Coöperative Rabobank U.A. NZ Banking Group

Disclosure Statement - 30 June 2024

Rabobank

Contents

General information and definitions

The information contained in this Disclosure Statement is as required by section 81 of the Banking (Prudential Supervision) Act 1989 ("Banking Act") and the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) ("Order").

In this Disclosure Statement:

- "Registered Bank" and "Rabobank" refer to Coöperatieve Rabobank U.A., incorporated in The Netherlands and trading as Rabobank.
- "Branch" refers to the New Zealand business of the Registered Bank.
- "Banking Group" or "Rabobank New Zealand Banking Group" refers to:
  (a) the Branch;
  (b) Rabobank New Zealand Limited ("RNZL");
  (c) De Lage Landen Limited; and
  (d) AGCO Finance Limited.

- "Overseas Banking Group" means the Registered Bank and all entities included in the Registered Bank's group for the purposes of public reporting of group financial statements in The Netherlands.

Directors’ and New Zealand Chief Executive Officer’s Statement

After due enquiry, each director and the New Zealand Chief Executive Officer believe that:

(i) as at the date on which the Disclosure Statement is signed:

- The Disclosure Statement contains all the information that is required by the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended); and
- The Disclosure Statement is not false or misleading; and

(ii) over the six month period ended 30 June 2024:

- The Registered Bank has complied, in all material respects, with all conditions of registration that applied during that period; and
- The Branch and the other members of the Banking Group had systems in place to monitor and control adequately the Banking Group’s material risks, including credit risk, concentration of credit risk, interest rate risk, currency risk, liquidity risk and other business risks, and those systems were being properly applied (the Banking Group has immaterial equity risk, and therefore neither has nor requires any system to monitor or control equity risk).

Signed by Todd Charteris in his capacity as New Zealand Chief Executive Officer of the Registered Bank and as agent authorised in writing by each director.

Todd Charteris

Dated: 28 August 2024

Statement of Comprehensive Income

In thousands	Note	Unaudited 6 months to 30/06/2024	Unaudited 6 months to 30/06/2023
Interest income		756,835	625,719
Interest expense		(501,302)	(373,236)
Net interest income		**255,533**	**252,483**
Other income		11,421	10,447
Other expense		(6,715)	(6,578)
Other operating (losses)/gains	3	(2,648)	1,912
Non-interest income		**2,058**	**5,781**
Operating income		**257,591**	**258,264**
Operating expenses		(99,902)	(101,117)
Impairment (losses)	4	(21,620)	(10,894)
Profit before income tax		**136,069**	**146,253**
Income tax expense		(38,382)	(41,065)
Profit after income tax		**97,687**	**105,188**
Other comprehensive income for the period			
Items that may be reclassified subsequently to profit or loss			
Changes in the fair value of financial assets at fair value through other comprehensive income (gross)	11.2	(1,243)	4,119
Tax associated with changes in the fair value of financial assets through other comprehensive income	11.2	348	(1,153)
Total items that may be reclassified subsequently to profit or loss		**(895)**	**2,966**
Items that will not be reclassified subsequently to profit or loss			
Total items that will not be reclassified subsequently to profit or loss		-	-
Total other comprehensive (loss)/income for the period		**(895)**	**2,966**
Total comprehensive income attributable to members of Rabobank New Zealand Banking Group		**96,792**	**108,154**

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

In thousands	Note	Unaudited At 30/06/2024	Audited At 31/12/2023
Assets			
Cash and cash equivalents		2,008,552	2,104,812
Derivative financial instruments		132,689	179,658
Financial assets at fair value through other comprehensive income		602,470	696,698
Loans and advances	6	17,222,723	16,606,516
Due from related entities	5	867,538	1,113,121
Other assets		62,530	68,333
Current tax receivables		15,508	-
Net deferred tax assets		25,544	23,165
Financial assets at fair value through profit and loss		2,520	1,700
Property, plant and equipment		17,451	17,962
Intangible assets and goodwill		818	1,060
Total assets		**20,958,343**	**20,813,025**
Liabilities			
Derivative financial instruments		118,699	153,787
Deposits	8	6,659,176	6,570,544
Debt securities in issue		5,174,009	5,187,013
Due to related entities	9	5,936,785	5,909,623
Payables due to central bank		176,571	172,155
Current tax payable		-	18,447
Other liabilities	10	40,681	43,932
Provisions		6,212	8,106
Total liabilities		**18,112,133**	**18,063,607**
Net Assets		**2,846,210**	**2,749,418**
Equity			
Contributed equity	11.1	551,200	551,200
Reserves	11.2	(7,098)	(6,203)
Retained earnings		1,865,316	1,771,235
Retained earnings - Branch		436,792	433,186
Total equity		**2,846,210**	**2,749,418**

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

In thousands	Contributed equity	Retained earnings - Branch	Retained earnings	Reserves	Total
At 1 January 2023 (Audited)	**551,200**	**410,478**	**1,575,480**	**(15,689)**	**2,521,469**
Net profit	-	10,283	94,905	-	105,188
Other comprehensive income:					
Revaluation reserve - FVOCI financial assets	-	-	-	2,966	2,966
At 30 June 2023 (Unaudited)	**551,200**	**420,761**	**1,670,385**	**(12,723)**	**2,629,623**
At 1 January 2024 (Audited)	**551,200**	**433,186**	**1,771,235**	**(6,203)**	**2,749,418**
Net profit	-	3,606	94,081	-	97,687
Other comprehensive income:					
Revaluation reserve - FVOCI financial assets	-	-	-	(895)	(895)
At 30 June 2024 (Unaudited)	**551,200**	**436,792**	**1,865,316**	**(7,098)**	**2,846,210**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Condensed Statement of Cash Flows

In thousands	Note	Unaudited 6 months to 30/06/2024	Unaudited 6 months to 30/06/2023
Cash flows from operating activities			
Interest income		751,789	624,469
Interest paid		(472,081)	(342,981)
Other cash inflows provided by operating activities		21,698	9,751
Other cash outflows used in operating activities		(174,614)	(228,196)
Net changes in operating assets and liabilities		(360,955)	535,627
Net cash flows (used in)/from operating activities	17	**(234,163)**	**598,670**
Cash flows from Investing activities			
Net changes in investing activities		(7,879)	(2,549)
Net cash flows used in investing activities		**(7,879)**	**(2,549)**
Cash flows from financing activities			
Principal elements of lease payments		(1,628)	(1,621)
Net changes in other financing liabilities		147,410	(580,035)
Net cash flows from/(used in) financing activities		**145,782**	**(581,656)**
Net change in cash and cash equivalents		(96,260)	14,465
Cash and cash equivalents at the beginning of the period		2,104,812	1,414,771
Cash and cash equivalents at the end of the period		**2,008,552**	**1,429,236**

The above Condensed Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Reporting entity

The reporting entity is the Registered Bank (Coöperatieve Rabobank U.A.). These interim financial statements relate to the Rabobank New Zealand Banking Group, which comprises the Registered Bank's New Zealand Branch, Rabobank New Zealand Limited, De Lage Landen Limited and AGCO Finance Limited.

These interim financial statements as at and for the six months ended 30 June 2024 are an aggregation of the interim financial statements of the above entities.

2. Basis of preparation

2.1 Statement of compliance

The interim financial statements have been prepared and presented in accordance with the Order, and the Reserve Bank of New Zealand Act 1989. For this purpose the Banking Group comprises entities and operations as required by the RBNZ but it does not constitute a group in accordance with New Zealand equivalent to International Financial Reporting Standards ('NZ IFRS') 10 Consolidated Financial Statements.

These interim financial statements have been prepared in accordance with the requirements of the New Zealand equivalent to International Accounting Standard ('NZ IAS') 34 Interim Financial Reporting. These financial statements also comply with IAS 34 'Interim Financial Reporting'. These interim financial statements do not include all the information and disclosures required in annual financial statements and should therefore be read in conjunction with the financial statements for the year ended 31 December 2023.

2.2 Basis of measurement

These interim financial statements have been prepared under the historical cost convention, except for derivative financial instruments, financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value. The going concern concept and the accrual basis of accounting have been adopted.

