

MOODY'S

INVESTORS SERVICE

CREDIT OPINION

12 October 2018

Update

 Rate this Research

RATINGS

Rabobank

Domicile	Amsterdam, Netherlands
Long Term CRR	Aa2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Aa3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Stable

Please see the [ratings section](#) at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Contacts

Laurent Le Mouel +33.1.5330.3340
VP-Senior Analyst
laurent.lemouel@moodys.com

Claudia Silva +44.20.7772.1714
Associate Analyst
claudia.silva@moodys.com

Alain Laurin +33.1.5330.1059
Associate Managing Director
alain.laurin@moodys.com

Nick Hill +33.1.5330.1029
MD-Banking
nick.hill@moodys.com

Rabobank

Update to credit analysis

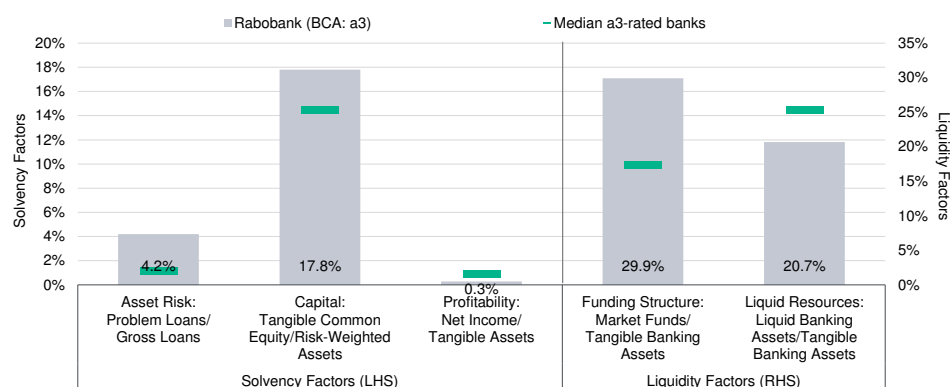
Summary

Rabobank's long-term deposit and senior debt ratings of Aa3, stable outlook, reflect (1) the bank's baseline credit assessment (BCA) of a3; (2) two notches of uplift from our Advanced Loss Given Failure (LGF) analysis; and (3) one notch of uplift resulting from a moderate probability of government support. Rabobank's short-term deposit and senior debt ratings are Prime-1.

Rabobank's BCA of a3 is supported by the bank's conservative business profile, as well as its strong financial fundamentals. The bank's leading position in the Dutch banking sector and strong position in the agribusiness sector worldwide are the primary drivers for a relatively stable, albeit modest earnings generation capacity. Despite a period of lackluster results between 2012 and 2014 owing to losses in Dutch commercial real estate (CRE) and more recently a number of large one-off items, we consider Rabobank's profitability resilient overall. The BCA is also underpinned by the bank's capitalization, which provides sound loss-absorption capacity, as well as its good asset quality overall. Rabobank heavily relies on wholesale funding, but this credit weakness is mitigated by the long duration of its debt issuance and sizeable liquidity buffers.

Exhibit 1

Rating Scorecard - Key Financial Ratios



Source: Moody's Financial Metrics

Credit strengths

- » Leading market positions in the Netherlands offer pricing power and stable earnings generation
- » Asset quality is solid overall
- » Capitalization provides sound loss absorption capacity
- » The bank has large liquidity reserves and long duration of funding
- » Large volume of subordinated and hybrid debt results in very low loss-given-failure for senior unsecured debt and deposits
- » Moderate probability of government support

Credit challenges

- » Net interest margins start suffering from the low interest rate environment
- » Asset quality is inherently vulnerable to a deterioration in the domestic economy
- » Underlying profitability is modest and will only marginally improve in the coming years
- » The bank has large and structural wholesale funding needs

Rating outlook

The outlook on Rabobank's deposit and senior unsecured debt ratings is stable because it already incorporates the bank's financial targets. As a result, we do not anticipate any significant changes in the bank's creditworthiness in the foreseeable future. Rabobank's strong capitalization and asset risk will continue to offset its modest profitability.

Factors that could lead to an upgrade

- » An upgrade of the BCA, and consequently of the long-term deposit and senior unsecured debt ratings, may occur if (1) Rabobank improves its structural profitability beyond its current plans; (2) its capital continues to steadily increase; and (3) asset risks remain very low.
- » In addition, the bank's long-term deposit and senior unsecured debt ratings could be upgraded if there was a lower loss-given-failure for senior debt and deposit holders due to higher levels of subordinated debt.

