guarantee; payment of interest and principal on the Covered Bonds.

The Guarantee Support Agreement provides that the transfer of the mortgage loans will be effected through a silent assignment (*stille cessie*) by Rabobank to the Company. This means that legal ownership of the mortgage loans will be transferred to the Company by registration of a duly executed deed of assignment with the Dutch Tax Authority (*Belastingdienst*), without notifying the debtors of such mortgage loans. If the guarantee is invoked, the mortgage borrowers will be notified to pay amounts directly to the Company and the Company will take over the management of the transferred portfolio in order to meet the guaranteed obligations through the interest and redemption income.

The guarantee will be invoked when:

- Rabobank defaults on any payments to be made under the Covered Bond Programme;
- Rabobank fails duty to perform or comply any of its obligations under the transaction documentation;

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- Rabobank takes any corporate actions or other steps are taken or legal proceedings are started or threatened against it for its dissolution, liquidation, or legal demerger or for its being converted in a foreign entity, or its assets are placed under administration;
- Rabobank has taken any corporate action or other steps are started or threatened against for its entering into emergency regulation (noodregeling; sectie 3 Wft); or suspension of payments; or its bankruptcy; or its analogous insolvency; or the appointment of a liquidator;
- a Notice to pay is served on the Company, upon the notification of Rabobank that it has insufficient funds to pay the scheduled interest and or scheduled principal;
- An Issuer Acceleration Notice is served on Rabobank, upon the occurrence of the above described events.

Per December 31, 2023 the nominal value of the issued bonds amounted to EUR 21,368 million (2022: 17,993 million) and the nominal value of the mortgage loans of which the legal ownership has been transferred, amounted up to EUR 22,882 million (2022: 19,393 million). The mortgage loans exceed the nominal value of the issued bonds. Periodically Rabobank performs an 'asset cover test' in order to ensure that the ratio of the transferred assets (mortgage loans) to the Covered Bonds is maintained at a sufficient level.

The mortgages, of which the legal ownership of the Company is economically owned by Rabobank, have been encumbered in collateral via a pledge list to the Company for the issued Covered Bonds.

Please find below an overview of the issued bonds outstanding as per December 31, 2023.

ISIN	Currency	In currency of issuance	Date of issuance	Maturity Date	Long-term rating Moody's
XS1622193248	EUR	1,500,000,000	31-5-2017	31-5-2024	Aaa
XS1622193321	EUR	1,000,000,000	31-5-2017	31-5-2032	Aaa
XS1622193321	EUR	150,000,000	13-7-2018	31-5-2032	Aaa
XS1622193321	EUR	120,000,000	9-11-2018	31-5-2032	Aaa
XS1622193321	EUR	100,000,000	22-4-2022	31-5-2032	Aaa
XS1766477522	EUR	1,250,000,000	8-2-2018	8-2-2028	Aaa
XS1769049096	EUR	90,000,000	12-2-2018	12-2-2038	Aaa
XS1771890578	EUR	50,000,000	22-2-2018	22-2-2038	Aaa
XS1785456713	EUR	25,000,000	8-3-2018	8-3-2038	Aaa
XS1791750968	EUR	75,000,000	16-3-2018	16-3-2038	Aaa
XS1811812574	EUR	1,250,000,000	26-4-2018	26-4-2038	Aaa
XS1811812574	EUR	125,000,000	4-2-2019	26-4-2038	Aaa
XS1811812145	EUR	750,000,000	26-4-2018	26-4-2026	Aaa
XS1811812145	EUR	250,000,000	4-4-2019	26-4-2026	Aaa
XS1874062265	EUR	75,000,000	31-8-2018	3-9-2041	Aaa
XS1876166627	EUR	50,000,000	7-9-2018	7-9-2043	Aaa
XS1944327631	EUR	2,000,000,000	1-2-2019	1-2-2029	Aaa
XS1945287875	EUR	220,000,000	1-2-2019	1-6-2040	Aaa
XS1954746050	EUR	40,000,000	25-2-2019	25-2-2049	Aaa
XS1958124544	EUR	40,000,000	28-2-2019	28-2-2039	Aaa
XS2014373182	EUR	1,000,000,000	21-6-2019	21-6-2027	Aaa
XS2014373851	EUR	1,000,000,000.00	21-6-2019	21-6-2039	Aaa
XS2014373851	EUR	125,000,000.00	29-1-2021	21-6-2039	Aaa
XS2014373851	EUR	125,000,000.00	4-5-2022	21-6-2039	Aaa
XS2014373851	EUR	200,000,000.00	5-5-2022	21-6-2039	Aaa