2.3 Estimates

The preparation of interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies. In preparing these interim financial statements, the significant judgements made by management in applying the Banking Group's accounting policies and the key sources of estimation of uncertainty were the same as those applied to the financial statements as at and for the year ended 31 December 2023.

The Banking Group has applied accounting estimates in the financial statements based on the forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2024 about future events that directors believe are reasonable in circumstances. There is a considerable degree of judgement involved in preparing the forecasts. The underlying assumptions are also subject to uncertainties which are often outside of the control of the Banking Group. Accordingly, actual economic conditions are likely to be different from those forecasts since anticipated events frequency do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in the financial statements. The significant accounting estimates impacted by these forecasts and associated uncertainties are related to expected credit losses calculations, refer to Note 7 "Provision for expected credit losses".

2.4 Material accounting policies

Except as described below, the accounting policies used in the preparation of these interim financial statements are consistent with the accounting policies used in the preparation of the Banking Group's financial statements for the year ended 31 December 2023. The Banking Group has not early adopted any NZ equivalents to International Financial Reporting Standards ('NZ IFRS') that are not yet in effect.

Notes to the Financial Statements

2. Basis of preparation (continued)

Changes in accounting policies

The Banking Group changed the accounting policy as it relates to classification of credit-impaired financial assets that are assessed on an individual basis from including all loans and advances which are individually assessed, irrespective of whether an expected loss provision is recorded against it to including loans and advances subject to individually assessed allowance. This voluntary change does not have any impact on the financial statements and resulted in change in disclosure only in note 3 Asset quality of Registered bank disclosures. The change in accounting policy will also be reflected in Banking Group's financial statements as at and for the year ending 31 December 2024.

2.5 Functional and presentation currency

Unless otherwise indicated, all amounts are expressed in New Zealand dollars (NZD), the functional and presentation currency of the Banking Group, as this currency best reflects the economic substance of the underlying events and circumstances relevant to the Banking Group. All financial information presented in NZD has been rounded to the nearest thousand unless otherwise stated.

2.6 Principles of aggregation

The basis of aggregation incorporates the assets and liabilities of all entities within the Banking Group and the results of those entities. The effects of transactions as well as balances between entities in the Banking Group have been eliminated.

3. Other operating (losses) / gains

In thousands	Unaudited 6 months to 30/06/2024	Unaudited 6 months to 30/06/2023
Net trading (losses)/gains on derivatives	(2,669)	2,076
Credit risk adjustments on derivatives	-	33
Losses on disposal/write off of property, plant and equipment	(4)	-
Foreign exchange gains / (losses)	25	(197)
Total other operating (losses) / gains	**(2,648)**	**1,912**

4. Impairment (losses)

In thousands	Unaudited 6 months to 30/06/2024	Unaudited 6 months to 30/06/2023
Collective provisions (losses)	(6,247)	(10,835)
Specific provisions (losses) / releases	(12,368)	1,004
Bad debt (losses)	(3,005)	(1,063)
Total impairment (losses)	**(21,620)**	**(10,894)**

In accordance with NZ IFRS 9, collective provision consists of collective provision 12-Month ECL (stage 1), collective provision lifetime ECL not credit impaired (stage 2), collective provision lifetime ECL credit impaired (stage 3A). Specific provision consists of specific provision lifetime ECL credit impaired (Stage 3B).

Notes to the Financial Statements

5. Due from related entities

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Current account balances - wholly owned group*	36,569	6,660
Advances - wholly owned group*	828,998	1,106,520
Accrued interest receivable - wholly owned group*	2,480	445
Stage 1 provision for impairment (note 7.2)	(509)	(504)
Total due from related entities	**867,538**	**1,113,121**

* The wholly owned group refers to other Rabobank related entities. Refer to note 18 for further information on related party disclosures. There were no stages 2, 3A or 3B provisions for impairment.

6. Loans and advances

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Lending	16,144,059	15,662,486
Finance leases	1,104,701	952,514
Gross loans and advances	**17,248,760**	**16,615,000**
Accrued interest	35,681	34,406
Provisions for impairment		
Stage 3B	(17,104)	(4,741)
Stage 3A	(9,350)	(9,679)
Stage 2	(11,373)	(9,649)
Stage 1	(23,891)	(18,821)
Total provisions for impairment	(61,718)	(42,890)
Net loans and advances	**17,222,723**	**16,606,516**

Notes to the Financial Statements

7. Provision for expected credit losses

7.1 Provision for impairment on loans and advances

7.1.1 Provisions for impairment on loans and advances (excluding commitments and financial guarantees)

	At 30 June 2024 (Unaudited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Corporate					
Opening balance	1,836	442	-	-	2,278
Charge/(Benefit) to statement of comprehensive income	(433)	689	-	5,785	6,041
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	(33)	-	-	(33)
Closing balance corporate	**1,403**	**1,098**	**-**	**5,785**	**8,286**

	At 31 December 2023 (Audited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Corporate					
Opening balance	972	82	-	-	1,054
Charge/(Benefit) to statement of comprehensive income	864	360	-	-	1,224
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance corporate	**1,836**	**442**	**-**	**-**	**2,278**

	At 30 June 2024 (Unaudited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Retail					
Opening balance	16,985	9,207	9,679	4,741	40,612
Charge/(Benefit) to statement of comprehensive income	5,503	1,068	(329)	9,588	15,830
Amounts written off	-	-	-	(3,323)	(3,323)
Recoveries	-	-	-	318	318
Reversals	-	-	-	-	-
Other movements	-	-	-	(5)	(5)
Closing balance retail	**22,488**	**10,275**	**9,350**	**11,319**	**53,432**

Notes to the Financial Statements

7. Provision for expected credit losses (continued)

In thousands	At 31 December 2023 (Audited) Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Retail					
Opening balance	13,873	5,244	2,808	2,157	24,082
Charge/(Benefit) to statement of comprehensive income	3,112	3,963	6,871	4,420	18,366
Amounts written off	-	-	-	(2,100)	(2,100)
Recoveries	-	-	-	297	297
Reversals	-	-	-	-	-
Other movements	-	-	-	(33)	(33)
Closing balance retail	**16,985**	**9,207**	**9,679**	**4,741**	**40,612**

Provisions for impairment on loans and advances (excluding commitments and financial guarantees) relate to corporate exposures and retail exposures (which include lending to rural clients together with all other lending to small and medium businesses).

7.1.2 Provision for impairment on commitments and financial guarantees associated with loans and advances

In thousands	At 30 June 2024 (Unaudited) Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Corporate					
Opening balance	26	30	-	-	56
Charge/(Benefit) to statement of comprehensive income	174	94	-	-	268
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance on loan commitments and financial guarantees	**200**	**124**	**-**	**-**	**324**

In thousands	At 31 December 2023(Audited) Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Corporate					
Opening balance	43	18	-	-	61
Charge/(Benefit) to statement of comprehensive income	(17)	12	-	-	(5)
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance on loan commitments and financial guarantees	**26**	**30**	**-**	**-**	**56**

Notes to the Financial Statements

7. Provision for expected credit losses (continued)

	At 30 June 2024 (Unaudited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Retail					
Opening balance	1,024	249	6	-	1,279
Charge to statement of comprehensive income	(378)	(147)	1	-	(524)
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance residential mortgages	**646**	**102**	**7**	**-**	**755**

	At 31 December 2023 (Audited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Retail					
Opening balance	1,743	268	2	464	2,477
Charge to statement of comprehensive income	(719)	(19)	4	(464)	(1,198)
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance residential mortgages	**1,024**	**249**	**6**	**-**	**1,279**

Provisions for impairment on commitments and financial guarantees relate to corporate exposures and retail exposures (which include lending to rural clients together with all other lending to small and medium businesses).