Factors that could lead to a downgrade

- » The BCA could be downgraded if (1) the bank's profitability was significantly impaired; or (2) the cost of risk in the bank's loan portfolio were to increase materially. Rabobank's long-term deposit and senior unsecured debt ratings would be downgraded as a consequence of a downgrade of the bank's BCA.
- » Rabobank's deposit and senior unsecured debt ratings could also be downgraded as a result of a higher loss-given-failure owing to lower volumes of these instruments and/or lower amounts of subordinated debt.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moody's.com for the most updated credit rating action information and rating history.

Key indicators

Exhibit 2

Rabobank (Consolidated Financials) [1]

	6-18 ²	12-17 ²	12-16 ²	12-15 ²	12-14 ²	CAGR/Avg. ³
Total Assets (EUR million)	592,396	587,007	632,643	642,780	637,891	-2.1 ⁴
Total Assets (USD million)	691,655	704,876	667,282	698,249	771,882	-3.1 ⁴
Tangible Common Equity (EUR million)	35,483	34,802	35,143	34,848	32,160	2.8 ⁴
Tangible Common Equity (USD million)	41,428	41,790	37,067	37,856	38,915	1.8 ⁴
Problem Loans / Gross Loans (%)	4.2	3.8	3.6	3.8	3.9	3.9 ⁵
Tangible Common Equity / Risk Weighted Assets (%)	17.8	17.6	16.6	16.4	15.2	16.7 ⁶
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	47.4	41.5	38.9	41.8	44.7	42.9 ⁵
Net Interest Margin (%)	1.4	1.4	1.3	1.4	1.4	1.4 ⁵
PPI / Average RWA (%)	2.0	1.3	1.4	1.4	2.0	1.6 ⁶
Net Income / Tangible Assets (%)	0.5	0.4	0.2	0.2	0.3	0.3 ⁵
Cost / Income Ratio (%)	65.1	75.6	76.1	73.3	66.4	71.3 ⁵
Market Funds / Tangible Banking Assets (%)	29.9	30.3	34.2	35.9	39.4	34.0 ⁵
Liquid Banking Assets / Tangible Banking Assets (%)	20.7	21.3	23.3	21.6	21.0	21.6 ⁵
Gross Loans / Due to Customers (%)	127.9	128.6	132.4	137.2	144.4	134.1 ⁵

[1] All figures and ratios are adjusted using Moody's standard adjustments [2] Basel III - fully-loaded or transitional phase-in; IFRS [3] May include rounding differences due to scale of reported amounts [4] Compound Annual Growth Rate (%) based on time period presented for the latest accounting regime [5] Simple average of periods presented for the latest accounting regime. [6] Simple average of Basel III periods presented

Source: Moody's Financial Metrics

Profile

Rabobank is a Dutch cooperative bank with a leading position in the domestic retail banking and in the food and agribusiness market worldwide. At end- June 2018, Rabobank was comprised of 101 local cooperative banks and several specialist subsidiaries and associates. The bank has a leading market position in the Netherlands with 86% market share "in food and agri" financing, 20% in residential mortgage loans, 33% in savings, and 39% in trade industry and services at end-June 2018.

Rabobank is an international, full-range financial services provider, offering retail and wholesale banking, leasing, and real estate products and services in 38 countries worldwide to 8.5 million customers. It operates major franchises in the domestic residential mortgage, savings account and trade, industry and services markets in the Netherlands.

Rabobank originated in 1898, following the establishment of two separate cooperative banks by farmers with only limited access to credit. The central organizations of the two groups of Coöperative banks merged in 1972 into Coöperatieve Centrale Raiffeisen-Boerenleenbank BA (known as Rabobank). On 1 January 2016, the local Rabobanks merged with the central organisation Rabobank Nederland. The merged legal entity was named Coöperatieve Rabobank UA. At end-June 2018, the 101 local banks had 1.9 million members, from a pool of around 7.3 million domestic customers.

Detailed credit considerations

Leading market positions in the Netherlands offer pricing power and stable earnings generation

Rabobank holds a leading position in domestic retail banking, which represented 59% of its revenues in the first half of 2018 (stable from 2017). The bank also has a strong international presence focusing on the food and agribusiness sector. We consider that Rabobank's franchise is one of the most robust amongst Dutch peers, resulting in strong pricing power and relatively stable earnings generation.