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XS2014373851	EUR	100,000,000.00	5-7-2022	21-6-2039	Aaa
XS2197945251	EUR	1,250,000,000.00	2-7-2020	2-7-2030	Aaa
XS2197945251	EUR	125,000,000.00	5-2-2021	2-7-2030	Aaa
XS2197945251	EUR	125,000,000.00	14-12-2021	2-7-2030	Aaa
XS2211572222	EUR	13,000,000.00	3-8-2020	3-8-2040	Aaa
XS2264087110	EUR	1,000,000,000.00	27-11-2020	27-11-2040	Aaa
XS2264087110	EUR	100,000,000.00	28-1-2021	27-11-2040	Aaa
XS2264087110	EUR	100,000,000.00	11-5-2022	27-11-2040	Aaa
XS2357518443	EUR	30,000,000.00	28-6-2021	28-6-2051	Aaa
XS2416563901	EUR	1,500,000,000.00	1-12-2021	1-12-2031	Aaa
XS2449505820	EUR	1,750,000,000.00	2-3-2022	2-3-2032	Aaa
XS2461826989	EUR	30,000,000.00	24-3-2022	24-3-2042	Aaa
XS2461827102	EUR	150,000,000.00	28-3-2022	28-3-2039	Aaa
XS2464936264	EUR	50,000,000.00	7-4-2022	7-4-2037	Aaa
XS2481802424	EUR	10,000,000.00	17-5-2022	18-5-2032	Aaa
XS2486842086	EUR	50,000,000.00	1-6-2022	1-6-2037	Aaa
XS2577836187	EUR	1,250,000,000	19-1-2023	19-1-2033	Aaa
XS2633136317	EUR	750,000,000	7-6-2023	7-6-2033	Aaa
XS2633136317	EUR	100,000,000	8-12-2023	7-6-2033	Aaa
XS2679277587	EUR	25,000,000	8-9-2023	8-9-2038	Aaa
XS2722858532	EUR	1,250,000,000	22-11-2023	22-11-2028	Aaa

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee. The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee.

Rabobank is appointed as CBC Administrator of the Company, being responsible for the financial administration, set up of the financial statements, cash management and the performance of the Investor reporting and execution of the periodic ACT.

Rabobank is appointed as the servicer in the transaction, being responsible for the servicing of the transferred Mortgage Loans.

### **2.3.3 Principal accounting policies**

The principal accounting policies adopted in the preparation of the Company financial statements are set out below:

#### **Basis of presentation**

The principal accounting policies adopted in the presentation of these financial statements are outlined below and have been consistently applied to all the years presented.

The financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2 of the Dutch Civil Code and the firm pronouncements in the Guidelines for Annual Reporting in the Netherlands as issued by the Dutch Accounting Standards Board. The financial statements are prepared under the historical cost convention and presented in the currency of the European Monetary Union, the euro ("EUR").

Accounts receivables are recognized initially at fair value and subsequently measured at costs less any allowance for doubtful debts if deemed necessary.

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The Company is considered a small entity for Dutch statutory reporting purposes. The financial statements are in accordance with the provisions of Article 396, Title 9 of Book 2 of the Dutch Civil Code, however no exemptions have been applied.

**Going concern**

The company's management has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources and activities to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements are prepared in the going concern basis.

**Other receivables**

Prepayments and other receivables are initially measured at fair value. After initial recognition prepayments and other receivables are measured at amortized cost.

Accounts receivables are recognized initially at fair value and subsequently measured at costs less any allowance for doubtful debts if deemed necessary.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Cash and cash equivalents are stated at nominal value.

**Accrued expenses and other liabilities**

Short-term borrowings are initially recognized at fair value, including transaction costs incurred. Short-term borrowings are subsequently stated at amortized cost, being the amount received taking account of any premium or discount, less transaction costs.

Any difference between the proceeds (net of transaction costs) and the redemption value is recognized as interest in the income statement over the period of the short-term borrowings using the effective interest method.

**Revenue recognition**

Interest income and other income are recognized in the income statement on an accruals basis. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

**Operating expenses**

Operating expenses are accounted for in the period in which these are incurred.