Notes to the Financial Statements

7. Provision for expected credit losses (continued)

7.2 Provision for impairment due from related entities

Impairment allowances on due from related entities

	At 30 June 2024 (Unaudited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Opening balance	504	-	-	-	504
Charge/(Benefit) to statement of comprehensive income	5	-	-	-	5
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance related parties	**509**	**-**	**-**	**-**	**509**

Impairment allowances on due from related entities

	At 31 December 2023 (Audited)				
In thousands	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Opening balance	580	-	-	-	580
Charge/(Benefit) to statement of comprehensive income	(76)	-	-	-	(76)
Amounts written off	-	-	-	-	-
Recoveries	-	-	-	-	-
Reversals	-	-	-	-	-
Other movements	-	-	-	-	-
Closing balance related parties	**504**	**-**	**-**	**-**	**504**

The provision is a requirement under NZ IFRS 9 to recognise impairment allowance for Stage 1, it is not a determination of credit quality or collectability.

7.3 Significant increase in credit risk (unaudited)

Transferring assets from stage 1 to stage 2 requires judgment. To demonstrate the sensitivity of the ECL to the PD thresholds, an analysis was performed, which assumed all assets were below the PD thresholds and apportioned a 12-month ECL. On the same asset base, an analysis was performed which assumed all assets were above the PD thresholds and apportioned a lifetime ECL. Both analyses were performed without taking the impact of portfolio overlays into account and resulted in ECLs of $26,416 thousand (31 December 2023: $12,457 thousand) and $83,572 thousand (31 December 2023: $34,331 thousand), respectively.

7.4 Forward-looking information and macro-economic scenarios (unaudited)

Modelled provision for ECL

When estimating expected credit losses for each stage and assessing significant increases in credit risk, the Banking Group uses information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions (forward-looking information). There is a considerable degree of judgement involved in preparing these forecasts due to the uncertainty around the impact of economic conditions.

Notes to the Financial Statements

7. Provision for expected credit losses (continued)

The Banking Group uses three probability-weighted macroeconomic scenarios (a baseline scenario, a baseline minus scenario and a baseline plus scenario) in its ECL models to determine the expected credit losses. A probability weighting of 20% for the minus scenario (31 December 2023: 20%), a probability weighting of 20% for the plus scenario (31 December 2023: 20%) and a probability weighting of 60% for the baseline scenario (31 December 2023: 60%) is used.

Important variables in MES are gross domestic product growth (GDP), private sector investment and export of goods and services. World GDP and New Zealand Agri-GDP are important variables with the introduction of new IFRS 9 rural model. These forward-looking macroeconomic forecasts require judgment and are largely based on internal Rabobank research.

An analysis on the sensitivity of key forward-looking macroeconomic inputs used in the ECL modelling process for stage 1 and stage 2 provisioning, and the probability weights applied to each of the three scenarios is presented below, without taking into account the impact of portfolio overlays.

New Zealand		***31/12/2024***	***31/12/2025***	***31/12/2026***	***ECL unweighted***	***Probability***	**Weighted ECL in thousands** ***30 June 2024***
Plus	GDP per capita	0.3%	2.5%	2.7%	25,147	20%	
	Private sector investments	-4.8%	1.9%	3.3%			
	Exports of Goods & Services	5.6%	7.7%	3.7%			
	World GDP	3.2%	4.6%	3.2%			
	New Zealand Agri-GDP	11.9%	-2.1%	-1.5%			
Baseline	GDP per capita	0.2%	1.3%	2.0%	29,827	60%	29,988
	Private sector investments	-5.8%	-1.0%	1.6%			
	Exports of Goods & Services	5.1%	4.8%	3.5%			
	World GDP	3.0%	3.2%	3.0%			
	New Zealand Agri-GDP	5.1%	-2.3%	-1.6%			
Minus	GDP per capita	0.2%	0.2%	1.3%	35,311	20%	
	Private sector investments	-6.7%	-3.6%	0.0%			
	Exports of Goods & Services	4.7%	2.2%	3.3%			
	World GDP	2.8%	1.9%	2.9%			
	New Zealand Agri-GDP	-1.8%	-2.4%	-1.7%			

Portfolio overlays

Portfolio overlays are used to address areas of risk, including significant uncertainties that are not captured in the underlying modelled ECL. Determination of portfolio overlays requires a significant degree of management judgement and is documented and subject to internal governance and oversight. Overlays are continually reassessed and if the risk is judged to have changed (increased or decreased), or is subsequently captured in the modelled ECL, the overlay will be released or remeasured.

The total portfolio overlays as at 30 June 2024 were $2,100 thousand (31 December 2023: $8,205 thousand). Included in the total overlays were:

Notes to the Financial Statements

7. Provision for expected credit losses (continued)

- The overlay associated with the 'Forward Looking probability of default adjustment' of $7,880 thousand was released as at 30 June 2024. This overlay raised since June 2023 was intended to address the turning of the economic cycle not captured by the model, however, this risk is now assessed to be captured with the implementation of the IFRS9 Rural specific model.
- The new Corporate model went live on 1 July 2024, a new Corporate model portfolio overlay of $2,100 thousand was raised on 30 June 2024 in anticipation of the impact if all the clients in scope of the new Corporate model are assessed under the new model.
- 'Physical Climate Risk' portfolio overlay of $325 thousand was released as at 30 June 2024.

8. Deposits

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Call deposits	2,204,120	2,324,689
Term deposits	4,355,509	4,158,417
Accrued interest	99,547	87,438
Total deposits	**6,659,176**	**6,570,544**

9. Due to related entities

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Current account balances - wholly owned group*	22,050	103,212
Advances - wholly owned group*	5,864,138	5,766,356
Accrued interest payable - wholly owned group*	50,597	40,055
Total due to related entities	**5,936,785**	**5,909,623**

* The wholly owned group refers to other Rabobank related entities. Refer to note 18 for further information on related party disclosures.

10. Other liabilities

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Lease liabilities	10,531	10,946
Sundry creditors	18,095	16,271
Accrued expenses	12,055	16,715
Total other liabilities	**40,681**	**43,932**

Interest expense on lease liabilities amounted to $156 thousand for the six months ended 30 June 2024 (30 June 2023: $123 thousand), and is included within 'Interest expense' in the Statement of Comprehensive Income.

Notes to the Financial Statements

11. Contributed equity and Reserves

11.1 Contributed equity

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Ordinary share capital	551,200	551,200
Total contributed equity	**551,200**	**551,200**

As at 30 June 2024, total authorised and paid up capital of Rabobank New Zealand Limited comprises 275,600,000 ordinary shares fully paid ranking equally as to dividends, voting rights and rights to share in any surplus on winding up (31 December 2023: 275,600,000). Each share was issued at $2 and has no par value.

11.2 Reserves

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
FVOCI financial assets reserve		
Opening balance	(6,203)	(15,689)
Changes in FVOCI financial assets revaluation reserve (gross)	(1,243)	13,175
Changes in FVOCI financial assets revaluation reserve (deferred tax)	348	(3,689)
Total FVOCI reserve	**(7,098)**	**(6,203)**

The nature and purpose of the FVOCI financial assets revaluation reserve is to record the unrealised gains or losses arising from changes in the fair value of FVOCI financial assets.

12 Priority of financial liabilities in the event of a liquidation

The financial liabilities of the Branch reported in these financial statements are unsecured. Where the assets of the Branch in New Zealand are liquidated or the Branch ceases to trade, those financial liabilities would rank (under New Zealand law in relation to those assets) equally with the claims of the Branch's other unsecured creditors and behind the preferred creditors set out in Schedule 7 of the Companies Act 1993. However the same priority may not exist for any inter branch funding of the Branch. The claims of the Branch's unsecured and preferred creditors in relation to the assets of the Branch in New Zealand are, in general terms, broadly equivalent to the claims of the unsecured and preferred creditors of Coöperatieve Rabobank U.A. in relation to assets in countries other than New Zealand in which Coöperatieve Rabobank U.A. carries on business.

13. Contingent liabilities and credit related commitments

Through the normal course of business, the Banking Group may be involved in litigation claims. The aggregate potential liability arising in respect of these claims cannot be accurately assessed. Provisions have been made where appropriate for likely loss of actual and potential claims after a review has been made on a case by case basis. The Banking Group does not consider that the outcome of any claims made either individually or in aggregate are likely to have a material effect on its operation or financial position.