International operations support Dutch clients operating internationally via the foreign branch network and allow the bank to capitalise on its knowledge and experience in the food and agribusiness sector with clients outside the Netherlands. This strategy is being pursued through its "wholesale, rural and retail" entities in a selected number of countries. At end-June 2018, the private sector loan book comprises approximately 28% of international exposures, which are split as follows : Europe excluding the Netherlands (7%), North America (11%), Latin America (3%), Australia & New Zealand (5%) and Asia (2%).

Asset quality is solid, yet vulnerable to deterioration in the domestic economy

We view Rabobank's asset quality as sound due to (1) its relatively conservative underwriting and investment policy and (2) its very limited exposure to countries in riskier parts of the euro area. Nevertheless, with 72% of its private sector lending in the Netherlands, Rabobank is naturally exposed to a deterioration of the Dutch economy. Rabobank's exposure to domestic commercial real estate stood at €22 billion at end-2018. Following the 2012-2014 deterioration of the CRE sector, the bank has progressively brought down the size of its non-core CRE exposure, and, in March 2018, the remaining exposures in this portfolio (€1.3 billion) were sold.

At end-June 2018, the domestic retail banking segment represented 67% of the bank's private-sector lending. This segment recorded a provision release amounting to €27 million during the first half of 2018, owing to the strong performance of the Dutch economy and the housing market. The residential mortgage portfolio continued to perform well with a negative cost of risk of 3 basis points (bps) of average loans, but its specific features with high loan-to-value (LTV) ratios, albeit improving, and a material proportion of bullet rather than amortising loans make it vulnerable to a scenario of severe macroeconomic deterioration. New mortgages now have the statutory obligation to amortise in order to benefit from the tax deductibility of interests.

The performance of other portfolios was also strong during the first half of 2018. Loan loss provisions decreased to 0 bps in the wholesale, rural and retail portfolio (20 bps for the first half of 2017). The cost of risk in the real estate segment was negative at 77 bps, reflecting the improvement of the Dutch economy.

The bank's good asset quality is reflected in its a3 score.

Capitalization provides sound loss absorption capacity

We consider Rabobank's strong loss absorption capacity to be a key credit strength. At end-June 2018, Rabobank's transitional Common Equity Tier 1 (CET1) ratio and Tier 1 ratio were 15.8% and 18.8% respectively (unchanged when compared to end-December 2017), which provides comfortable room above the minimum required CET1 ratio of 10.4% in 2018. This requirement is made up of a 8.1% capital requirement imposed by the European Central Bank through the Supervisory Review and Evaluation Process (SREP) (which is made of a CET1 requirement of 4.5%, a Capital Conservation Buffer of 1.9% and a Pillar 2 Requirement of 1.8%) and a 2.25% of systemic risk buffer (phased-in) imposed by the Dutch central bank for 2018.

The fully loaded CET1 requirement is expected to be set at 11.75% in 2019, other things being equal, due to the phasing in of both the Capital Conservation Buffer (to 2.5%) and the Systemic Risk Buffer (to 3%). This fully loaded CET1 requirement is to be compared with Rabobank's fully loaded CET1 ratio of 15.8% at end-June 2018.

Rabobank's Tangible Common Equity was 17.8% of RWAs at end-June 2018, benefiting from approximately 1.4 percentage points of 'high-trigger' contingent capital instruments. The bank's Tier 2 capital was 7.3% of risk-weighted assets at end-June 2018, bringing the group's total capital ratio to 26.1%.

Rabobank's binding MREL (minimum requirement for own funds and eligible liabilities), was set¹ at 30.96% of RWA to be compared with a MREL-eligible buffer of 26.5% at end-June 2018². Rabobank intends to meet this requirement with capital and non-preferred senior debt. In this regards, the bank announced that it will issue €3-5 billion of senior non-preferred bonds per year until 2021.

In its Strategic Framework 2016-2020, Rabobank targets a CET1 ratio above 14% and a total capital ratio above 25% by 2020. Rabobank is intentionally increasing capitalisation well above the target of 14% because, based on pro-forma calculations, 'Basel IV' will indicatively increase RWAs by 30-35%, impacting CET1 ratio by 3.6pp-4.0pp by 2027, all things being equal, under our calculations. Although 'Basel IV' estimated impact is generally an indication of higher perceived risks by regulators, it will also force Rabobank to progressively increase capital for unchanged risks, a positive for creditors ultimately.