**Statement of cash flows**

The cash flow statement is prepared using the indirect method. Cash and cash equivalents include cash and investments that are readily convertible to a known amount of cash without a significant risk of changes in value.

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Receipts and payments of interest, receipts of dividends and income taxes are presented within the cash flows from operating activities. Payments of dividends are presented within the cash flows from financing activities.

Transactions that do not include an exchange of cash and cash equivalents are not included in the cash flow statement.

Cash flows in foreign currency are translated into euros using the weighted average exchange rates at the dates of the transactions. Foreign exchange differences with regard to cash and cash equivalents are separately included in the cash flow statement.

## **Currency**

The functional and reporting currency in the financial statements of the Company is Euro (EUR).

### **2.3.4 Corporate income tax**

Tax on the result is calculated based on the result before tax in the income statement and exempt profit components and after the addition of non-deductible costs. Due account is also taken of charges which in the deferred tax assets and deferred tax liabilities in respect of changes in the applicable tax rate. Permanent and temporary differences may exist between the net result as presented in these financial statements and the result for corporate income tax purposes. Therefore, the corporate income tax due for the year may differ from the theoretical amount that would arise applying the nominal tax rate applicable in the Netherlands to the net result as presented in these financial statements. The Company was granted a tax ruling by the Dutch Tax Authority. In this ruling it is agreed that the Company will report a minimum yearly result before taxes of EUR 10,000. For 2023 the taxable income was determined at 9,993.

### **2.3.5 Use of estimates**

The preparation of the financial statements may require management to form opinions and to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognized in the period in which the estimate is revised and in future periods for which the revision has consequences.

## 2.4 Notes to the balance sheet and the profit and loss account

### 2.4.1 Receivables and prepayments

All prepayments and other receivables, are due within a year.

	<b>31-12-2023</b>		<b>31-12-2022</b>	
	€	€	€	€
Reimbursed expenses		56,551		31,808
		<u>56,551</u>		<u>31,808</u>

According to the Administration Agreement with Rabobank, the Company will be reimbursed for its expenses.

### 2.4.2 Cash and cash equivalents

#### Statement of cash flows for the year ended December 31, 2023

	<b>2023</b>		<b>2022</b>	
	€	€	€	€
<b>Cash flow from operating activities</b>				
Net result			8,094	8,490
<i>Changes in working capital</i>				
Net change in accounts receivable		(24,743)		(1,893)
Net change in current liabilities		<u>968</u>		<u>242</u>
<b>Net cash flow from operating activities</b>			(23,775)	(1,651)
<b>Net Cashflow</b>			<u>(15,681)</u>	<u>6,839</u>
Cash balance 1 January 2023			30,000	23,161
Cash balance 31 December 2023			<u>14,319</u>	<u>30,000</u>
<b>Movements in Cash and Cash Equivalents</b>			<u>(15,681)</u>	<u>6,839</u>

Cash and cash equivalents are valued at nominal value and insofar as not stated otherwise, are at the free disposal of the Company. Cash and cash equivalents relate to immediately due and payable withdrawal claims against credit institutions and cash resources.

### 2.4.3 Shareholders' equity

#### Share capital

The authorised share capital amounts to EUR 1, divided into 1 ordinary share, with a nominal value of EUR 1. All shares have been issued and paid up in full.

In EUR	Share Capital	Other Reserves	Total equity
<b>Opening balance previous book year</b>	1	40,975	40,976
Paid in capital	0	0	0
Dividend paid	0	0	0
Result for the year	0	8,490	8,490
<b>Closing balance previous book year</b>	1	49,465	49,466
Dividend paid	0	0	0
Result for the year	0	8,094	8,094
<b>Closing balance</b>	1	57,559	57,560

### 2.4.4 Accrued expenses and other liabilities

	31-12-2023		31-12-2022	
	€	€	€	€
Independent auditor's fee	13,310		12,342	
		<u>13,310</u>		<u>12,342</u>

Accrued expenses and other liabilities are due within a year. As part of the Administration agreement all income and expenses are settled with Rabobank.

All current liabilities have a maturity of less than one year.

### 2.4.5 Corporate Income Tax

	2023		2022	
	€	€	€	€
Corporate income tax current year		1,899		1,496
		<u>1,899</u>		<u>1,496</u>

The Company does have the purpose to create taxable income. Therefore, EUR 1,899 of Corporate Income Tax is shown in the profit and loss account. The Company obtained a ruling from the Dutch Tax Authorities confirming that the transaction is subjected to Corporate Income Tax. For 2023 the taxable income was determined at 9,993.