Notes to the Financial Statements

13. Contingent liabilities and credit related commitments (continued)

The Banking Group is party to financial instruments with off-balance sheet credit risk in the normal course of business to meet the financing needs of its customers and in managing its own risk profile. These financial instruments include commitments to extend credit facilities, financial guarantees, and standby letters of credit. The Banking Group's exposure to credit loss in the event of non-performance by the other party to such financial instruments is represented by the contract or notional amount of those instruments. However, some commitments to extend credit and provide underwriting facilities can be cancelled or revoked at any time at the Banking Group's option. The Banking Group uses the same credit policies in making commitments and conditional obligations as it does for on-balance sheet instruments.

The following table shows the maximum amount payable for the following contingent liabilities:

In thousands	Unaudited At 30/06/2024	Audited At 31/12/2023
Guarantees	92,604	92,974
Lending commitments		
Irrevocable lending commitments	2,961,835	2,827,167
Revocable lending commitments	287,896	259,921
Total contingent liabilities	**3,342,335**	**3,180,062**

Guarantees represent conditional undertakings by the Banking Group to support the financial obligations of its customers to third parties. Lending commitments include the Banking Group's obligations to provide funding facilities which remain undrawn at balance date, or where letters of offer have been issued but not yet accepted.

14. Expenditure Commitments

14.1 Capital expenditure commitments

The Banking Group has no commitments as at 30 June 2024 (31 December 2023: nil).

Notes to the Financial Statements

15. Fair values of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or amortised cost, in accordance with NZ IFRS 7 'Financial Instruments: Disclosures' which requires the Banking Group to disclose the fair value of those financial instruments not already carried at fair value in the Statement of Financial Position.

The estimated fair value of the financial assets and financial liabilities are:

	Unaudited At 30 June 2024		Audited At 31 December 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
In thousands				
Financial assets				
Cash and cash equivalents	2,008,552	2,008,552	2,104,812	2,104,812
Derivative financial instruments	132,689	132,689	179,658	179,658
Financial assets at fair value through other comprehensive income	602,470	602,470	696,698	696,698
Loans and advances	17,222,723	17,052,568	16,606,516	16,427,300
Due from related entities	867,538	867,336	1,113,121	1,113,081
Other financial assets	7,147	7,147	9,472	9,472
Financial assets at fair value through profit and loss	2,520	2,520	1,700	1,700
Total financial assets	**20,843,639**	**20,673,282**	**20,711,977**	**20,532,721**
Financial liabilities				
Derivative financial instruments	118,699	118,699	153,787	153,787
Deposits	6,659,176	6,649,265	6,570,544	6,491,789
Debt securities in issue	5,174,009	5,162,774	5,187,013	5,182,331
Due to related entities	5,936,785	5,936,428	5,909,623	5,909,264
Payables due to central bank	176,571	182,747	172,155	174,246
Other financial liabilities	38,650	38,650	41,427	41,427
Total financial liabilities	**18,103,890**	**18,088,563**	**18,034,549**	**17,952,844**

Fair value hierarchy

The Banking Group categorises its fair value measurements on the basis of inputs used in measuring fair value using the fair value hierarchy below:

Level 1: Financial instruments that have been valued by reference to unadjusted quoted prices in active markets for identical financial instruments. This category includes financial instruments valued using quoted yields where available for specific debt securities.

Level 2: Financial instruments that have been valued through valuation techniques incorporating inputs other than quoted prices within Level 1 that are observable for a similar financial asset or liability, either directly or indirectly.

Level 3: Financial instruments that have been valued using valuation techniques which incorporate significant inputs that are not based on observable market data (unobservable inputs).

Valuation methodology

Financial assets and financial liabilities at fair value

For financial assets and financial liabilities carried at fair value, fair value has been derived as follows:

Notes to the Financial Statements

15. Fair values of financial instruments (continued)

Derivative financial instruments, financial assets at fair value through profit and loss and FVOCI financial assets

Fair values are based on quoted market prices. Where a quoted price is not available, fair values are estimated using quoted market prices for securities with similar credit, maturity and yield characteristics, or market accepted valuation models as appropriate (including discounted cash flow models) based on current market yields for similar types of instruments and the maturity of each instrument.

A Credit Valuation Adjustment (CVA) is applied to the Banking Group's over-the-counter derivative exposures to take into account the counterparty's risk of default when measuring the fair value of the derivative. The Banking Group uses a Bilateral Credit Valuation Adjustment (BCVA) methodology to calculate the expected future credit exposure for all derivative exposures including inputs regarding probabilities of default (PDs) and loss given default (LGD).

The following tables categorise financial assets and financial liabilities that are recognised and measured at fair value according to the three levels of hierarchy.

In thousands	Level 1	Level 2	Level 3	Total
At 30 June 2024 (Unaudited)				
Financial assets				
Derivative financial instruments	-	132,689	-	132,689
Financial assets at fair value through other comprehensive income	602,470	-	-	602,470
Financial assets at fair value through profit and loss	-	-	2,520	2,520
Financial liabilities				
Derivative financial instruments	-	118,699	-	118,699

In thousands	Level 1	Level 2	Level 3	Total
At 31 December 2023 (Audited)				
Financial assets				
Derivative financial instruments	-	179,658	-	179,658
Financial assets at fair value through other comprehensive income	696,698	-	-	696,698
Financial assets at fair value through profit and loss	-	-	1,700	1,700
Financial liabilities				
Derivative financial instruments	-	153,787	-	153,787

Transfers in and transfers out of fair value hierarchy levels are reported using the end-of-period fair values. There were no transfers between fair value hierarchy levels during the period.

Notes to the Financial Statements

16. Maturity analysis of assets and liabilities

The table below shows a maturity analysis of assets and liabilities analysed according to when they are expected to be recovered or settled within 12 months (current) and greater than 12 months (non-current).

	At 30 June 2024 (Unaudited)			At 31 December 2023 (Audited)		
	Current	Non-Current	Total	Current	Non-Current	Total
In thousands						
Assets						
Cash and cash equivalents	2,008,552	-	2,008,552	2,104,812	-	2,104,812
Derivative financial instruments	62,085	70,604	132,689	91,502	88,156	179,658
FVOCI financial assets	228,469	374,001	602,470	395,498	301,200	696,698
Loans and advances	5,547,034	11,675,689	17,222,723	5,812,476	10,794,040	16,606,516
Due from related entities	867,538	-	867,538	1,113,121	-	1,113,121
Financial assets at fair value through profit and loss	-	2,520	2,520	-	1,700	1,700
Other assets	10,920	51,610	62,530	34,814	33,519	68,333
Income tax receivable	15,508	-	15,508	-	-	-
Net deferred tax assets	-	25,544	25,544	-	23,165	23,165
Property, plant and equipment	-	17,451	17,451	-	17,962	17,962
Intangible assets	-	818	818	-	1,060	1,060
Total Assets	**8,740,106**	**12,218,237**	**20,958,343**	**9,552,223**	**11,260,802**	**20,813,025**
Liabilities						
Derivative financial instruments	37,128	81,571	118,699	65,108	88,679	153,787
Debt securities in issue	3,674,009	1,500,000	5,174,009	3,987,013	1,200,000	5,187,013
Deposits	2,776,557	3,882,619	6,659,176	2,670,570	3,899,974	6,570,544
Due to related entities	3,193,060	2,743,725	5,936,785	3,465,898	2,443,725	5,909,623
Payables due to central bank	176,571	-	176,571	11,155	161,000	172,155
Income tax payable	-	-	-	18,447	-	18,447
Other liabilities	32,479	8,202	40,681	35,934	7,998	43,932
Provisions	3,930	2,282	6,212	5,870	2,236	8,106
Total Liabilities	**9,893,734**	**8,218,399**	**18,112,133**	**10,259,995**	**7,803,612**	**18,063,607**

Notes to the Financial Statements

17. Reconciliation of net cash flows from operating activities

In thousands	Unaudited 6 months to 30/06/2024	Unaudited 6 months to 30/06/2023
Net profit after tax	97,687	105,188
Non-cash items	30,140	19,853
Deferrals or accruals of past or future operating cash receipts or payments		
Change in net operating assets and liabilities	(360,955)	535,627
Change in interest receivable/payable	25,369	28,300
Change in other deferrals or accruals	(26,404)	(90,298)
Net cash flows (used in) / from operating activities	**(234,163)**	**598,670**

18. Related party disclosures

The Banking Group consists of RNZL, a wholly owned subsidiary of Rabobank International Holdings B.V. whose ultimate parent is Rabobank; the Branch, De Lage Landen Limited and AGCO Finance Limited. Dealings with the parent and ultimate controlling entity include lending, funding, deposits and derivative transactions.