Our assigned Capital score of aa3 reflects the bank's strong capitalization.

Underlying profitability will start improving only moderately in 2018

After a period of lackluster results between 2012 and 2014, Rabobank's net profitability rebounded on the back of improving macroeconomic conditions along with the improving performance of Dutch CRE exposures. During the first half of 2018, Rabobank reported a net profit of €1,698 million, up 12% from the first half of 2017, driven by higher income - although this was due to exceptional items and better hedge accounting results- and a slight decrease of operating expenses.

Rabobank's reported underlying cost-to-income ratio, excluding exceptional items but including regulatory levies, was 62.9% for H1 2018 (down from 67.6% in H1 2017), which is significantly weaker than the bank's target of 53%-54% to be achieved by 2020. We expect the bank's operating expense to continue to decline in 2018, as large pension-related expenses subside and the benefits of continuing staff reductions will progressively materialize.

However, net interest revenues, which were down 4% in H1 2018, will suffer from prolonged low interest rates and resulting pressure on asset yields, given that funding costs are unlikely to decline further. Interest revenues represent around 70% of the bank's net banking revenues. In addition, the bank's loan-loss charges are currently at record low levels thanks to provision reversals, which are now likely to diminish. We expect credit costs to modestly increase in 2018, resulting in net income close to that of 2017.

Our ba1 assigned score for Profitability reflects the historical stability and quality of earnings of the bank, as well as expected improvements.

Structural reliance on wholesale funding is mitigated by ample liquidity reserves and long duration of funding

Despite some reliance on wholesale funding, Rabobank's funding structure is robust and high liquidity buffers mitigate this structural feature of the Dutch banking system.

At end-June 2018, the group disclosed a loan-to-deposit ratio of 120% (unchanged from end-December 2017). The customer funding deficit remains elevated at €69 billion at end-June 2018, despite significant improvements. Rabobank is thus structurally reliant on wholesale funding (which totaled €164 billion at end-June 2018, as disclosed by the bank) and a portion (32%) of its deposits is derived from institutional and corporate investors, which brings funding diversification but may also prove less stable than retail deposits.

Nevertheless, we believe that Rabobank's reliance on wholesale funding, which is also the case for other Dutch banks, is largely mitigated by its conservative asset and liability management, based on an adequate duration of the bank's funding and a substantial liquidity portfolio. The bank is also trying to reduce its reliance on wholesale funding and has set an objective of around €150 billion for 2020. At end-June 2018, wholesale funding stood at €164 billion and most of it is long-term debt. At the same date, the bank's liquidity buffer was robust at €119 billion and represented more than 300% of the bank's short term debt.

The Basel 3 liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) of Rabobank were 136% and 119% respectively at end-June 2018.

The assigned Combined Liquidity score of baa1 accounts for the favorable term structure of market funding, the quality of liquid assets and a low asset encumbrance.

Support and structural considerations

Loss Given Failure analysis

Rabobank is subject to the EU Bank Recovery and Resolution Directive (BRRD), which we consider to be an Operational Resolution Regime. We assume residual tangible common equity of 3% and losses post-failure of 8% of tangible banking assets, a 25% run-off in "junior" wholesale deposits, a 5% run-off in preferred deposits, a proportion of junior deposits of 26% of total customer deposits and assign a 25% probability to deposits being preferred to senior unsecured debt. These assumptions are in keeping with our standard assumptions.

- » Our LGF analysis indicates very low loss-given-failure for deposits and senior unsecured debt, leading us to assign a two-notch uplift above the adjusted BCA.
- » Our LGF analysis indicates high loss-given-failure for junior debt securities, leading us to make a negative adjustment of one notch below the adjusted BCA. We also incorporate additional notching for junior subordinated and hybrid debt instruments reflecting the risk of coupon suspension ahead of the non-viability point.

Government support considerations

We believe there is a moderate probability of government support for deposits and debt, resulting in one notch of uplift for both the long-term deposits and senior unsecured debt of the bank.

For subordinated and other junior securities, we believe that the probability of government support is low and these ratings do not therefore include any related uplift. Junior securities also include additional downward notching from the BCA reflecting coupon suspension risk ahead of a potential failure.