The effective tax rate of the corporate income tax of 19% is equal to the prevailing tax rates for 2023 in the Netherlands (19% over profits up to and including EUR 245,000).



## 2.4.6 Other income

	<b>31-12-2023</b>		<b>31-12-2022</b>	
	€	€	€	€
Charged to Rabobank		57,453		52,262
		<u>57,453</u>		<u>52,262</u>

As part of the Trust deed all expenses are charged and settled with Rabobank. The other income is the recharge of the expenses towards Rabobank.

## 2.4.7 Operating expenses

	<b>31-12-2023</b>		<b>31-12-2022</b>	
	€	€	€	€
Management fee		22,294		20,603
Independent auditor's fee		13,310		12,342
Other		11,855		9,331
		<u>47,460</u>		<u>42,276</u>

## 2.4.8 Net result

The net result for the year period January 1, 2023 - December 31, 2023 amounted to EUR 8,094. Management proposes to add the result of the year under review amounting EUR 8,094 to the retained earnings.

## 2.4.9 Fees of the independent auditor

With reference to Section 2:382a(1) and (2) of the Dutch Civil Code, the following fees for the financial year have been charged by PricewaterhouseCoopers Accountants N.V. ('PwC') to the Company:

	<b>31-12-2023</b>		<b>31-12-2022</b>	
	€	€	€	€
Statutory audit of annual accounts		13,310		12,342
		<u>13,310</u>		<u>12,342</u>

There are no other services provided by PwC.

## 2.4.10 Contingent liabilities and commitments

The Company has granted a first ranking right of pledge over the transferred mortgage loans and beneficiary rights to the Trustee.

The exercise of the pledge is subject to certain terms and conditions. Not meeting the Company's obligations to certain secured parties, including the covered bond holders, can lead to exercising the right of pledge by the Trustee. In order for the Company to issue the related guarantee Rabobank transferred through a silent assignment, all assets - mortgage loans – in a net amount of EUR 22,882 million. Mortgage loans remain on Rabobank's balance sheet for accounting purposes since the mortgage loans are economically owned by Rabobank but given as collateral to the Company.

#### **2.4.11 Employees and remuneration directors**

During the year under review the Company did not employ any personnel. The Company has zero employees working outside The Netherlands. The Board of Directors consists of one corporate director; the remuneration of the Director is included in the management fee as disclosed under Operating expenses, above and amounts EUR 22,294 (2022: 20,603). The Company does not have a Board of Supervisory Directors.

#### **2.4.12 Related party transactions**

Transactions with related parties include relationships between the Company, the Company's participating interests and the Company's directors and executive officers (key management personnel).

There were no transactions with related parties that were not on a commercial basis.

Apart from the transactions already disclosed in the notes to the financial statements and the notes to the balance sheet and the statement of income, the Company did not enter into other transactions with related parties. As part of the Trust Deed all cash transactions within the Company are performed by Rabobank and is therefore identified as a related party.

#### **2.4.13 Post-balance sheet events**

In the first few months of 2024 up to the date of these financial statements, Rabobank issued six additional Bond with a total value of EUR 1,770 million. Which brings the total value of the Bonds to EUR 23,138 million as per April 30, 2024. The net outstanding amount of the transferred mortgage loans is EUR 24,767 million as per April 30, 2024. The management is not aware of any further events that took place after balance sheet date that could have a major effect on the financial position of the Company.

Amsterdam, 3 May 2023.

Managing director,  
Intertrust Management B.V.

### **3 Other Information**

#### **3.1 Appropriation of result**

##### **Statutory provisions**

In accordance with Article 21 of the Articles of Association, the result for the year is at the disposal of the General Meeting of Shareholders.

The general meeting is subsequently authorized to resolve to distribute or to reserve what then remains of the profits or a part thereof. The general meeting is also authorized to resolve to make interim distributions, which includes distributions from the reserves.

The Company may make distributions to the shareholders only to the extent that from the most recently adopted balance sheet it appears that the Company's shareholders' equity exceeds the reserves that must be maintained by law.

The Company may only follow a resolution of the general meeting to distribute after the management board has given its approval to do this. The management board withholds approval only if it knows or reasonably should be able to foresee that the Company cannot continue to pay its due debts after the distribution.

#### **3.2 Independent auditor's report**

The independent auditor's report is included on the next page.