18.1 Transactions with related parties

18.1.1 Guarantees

The first period

For the period 18 February 1998 to 17 February 2008 ("the First Period"), the obligations of RNZL were guaranteed pursuant to a deed of guarantee dated 18 February 1998 (as amended by an amending deed dated 19 February 1998) by Rabobank in favour of Permanent Trustee Company Limited (the "Trustee") as trustee for the creditors of RNZL (the "First Guarantee").

Whilst the First Guarantee expired on 17 February 2008, all obligations incurred by RNZL during the First Period will continue to be covered by the First Guarantee until those obligations are repaid.

The second period

For the period 18 February 2008 to 17 February 2010 ("the Second Period"), the obligations of RNZL were guaranteed pursuant to a deed of guarantee dated 6 February 2008 by Rabobank in favour of the creditors of RNZL (the "Second Guarantee").

Whilst the Second Guarantee expired on 17 February 2010, all obligations incurred by RNZL during the Second Period will continue to be covered by the Second Guarantee until those obligations are repaid.

The third period

For the period 18 February 2010 to 17 February 2012 ("the Third Period"), the obligations of RNZL were guaranteed pursuant to a deed of guarantee dated 1 September 2009 by Rabobank in favour of the creditors of RNZL (the "Third Guarantee").

Whilst Third Guarantee expired on 17 February 2012, all obligations incurred by RNZL during the Third Period will continue to be covered by the Third Guarantee until those obligations are repaid.

Notes to the Financial Statements

18. Related party disclosures (continued)

The fourth period

For the period 18 February 2012 to 17 February 2013 (“the Fourth Period”), the obligations of RNZL were guaranteed pursuant to a deed of guarantee dated 10 October 2011 by Rabobank in favour of the creditors of RNZL (the “Fourth Guarantee”).

Whilst the Fourth Guarantee expired on 17 February 2013, all obligations incurred by RNZL during the Fourth Period will be covered by the Fourth Guarantee until those obligations are repaid.

The fifth period

For the period 18 February 2013 to 17 February 2014 (“the Fifth Period”), the obligations of RNZL are guaranteed pursuant to a deed of guarantee dated 9 July 2012 by Rabobank in favour of the creditors of RNZL (the “Fifth Guarantee”).

Whilst the Fifth Guarantee expired on 17 February 2014 all obligations incurred by RNZL during the Fifth Period will be covered by the Fifth Guarantee until those obligations are repaid.

The sixth period

For the period 18 February 2014 to 17 February 2015 (“the Sixth Period”), the obligations of RNZL are guaranteed pursuant to a deed of guarantee dated 20 August 2013 by Rabobank in favour of the creditors of RZNL (the “Sixth Guarantee”).

Whilst the Sixth Guarantee expired on 17 February 2015 all obligations incurred by RNZL during the Sixth Period will be covered by the Sixth Guarantee until those obligations are repaid.

The seventh period

For the period 18 February 2015 to 30 April 2015 (“the Seventh Period”), the obligations of RNZL will be guaranteed pursuant to a deed of guarantee dated 19 September 2014 by Rabobank in favour of the creditors of RNZL (the “Seventh Guarantee”).

Whilst the Seventh Guarantee expired on 30 April 2015, all obligations incurred by RNZL up to the close of 30 April 2015 will continue to be covered by the Seventh Guarantee or one of the earlier guarantees described above (as applicable), until those obligations are repaid or otherwise satisfied.

18.1.2 Guarantee fees (unaudited)

A fee of $0.11 million was charged to RNZL by Rabobank in consideration for providing the obligations guarantees for the six month period ended 30 June 2024 (six month period June 2023: $0.13 million).

18.1.3 Management fees (unaudited)

Management expenses and recharges mainly consisted of the following types, namely expenses incurred in relation to services received from Australian Branch of Rabobank; overseas Rabobank Head Office, De Lage Landen Pty Limited and De Lage Landen International B.V.

Expenses that are related to provision of administrative and management services to the Banking Group (e.g. employee expenses, rent, professional fees) incurred by Australia Branch of Rabobank are recharged as per service level agreements . In total, management expenses and recharge costs of $26.3 million were charged by the Australia Branch of Rabobank (six month period June 2023: $28.5 million).

A management fee of $13.2 million (six month period June 2023: $11.2 million) was charged to the Banking Group by the Rabobank Head Office for the provision of administrative and management services.

No management fee (six month period June 2023: $1.4 million) was charged to the Banking Group by Rabobank Australia Limited for the provision of administrative and management services.

Notes to the Financial Statements

18. Related party disclosures (continued)

An amount of $3.7 million (six month period June 2023: $3.2 million) was charged to the Banking Group as management fees by De Lage Landen Pty Limited.

Corporate centre expenses of $2.4 million (six month period June 2023: $2.12 million) were charged to the Banking Group by De Lage Landen International B.V.

18.1.4 Other transactions

The Banking Group enters into a number of transactions with other related entities of Rabobank. These transactions include funding, loans, deposits and accrued interest. Interest recorded and charged was on normal commercial terms throughout the year. The balances and transactions are summarised in table below:

In thousands	Unaudited 30/06/2024	Unaudited 30/06/2023
Interest income due from related parties	19,134	15,315
Interest expense due to related parties	167,846	142,577

In thousands	Unaudited 30/06/2024	Audited 31/12/2023
Due from related entities	867,538	1,113,121
Due to related entities	5,936,785	5,909,623

Derivatives with a combined notional of $14,750 million and a net fair value asset position of $51.99 million (December 2023: $12,710 million; and December 2023: $77.4 million) are held with the Rabobank.

Loan Facility Agreement
A loan facility of EUR 4.95 billion was granted by Rabobank to the New Zealand Branch of Rabobank on 1 April 2021 (31 December 2023: EUR 5.3 billion). The unused amount at 30 June 2024 was EUR 2.45 billion (31 December 2023: EUR 3 billion).

18.2 Terms and conditions of transactions with related parties

All transactions with related parties are made in the ordinary course of business on normal terms and conditions.

Outstanding balances at period end are unsecured and settlement occurs in cash.

18.3 Provision for impairment

For the period ended 30 June 2024, the Banking Group has not made any specific provision for impairment relating to amounts owed by related parties (2023: Nil). Provision has not been recognised on grounds of it being minimal and immaterial. The Banking Group recognises collective impairment allowance relating to amounts owed by related parties in accordance with expected credit loss impairment model. The Banking Group recognised stage 1 impairment allowance relating to amounts owned by related parties of $0.5 million as at 30 June 2024 (31 December 2023 $0.5 million).

18.4 Dividend

No dividend was proposed or paid by the Banking Group for the six months period ended 30 June 2024 (30 June 2023: nil).

19. Subsequent events

The directors are not aware of any event or circumstances since the end of the period not otherwise dealt with in this report that has or may significantly affect the operations of the Banking Group, the results of those operations or the state of affairs of the Banking Group in subsequent financial years.

Registered bank disclosures

1. General matters (unaudited)

Directors

There have been the following changes to the Registered Bank's Board of Directors since 31 December 2023:

- Cornelis van Kemenade joined the Registered Bank's Managing Board with effect on 1 April 2024.
- Marielle Lichtenberg resigned from the Registered Bank's Managing Board with effect on 1 April 2024.
- Christina Konst resigned from the Registered Bank's Managing Board with effect on 1 April 2024.
- Lara Yocarini joined the Registered Bank's Managing Board with effect on 5 June 2024.