Counterparty Risk Rating (CRR)

Moody's CRRs are opinions of the ability of entities to honour the uncollateralized portion of non-debt counterparty financial liabilities (CRR liabilities) and also reflect the expected financial losses in the event such liabilities are not honoured. CRR liabilities typically relate to transactions with unrelated parties. Examples of CRR liabilities include the uncollateralized portion of payables arising from derivatives transactions and the uncollateralized portion of liabilities under sale and repurchase agreements. CRRs are not applicable to funding commitments or other obligations associated with covered bonds, letters of credit, guarantees, servicer and trustee obligations, and other similar obligations that arise from a bank performing its essential operating functions.

Rabobank's CRR is positioned at Aa2/Prime-1.

The CRR for Rabobank, prior to government support, is three notches higher than the adjusted BCA of a3, based on the level of subordination to CRR liabilities in the bank's balance sheet, and assuming a nominal volume of such liabilities. The CRR also benefits from one notch of government support, in line with our support assumptions on deposits and senior unsecured debt.

Counterparty Risk Assessment

CR Assessments are opinions of how counterparty obligations are likely to be treated if a bank fails and are distinct from debt and deposit ratings in that they (1) consider only the risk of default rather than both the likelihood of default and the expected financial loss suffered in the event of default and (2) apply to counterparty obligations and contractual commitments rather than debt or deposit instruments. The CR Assessment is an opinion of the counterparty risk related to a bank's covered bonds, contractual performance obligations (servicing), derivatives (e.g., swaps), letters of credit, guarantees and liquidity facilities.

Rabobank's CR Assessment is positioned at Aa2(cr)/Prime-1(cr).

The CR Assessment is three notches above the adjusted BCA of a3, based on the cushion against default provided to the senior obligations represented by the CR Assessment by subordinated instruments and one notch of uplift from our assumption for a moderate probability of government support. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CR Assessment captures the probability of default on certain senior obligations, rather than expected loss, therefore we focus purely on subordination and take no account of the volume of the instrument class.

About Moody's Bank Scorecard

Our Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our Scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The Scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 3

Rabobank

Macro Factors

Weighted Macro Profile **Strong +** **100%**

Factor	Historic Ratio	Initial Score	Expected Trend	Assigned Score	Key driver #1	Key driver #2
Solvency						
Asset Risk						
Problem Loans / Gross Loans	4.2%	baa1	← →	a3	Quality of assets	Sector concentration
Capital						
TCE / RWA	17.8%	aa2	← →	aa3	Risk-weighted capitalisation	
Profitability						
Net Income / Tangible Assets	0.3%	ba2	↓ ↓	ba1	Earnings quality	
Combined Solvency Score		a3		a3		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	30.3%	ba1	← →	baa2	Term structure	Deposit quality
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	21.3%	baa1	← →	a3	Quality of liquid assets	Asset encumbrance
Combined Liquidity Score		baa3		baa1		
Financial Profile				a3		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint:				Aaa		
Scorecard Calculated BCA range				a2-baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	in-scope (EUR million)	% in-scope	at-failure (EUR million)	% at-failure
Other liabilities	121,304	20.7%	156,053	26.6%
Deposits	340,682	58.1%	305,932	52.2%
Preferred deposits	252,105	43.0%	239,499	40.9%
Junior Deposits	88,577	15.1%	66,433	11.3%
Senior unsecured bank debt	85,450	14.6%	85,450	14.6%
Dated subordinated bank debt	17,420	3.0%	17,420	3.0%
Preference shares (bank)	3,569	0.6%	3,569	0.6%
Equity	17,580	3.0%	17,580	3.0%
Total Tangible Banking Assets	586,005	100%	586,005	100%

Debt class	De Jure waterfall		De Facto waterfall		Notching		LGF	Assigned	Additional	Preliminary
	Instrument	Sub-	Instrument	Sub-	De Jure	De Facto	Notching	LGF	notching	Rating
	volume +	ordination	volume +	ordination			Guidance	notching		Assessment
	subordination		subordination				vs.			
							Adjusted			
							BCA			
Counterparty Risk Rating	32.5%	32.5%	32.5%	32.5%	3	3	3	3	0	aa3
Counterparty Risk Assessment	32.5%	32.5%	32.5%	32.5%	3	3	3	3	0	aa3 (cr)
Deposits	32.5%	6.6%	32.5%	21.2%	2	3	2	2	0	a1
Senior unsecured bank debt	32.5%	6.6%	21.2%	6.6%	2	2	2	2	0	a1
Junior senior unsecured bank debt	6.6%	6.6%	6.6%	6.6%	0	0	0	0	0	a3
Dated subordinated bank debt	6.6%	3.6%	6.6%	3.6%	-1	-1	-1	-1	0	baa1
Non-cumulative bank preference shares	3.6%	3.0%	3.6%	3.0%	-1	-1	-1	-1	-2	baa3 (hyb)

