



Founding of the N.V. Boeren-Hypotheekbank 1908

Rabohypotheekbank N.V.

The Rabohypotheekbank N.V. was a part of Rabobank. It was founded in 1975 by a merger of the N.V. Boeren-Hypotheekbank (1908) and the Raiffeisenhypotheekbank (1966). This merger led to the third largest mortgage bank in the Netherlands at that time. Per the first of December 2018 the Rabohypotheekbank N.V. ceased to exist.

1908: N.V. Boeren-Hypotheekbank

The roots of the Rabohypotheekbank lie in 1908, when the N.V. Boeren-Hypotheekbank was founded in Eindhoven. There had been intense discussions prior to the setting up of this new financial institution because not everyone was directly convinced of the usefulness and necessity of having a separate mortgage bank. The association of the Boeren-Hypotheekbank with the CCB organisation did not, however, mean that all the agricultural credit cooperatives that were members of the CCB would automatically join the Boeren-Hypotheekbank. Although after 25 years nearly 90 percent had indeed joined (498 of the 561 cooperatives).

From the beginning the N.V. Boeren-Hypotheekbank had a supplementary task. It was founded to provide loans under mortgage conditions to members of the agricultural credit cooperatives. This meant that the long-term loans no longer imposed a fixed reserve on the withdrawable deposits in these banks, which benefitted their liquidity. The mortgage banks attracted the capital necessary for them to make such loans by issuing mortgage bonds. Although the N.V. Boeren-Hypotheekbank was an independent company, it was administered by CCB, which also provided it with free office premises.



Embossing stamps of
Raiffeisenhypothekbank ca 1966



The Raiffeisenhypothekbank N.V. started 1966

Through the years the Boeren-Hypothekbank's activities remained modest in their scope compared to those of the other mortgage banks. It took until 1920 before the number of mortgages provided exceeded 100 and, in that year, the 112 mortgages taken out represented an amount of 982,075 guilders. Even though the amount of the mortgage loans had risen to 8.6 million guilders by the 1930s, this CCB subsidiary remained a minor player even in the decennia thereafter.

1966: Raiffeisenhypothekbank N.V.

It took the Coöperatieve Centrale Raiffeisen-Bank (CCRB) until 1966 before it set up a separate mortgage bank – this was the Raiffeisenhypothekbank N.V. But the CCRB, with its 438 member banks, did establish the Coöperatieve Grondkapitaalbank voor den Landbouw U.A. (Grondkapitaalbank) in Utrecht in 1927. This was set up to provide founding- or working capital for longer periods to associations, cooperatives, rural enterprises, dairy cooperatives, and similar clients. The founders also became the first members of the new cooperative bank. The Grondkapitaalbank issued bonds to raise the necessary working capital for such long-term financing. The Incasso-Bank N.V. assisted in issuing the bonds and gaining the stock exchange listings. After a short burst of activity at the beginning, the Grondkapitaalbank would later fade into the background.

The increasing demand for non-agricultural company financing and mortgage loans led the Raiffeisenbanken to call on its central organisation more and more often in the 1960s, which itself was also providing more residential mortgages. The prevailing thinking was that a separate mortgage bank would lighten the load for the whole organisation, because they would be able to attract external capital by issuing mortgage bonds.

In 1966, the Raiffeisenhypothekbank N.V. started with an authorised capital of 10 million guilders, which was nearly fully leveraged by its own shareholders, the CCRB and its member banks. In the early years the number of requests and the accompanying amounts were limited; in 1968 only 89 mortgages had been taken out. But with the



Mortgage bond Rabohypotheekbank 1978

Rabohypotheekbank N.V. (RHB) 1975

increasing demand for mortgages, the need for extra capital also rose. In March 1971 the mortgage bank issued its first mortgage bond, for which a stock exchange listing was also requested at the same time.

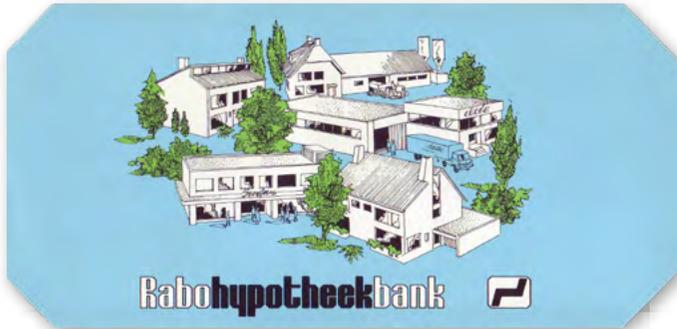
The merger of the central organisations in 1972, which led to the creation of Rabobank Nederland, did not at first impact the mortgage banks, but it did mean the end of the Grondkapitaalbank, which closed in December 1973. In the mortgage banks, a division of tasks was introduced: the Raiffeisenhypotheekbank provided primarily residential mortgages and funding for industrial and investment properties. At the Boeren-Hypotheekbank the emphasis lay on financing agricultural and non-agricultural enterprises.

1975: Rabohypotheekbank N.V.

In 1975, the Rabobank organisation decided to fully merge both the mortgage banks. The Raiffeisenhypotheekbank was incorporated into the larger Boeren-Hypotheekbank, which led to changing the statutes and name. The new Rabohypotheekbank N.V. (RHB) was registered in Amsterdam, while the company activities were conducted in Eindhoven. The Raiffeisenhypotheekbank existed as a legal entity until 2017. With an order portfolio of more than 1.5 billion guilders the new Rabohypotheekbank N.V., was immediately one of the three largest mortgage banks in the Netherlands. Due to government regulations aimed at restricting the growth of credit financing in those years, the local Rabobanks often referred their clients to the Raiffeisenhypotheekbank for residential financing. The housing market was booming as house prices and likewise the number of mortgages issued rose. This all changed in 1978/1979.

The collapse of the property market caused problems for various mortgage banks, but not for the Rabohypotheekbank. In 1978 the new Dutch Act on the Supervision of the Credit System (Wet Toezichtkredietwezen) was passed, which meant that the mortgage banks also came under the supervision of De Nederlandsche Bank. During the transition

Folder Rabohypothekbank



period the Tilburgsche Hypothekbank ran into major difficulties. Attempts to save it failed and in 1983 it was declared bankrupt. Raiffeisenhypothekbank then took over the healthy part of the mortgage portfolio. The fact that, Raiffeisenhypothekbank experienced relatively few problems during this period is probably partly attributable to its relationship with Rabobank. In the second half of the 1980s there was increasing demand for credit in the agricultural sector, and in trade, industrial and service companies. And house sales were rising again.

At the beginning of this century, the centre of gravity of Raiffeisenhypothekbank's activities moved towards supporting Rabobank in managing mortgage loans to Rabobank employees and to employees of commercial clients, in addition to the management of mortgages to specific client groups.

Reducing activities

At the start of 2015 Rabobank presented its new “one Rabobank strategy”, which reduced the necessity for a separate mortgage bank. After a year of preparations, the Rabohypothekbank merged with Rabobank U.A. and ceased to exist on 1 December 2018. Its history reflects the changes seen by the organisations mentioned here and more generally witnessed by Dutch society in the past 110 years.

Closing of Rabohypothekbank N.V. 2018

Further reading

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