The directors of the Managing and Supervisory Boards, on whose behalf the New Zealand Chief Executive Officer has signed this Disclosure Statement, are listed as follows:

Managing Board

- S.L.G Decraene (Stefaan), Chair
- B.C. Brouwers (Bas), Member
- P.G.R Vollott (Philippe), Member
- J. Vos (Janine), Member
- V. Maagdenberg (Vincent), Member
- C.G.M. van Kemenade (Carlo), Member
- A.G.J.M Zwart, (Alexander), Member
- E.G. Kamphof (Els), Member
- L Yocarini (Lara), Member

Supervisory Board

- M. Trompetter (Marjan), Chair
- J. van Hall (Johan), Vice Chair
- A.A.J.M. Kamp (Arian), Member
- P.H.J.M. Visée (Pascal), Member
- P.H.M. Hofsté (Petri), Member
- M. R.C. Pensaert (Mark), Member
- G.A. Klintworth (Gail Alfreda), Member
- M. Elderfield (Matthew), Member

New Zealand Chief Executive Officer

Todd Charteris is the New Zealand chief executive officer of the Registered Bank (as well as of Rabobank New Zealand Limited).

No subordination of claims of creditors

There are no material legislative or regulatory restrictions in the Netherlands that, in a liquidation of the Registered Bank, subordinate the claims of any class of unsecured creditors of the Branch on the assets of the Registered Bank to those of any other class of unsecured creditors of the Registered Bank.

Requirement to hold excess assets over deposit liabilities

The Registered Bank is not required to hold in New Zealand an excess of assets over deposit liabilities.

Registered bank disclosures

1. General matters (unaudited) (continued)

Requirement to maintain sufficient assets to cover ongoing obligation to pay deposit liabilities

The Registered Bank is not subject to any regulatory or legislative requirement in the Netherlands to maintain sufficient assets in the Netherlands to cover an ongoing obligation to pay deposit liabilities in that country. However, the Financial Supervision Act, the EU Capital Requirements Regulation and the EU Capital Requirements Directive requires the Overseas Banking Group to maintain certain liquid assets in order to cover an ongoing obligation to pay liabilities of the Overseas Banking Group. The requirement is based on the consolidated position of the Overseas Banking Group and any liquidity requirements of the Banking Group will form part of the Overseas Banking Group's consolidated position. This requirement has the potential to impact on the management of the liquidity of the Branch.

Auditor for the Banking Group

PricewaterhouseCoopers
One International Towers, Watermans Quay
Barangaroo, NSW 2000 Australia

Credit ratings

The Registered Bank has credit ratings applicable to its long term senior unsecured obligations payable in any country or currency, including obligations payable in New Zealand and in New Zealand dollars.

Rating Agency	Current Credit Rating
Standard & Poor's	A+ (stable)
Moody's	Aa2 (stable)
Fitch	A+ (stable)

Guarantee arrangements

No material obligations of the Registered Bank that relate to the Branch are guaranteed as at the date its directors and New Zealand Chief Executive Officer signed this Disclosure Statement.

Non-consolidated activities

The Registered Bank does not conduct any insurance business or non-financial activities in New Zealand that are outside the Banking Group.

Conditions of registration

There have been no changes to the Bank's Conditions of Registration between 31 December 2023 and 30 June 2024.

Registered bank disclosures

Other material matters

Consumer Credit Products

The Dutch Financial Services Complaints Tribunal (**Kifid**) ruled that lenders of certain consumer products should have followed the movement of the market rate while determining the variable interest rate of these products. The Registered Bank recognised that it did not consistently adjust the interest rate of certain consumer credit products in accordance with the reference rates selected by Kifid. The Registered Bank recognised a provision of EUR 38 million (31 December 2023: EUR 56 million). The decrease of the provision is a result of pay outs (compensation to customers). Apart from this matter, the Dutch Authority for Financial Markets (AFM) conducted an investigation into a number of files relating to consumer mortgage loans and decided to impose an administrative fine in December 2023. The Registered Bank has filed an objection against the decision with the AFM.

Anti-Money Laundering, Counter Terrorism Financing & Sanctions

At the end of 2021, De Nederlandsche Bank (DNB) ordered the Registered Bank to remedy deficiencies regarding its Dutch Retail division's compliance with the Anti-Money Laundering and Anti-Terrorist Financing Act (in Dutch: Wet ter voorkoming van witwassen en financieren van terrorisme (**Wwft**). The deficiencies mainly concern the execution, recording, and outsourcing of client due diligence, transaction monitoring, and reporting of unusual transactions. Delivering on the remediation plan continues to be the Registered Bank's highest priority. The Registered Bank's Dutch Retail Division is on track in this respect.

Next to finalisation of the program milestones, as agreed with DNB in December 2021, focus is on embedding program deliverables in the 'Business as Usual' organisation to ensure sustainable compliance after completion of the remediation program end of 2024. The criminal investigation by the Dutch Public Prosecutor's Office in connection with the alleged violation of the Wwft is still ongoing. The Registered Bank continues to fully cooperate. Currently the potential outcome and timeframe of the investigation remain unclear. Consequently, the nature and materiality of subsequent fines, penalties, or other related actions cannot be reliably estimated beyond stating that they have the potential to be significant.

European Union Competition Law Proceedings

As announced by the European Commission by means of a press release on 22 November 2023, the Commission fined the Registered Bank EUR 26.6 million in connection with certain historic communications between a small number of individuals at Deutsche Bank and the Registered Bank, which the Commission has concluded breached EU competition law. These proceedings relate to conduct between 2006 and 2016 on the secondary market for Euro-denominated SSA (Supra-Sovereign, Foreign Sovereign, Sub-Sovereign/Agency) and Government Guaranteed bonds in the European Economic Area (EEA). The Registered Bank cooperated with the Commission's investigation and is disappointed by the outcome. The Registered Bank lodged an appeal against the EC's decision before the EU General Court. The amount of the fine has been paid in full.

Relatedly, a putative class action suit was brought against the Registered Bank and the other bank by civil plaintiffs before the United States District Court for the Southern District of New York on December 9, 2022. These civil proceedings are still at an early stage and no claim for damages has been quantified as yet. The Registered Bank takes the stance that it has substantive and convincing legal and factual defences against the claims made, and the Registered Bank intends to continue to defend itself against these claims. The Registered Bank has not taken a provision in respect of these civil proceedings as the bank considers the outflow of funds more than remote but less than probable. As it is currently difficult to predict an eventual outcome the Registered Bank is not able to quantify this contingent liability.

Registered bank disclosures

Other material matters (continued)

BBA and ICE Libor/ Euribor

The Registered Bank, along with a large number of other panel banks and inter-dealer brokers, has been named as a defendant in a number of putative class action suits and individual civil court cases brought before the courts in the United States. These proceedings relate to U.S. Dollar (USD) Libor, British Pound Sterling (GBP) Libor, Japanese Yen (JPY) Libor, Tibor (note: the Registered Bank was never a member of the Tibor panel) and Euribor. The Registered Bank also received complaints and writs of summons ordering the Registered Bank to appear before various Dutch, Argentine, United Kingdom and Israeli courts in civil proceedings (including class action suits) relating to interest rate benchmarks. Since the civil proceedings set out above are intrinsically subject to uncertainties, it is difficult to predict their outcome. The Registered Bank takes the stance that it has substantive and convincing legal and factual defences against these claims. The Registered Bank intends to continue to defend itself against these claims. The Registered Bank considers the Libor/Euribor group of cases to be a contingent liability because the probability of an outflow of funds is neither probable nor remote. The Registered Bank cannot give a reliable estimate of the expected total outflow of this contingent liability. No provision has been made.

Other Cases

The Registered Bank is subject to other legal proceedings for which provisions have been recognized. These cases are individually less significant in size and are therefore not separately disclosed. The total provision for the cases of which the amount of the provision is not specified above amounts to EUR 54 million (31 December 2023: EUR 49 million). The maximum amount of non-remote measurable contingent liabilities relating to claims not specified above is EUR 38 million (31 December 2023: EUR 38 million).