Instrument class	Loss Given		Additional	Preliminary Rating	Government	Local Currency	Foreign
	Failure	notching					
			Notching	Assessment	Support	Rating	Currency
					notching		Rating
Counterparty Risk Rating	3		0	aa3	1	Aa2	Aa2
Counterparty Risk Assessment	3		0	aa3 (cr)	1	Aa2 (cr)	--
Deposits	2		0	a1	1	Aa3	Aa3
Senior unsecured bank debt	2		0	a1	1	Aa3	Aa3
Junior senior unsecured bank debt	0		0	a3	0	A3	A3
Dated subordinated bank debt	-1		0	baa1	0	Baa1	Baa1
Non-cumulative bank preference shares	-1		-2	baa3 (hyb)	0	Baa3 (hyb)	Baa3 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.

Source: Moody's Financial Metrics

Ratings

Exhibit 4

Category	Moody's Rating
RABOBANK	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Issuer Rating	Aa3
Senior Unsecured -Fgn Curr	Aa3
Senior Unsecured -Dom Curr	Baa1
Junior Senior Unsecured	A3
Subordinate	Baa1
Pref. Stock Non-cumulative	Baa3 (hyb)
Commercial Paper	P-1
Other Short Term	(P)P-1
RABOBANK AUSTRALIA LIMITED	
Outlook	Stable
Bkd Bank Deposits -Dom Curr	Aa3/P-1
RABOBANK IRELAND PLC	
Bkd Commercial Paper	P-1
RABOBANK, SINGAPORE BRANCH	
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Commercial Paper -Dom Curr	P-1
RABOBANK, THE NETHERLANDS BRANCH	
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
RABOBANK, NEW ZEALAND BRANCH	
Outlook	Stable

Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured -Dom Curr	Aa3
Subordinate MTN	(P)Baa1
Commercial Paper	P-1
Other Short Term	(P)P-1
RABOBANK, AUSTRALIA BRANCH	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured	Aa3
Subordinate MTN	(P)Baa1
Commercial Paper	P-1
Other Short Term	(P)P-1
RABOBANK LONDON	
Commercial Paper	P-1
RABOBANK, NEW YORK BRANCH	
Outlook	Stable
Counterparty Risk Rating	Aa2/P-1
Bank Deposits	Aa3/--
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
Senior Unsecured	Aa3
Commercial Paper	P-1
Other Short Term	(P)P-1
RABOBANK USA FINANCIAL CORPORATION	
Bkd Commercial Paper	P-1
FRIESLAND BANK N.V.	
Outlook	Stable
Bank Deposits	Aa3/P-1
Senior Unsecured MTN -Dom Curr	(P)Aa3
Subordinate MTN -Dom Curr	(P)Baa1
Other Short Term -Dom Curr	(P)P-1
RABOBANK, HONG KONG BRANCH	
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
RABOBANK, PARIS BRANCH	
Counterparty Risk Rating	Aa2/P-1
Counterparty Risk Assessment	Aa2(cr)/P-1(cr)
RABOBANK CAPITAL FUNDING TRUST IV	
Pref. Stock Non-cumulative	Baa3 (hyb)
RABO CAPITAL SECURITIES LIMITED	
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
RABOBANK POLSKA SA	
Bkd Commercial Paper -Dom Curr	P-1

Source: Moody's Investors Service

Endnotes

- 1 The requirement is based in 2016 results and set at a consolidated level (Rabobank Group)
- 2 Rabobank defines this buffer as eligible capital plus the non-qualifying part of the grandfathered AT 1 instruments and the amortized part of tier 2 with a remaining maturity of at least one year. If senior eligible debt is included in the buffer (under BRRD this type of debt is MREL eligible), Rabobank would already be compliant with the requirement.

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