Prudential Consultation - Branches

The Reserve Bank of New Zealand (RBNZ) is reviewing its policy on the regulation and supervision of branches of overseas banks in New Zealand. In November 2023, RBNZ announced the following key policy decisions from its review:

(i) all branches in New Zealand will be restricted to engaging in wholesale business;
(ii) the maximum size of a branch will be limited to NZ$15 billion in total assets; and
(iii) dual registration of branches will be permitted, provided: (a) the relevant subsidiary and branch are sufficiently separate, and any identified risks are mitigated by specific conditions; and (b) dual-registered branches only conduct business with 'large wholesale customers'.

RBNZ also published a third consultation paper in November 2023, which proposed that a 'large wholesale customer' be defined as a customer that has either consolidated annual turnover of over NZ$50m, or net assets of over NZ$50m. RBNZ is expected to publish the revised policy during 2024, and has proposed a transition period that would require all branches to be compliant with the policy by 2028.

The Deposit Takers Act

The Deposit Takers Act received Royal Assent on 6 July 2023. Among other things, the Act provides a single, coherent regulatory regime to enable robust regulation of all deposit takers and introduces a new Depositor Compensation Scheme (DCS) so depositors can have confidence that their deposits, in the event of a deposit taker failure, are eligible for compensation up to $100,000 per depositor, per institution. Following passage of the Act, there remains a multi-year work programme to develop policy, standards and regulations to support the commencement of the new regulatory regime by 2028.

There are no other material matters relating to the business or affairs of the Registered Bank and/or the Banking Group that:

(i) are not contained elsewhere in this Disclosure Statement; and
(ii) would, if disclosed, materially affect the decision of a person to subscribe for debt securities of which the Registered Bank or any member of the Banking Group is the issuer.

Registered bank disclosures

Financial Statements of Registered Bank and Overseas Banking Group

The most recent publicly available financial statements of the Registered Bank and the Overseas Banking Group are available at the internet address:
www.rabobank.com/en/about-rabobank/results-and-reports/index.html

2. Additional financial disclosures

Additional information on statement of financial position

In thousands	Banking Group Unaudited At 30/06/2024
Total interest earning and discount bearing assets	20,661,693
Total interest and discount bearing liabilities	17,777,951
Financial assets pledged as collateral*	176,571

* Relates to repurchase agreements with the Reserve Bank under the Funding for Lending Programme.

In thousands	Branch Unaudited At 30/06/2024
Liabilities of the Registered Bank in New Zealand, net of amounts due to related parties	5,395,882
Retails deposits of the Registered Bank in New Zealand	-

Additional information on concentrations of credit risk

The following tables show the maximum exposure to credit risk for the components of the balance sheet and off balance sheet, including derivatives and commitments and guarantees by industry and geography.

In thousands	At 30/06/2024 Unaudited
Cash and cash equivalents	2,008,552
Derivative financial instruments	132,689
Financial assets at fair value through other comprehensive income	602,470
Loans and advances	17,222,723
Due from related entities	867,538
Other financial assets	7,147
Commitment and guarantees (note 13)	3,342,335
Total credit exposures	**24,183,454**

Registered bank disclosures

2. Additional financial disclosures (continued)

Analysis of credit exposures by industry:

In thousands	At 30/06/2024 Unaudited
Agriculture	15,367,881
Finance and insurance	1,807,486
Forestry and fishery	294,363
Government	1,893,973
Manufacturing	2,317,665
Property and business services	419,725
Wholesale trade	836,513
Other	1,245,848
Total credit exposures	**24,183,454**

Analysis of credit exposures by geographical areas:

In thousands	At 30/06/2024 Unaudited
New Zealand	22,451,046
The Netherlands	65,228
Australia	858,794
United States of America	222,719
Finland	85,987
Germany	57,610
Philippines	83,314
Luxembourg	28,879
Hong Kong	329,535
Other	342
Total credit exposures	**24,183,454**

Additional information on concentration of funding

Total funding comprised

In thousands	At 30/06/2024 Unaudited
Debt securities in issue	5,174,009
Deposits	6,659,176
Due to related entities	5,936,785
Payables due to central bank	176,571
Other financial liabilities	38,650
Total funding	**17,985,191**

Registered bank disclosures

2. Additional financial disclosures (continued)

Analysis of funding by industry

In thousands	At 30/06/2024 Unaudited
Agriculture	706,861
Finance and Insurance	11,720,648
Personal and other services	4,917,536
Other	640,146
Total funding	**17,985,191**

Analysis of funding by geographic area

In thousands	At 30/06/2024 Unaudited
New Zealand	9,559,714
The Netherlands	6,540,983
Australia	246,220
United Kingdom	345,221
United States of America	14,317
All other countries	22,798
Singapore	1,255,938
Total funding	**17,985,191**

Registered bank disclosures

2. Additional financial disclosures (continued)

Additional information on interest rate sensitivity

Interest rate repricing analysis

The table below shows the repricing of assets and liabilities based on the earlier of repricing and contractual maturity date.

In thousands	Total	Up to 3 months	Over 3 months and up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years	Non-interest bearing
At 30 June 2024 (Unaudited)							
Financial assets							
Cash and cash equivalents	2,008,552	2,008,552	-	-	-	-	-
Derivative financial instruments	132,689	-	-	-	-	-	132,689
Financial assets at fair value through other comprehensive income	602,470	101,391	77,145	64,854	81,637	277,443	-
Loans and advances	17,222,723	11,380,881	1,998,415	1,597,386	1,228,369	981,639	36,033
Due from related entities	867,538	863,979	-	-	-	-	3,559
Other financial assets	7,147	-	-	-	-	-	7,147
Financial assets at fair value through profit or loss	2,520	-	-	-	-	-	2,520
Total financial assets	**20,843,639**	**14,354,803**	**2,075,560**	**1,662,240**	**1,310,006**	**1,259,082**	**181,948**
Financial liabilities							
Derivative financial instruments	118,699	-	-	-	-	-	118,699
Deposits	6,659,176	3,492,486	1,188,089	1,382,885	266,111	230,056	99,549
Debt securities in issue	5,174,009	4,226,276	656,781	103,342	-	174,783	12,827
Due to related entities	5,936,785	5,395,039	295,000	184,000	-	-	62,746
Payables due to central bank	176,571	161,000	-	-	-	-	15,571
Other financial liabilities	38,650	4,091	742	1,364	2,283	5,380	24,790
Total financial liabilities	**18,103,890**	**13,278,892**	**2,140,612**	**1,671,591**	**268,394**	**410,219**	**334,182**
Swaps	-	424,447	364,800	(400,890)	(481,000)	92,643	
Repricing gap (interest bearing assets and liabilities)	2,891,986	1,500,363	299,749	(410,241)	560,612	941,505	
Cumulative mismatch	**2,891,986**	**1,500,363**	**1,800,111**	**1,389,870**	**1,950,482**	**2,891,987**	

Registered bank disclosures

2. Additional financial disclosures (continued)

Additional information on liquidity risk

The following maturity analysis for financial liabilities and contingent liabilities presents the contractual undiscounted cash flows receivable and payable, and is based on the remaining period as at the reporting date to the contractual maturity.

The total balances in the table below may not agree to the statement of financial position as the table incorporates all cash flows on an undiscounted basis, which include both principal and associated future interest income/expense accruals.

The Banking Group actively monitors and manages the mismatch between assets and liabilities as part of standard banking operations. The management of the mismatch of assets against liabilities using expected flows allows for the repayment behaviour of assets and liabilities that are not aligned to the contractual maturity. The Banking Group has access to various sources of short and long term funding via its retail and SME deposit portfolio, and intercompany funding arrangements with Rabobank. These funding options support the renewal of maturing liabilities.

Maturity analysis of financial liabilities and contingent liabilities by contractual maturity based on undiscounted cash flows (principal and interest)

In thousands	Total	On Demand	Up to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 2 years	Over 2 years and up to 5 years	Over 5 years
At 30 June 2024 (Unaudited)							
Financial liabilities							
Derivative financial instruments	130,239	-	30,642	6,874	22,221	68,624	1,878
Deposits	6,828,983	1,800,930	3,071,420	1,419,696	286,157	250,780	-
Debt securities in issue	5,472,592	-	3,313,304	517,339	609,029	1,032,920	-
Due to related entities	6,245,483	22,049	2,358,955	1,016,531	1,989,326	858,622	-
Payables due to central bank	184,473	-	19,935	164,538	-	-	-
Other financial liabilities	39,454	-	29,765	1,487	2,477	3,929	1,796
Total financial liabilities	**18,901,224**	**1,822,979**	**8,824,021**	**3,126,465**	**2,909,210**	**2,214,875**	**3,674**
Contingent liabilities							
Guarantees	92,604	1,343	2,488	-	4,053	82,386	2,334
Lending commitments	3,249,731	1,910,498	219,649	438,676	207,737	453,958	19,213
Total contingent liabilities	**3,342,335**	**1,911,841**	**222,137**	**438,676**	**211,790**	**536,344**	**21,547**

Registered bank disclosures

2. Additional financial disclosures (continued)

Liquidity portfolio

The Banking Group holds a portfolio of high quality liquid securities to support liquidity risk management. The size of the liquidity portfolio is based on the amount required to meet its liquidity risk appetite and regulatory obligations.

in thousands	Unaudited At 30/06/2024
Cash at banks	339,581
Balances with Central Bank	1,668,971
New Zealand Government Securities	224,664
Kauri debt securities	377,806
	2,611,022

Residential mortgages

Reconciliation of mortgage related accounts

In thousands	Unaudited At 30/06/2024
Loans and advances - loans with residential mortgages	-
Plus short term residential mortgage classified as overdrafts	-
Less housing loans made to corporate customers	-
On-balance sheet residential mortgage exposures subject to the standardised approach	-
Off-balance sheet residential mortgages exposures subject to the standardised approach	-
Total residential mortgage exposures subject to the standardised approach	**-**

3. Asset quality

Past due assets but not impaired

	At 30 June 2024 (Unaudited)			
in thousands	Residential mortgages	Corporate	Retail*	Total
Less than 30 days past due	-	-	32,731	32,731
At least 30 days but less than 60 days past due	-	-	1,560	1,560
At least 60 days but less than 90 days past due	-	-	4,042	4,042
At least 90 days past due	-	-	9,215	9,215
Closing balance	**-**	**-**	**47,548**	**47,548**

* Retail exposures include lending to rural clients together with all other lending to small and medium businesses.

Other asset quality information

Aggregate amount of undrawn balances on corporate lending commitments on individually impaired assets as at 30 June 2024 (Unaudited) is $65,187 thousand. Aggregate amount of undrawn balances on retail lending commitments on individually impaired assets as at 30 June 2024 (Unaudited) is $1,208 thousand.

There were no assets under administration as at 30 June 2024.

Registered bank disclosures

3. Asset quality (continued)

Movement in components of loss allowance

Refer to Note 7 "Provision for expected credit losses " for the movements in the Banking Group's loss allowance components as required by NZ IFRS 9.

Impact of changes in gross financial assets on loss allowance

The following table explains how changes in gross carrying amounts and loans during the period have contributed to changes in the provision of ECL on loans.

At 30 June 2024 (Unaudited)
In thousands

Corporate	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Opening balance	2,152,190	257,560	-	60,638	2,470,388
Impact of change in accounting policy on opening balance	-	-	60,638	(60,638)	-
Additions*	1,985,824	382,370	41,754	116,647	2,526,595
Amount written off	-	-	-	-	-
Deletions*	(2,152,190)	(257,560)	(60,638)	-	(2,470,388)
Changes due to transfer between ECL changes	-	-	-	-	-
Closing balance	**1,985,824**	**382,370**	**41,754**	**116,647**	**2,526,595**
Provision for impairment	**(1,403)**	**(1,098)**	**-**	**(5,785)**	**(8,286)**
Net loans and advances	**1,984,421**	**381,272**	**41,754**	**110,862**	**2,518,309**

At 30 June 2024 (Unaudited)
in thousands

Retail	Stage 1	Stage 2	Stage 3A	Stage 3B	Total
Opening balance	12,655,356	991,425	8,252	489,579	14,144,612
Impact of change in accounting policy on opening balance	-	-	437,943	(437,943)	-
Additions*	9,138,302	833,938	332,367	20,654	10,325,261
Amount written off	-	-	-	(3,324)	(3,324)
Deletions*	(8,741,505)	(716,572)	(298,376)	(30,580)	(9,787,033)
Changes due to transfer between ECL stages	(151,283)	144,762	37,931	11,239	42,649
Closing balance	**12,900,870**	**1,253,553**	**518,117**	**49,625**	**14,722,165**
Provisions for impairment	**(22,488)**	**(10,275)**	**(9,350)**	**(11,319)**	**(53,432)**
Net loans and advances	**12,878,382**	**1,243,278**	**508,767**	**38,306**	**14,668,733**

*Additions represent new financial assets originated during the year and deletions represent financial assets derecognised during the period.

Registered bank disclosures

3. Asset quality (continued)

Asset quality of Registered Bank's Overseas Banking Group

	Unaudited At 30/06/2024 EURm
Total individually impaired assets (before allowances for credit impairment loss and net of interest held in suspense)	9,496
Total individually impaired assets as a percentage of total assets (%)	1.5
Total individual credit impairment allowance	1,874
Total individual credit impairment allowance as a percentage of total individually impaired assets (%)	19.7
Total collective credit impairment allowance	1,023

4. Additional information for Registered Bank' Overseas Banking Group

	2024 EURm	2023 EURm
For the six months ended 30 June (Unaudited)		
Net profit after income tax	2,818	2,528
Total assets	621,641	630,203
% change over the previous twelve months	-1.4%	-5.5%

	2023 EURm	2022 EURm
For the year ended 31 December (Audited)		
Net profit for the year	4,377	2,403
Percentage (on twelve month rolling basis) of average total assets	0.7%	0.4%

5. Capital and market risk exposures and capital adequacy

Additional residential mortgages information

Residential mortgages by loan-to-valuation ratio ("LVR")

	At 30 June 2024 (Unaudited)		
In thousands	Drawn	Undrawn	Total
LVR range			
Do not exceed 80%	-	-	-
Exceeds 80% and not 90%	-	-	-
Exceeds 90%	-	-	-
Total value of residential mortgage exposures	-	-	-

Registered bank disclosures

5. Capital and market risk exposures and capital adequacy (continued)

Market risk period-end capital charges

	At 30/06/2024 (Unaudited)	
In thousands	Implied risk weighted exposure	Aggregate capital charges
Interest rate risk	511,250	40,900
Foreign currency risk	101,625	8,130
Total	**612,875**	**49,030**

The Banking Group does not have material equity risk

Market risk peak end-of-day capital charges

	At 30/06/2024 (Unaudited)	
In thousands	Implied risk weighted exposure	Aggregate capital charges
Interest rate risk	669,875	53,590
Foreign currency risk	142,875	11,430
Total	**812,750**	**65,020**

The Banking Group does not have material equity risk

Method for delivering peak end-of-day aggregate capital charge

The above market risk information is derived in accordance with the conditions of registration relating to capital adequacy and the Reserve Bank document entitled "Banking Prudential Requirement (BPR) 140: Market risk exposure".

Capital adequacy of Overseas Banking Group - Rabobank

Capital adequacy of Rabobank
Capital adequacy ratios for Rabobank are publicly available in the Rabobank Interim Report.

At 30 June (Unaudited)	2024 %	2023 %
Common equity Tier 1 capital ratio	16.30%	16.70%
Tier 1 capital ratio	18.20%	18.70%
Total capital ratio	20.50%	21.50%

Minimum capital requirements

The "Capital Requirements Regulation (CRR)" and "Capital Requirements Directive (CRD V)" together constitute the European implementation of the Basel Capital and Liquidity Accord of 2010 which are applied by Rabobank.

Registered bank disclosures

5. Capital and market risk exposures and capital adequacy (continued)

Rabobank must comply with a number of minimum solvency positions as stipulated under law. The solvency position is determined on the basis of ratios. These ratios compare the qualifying capital (total capital ratio), the tier 1 capital (tier 1 ratio) and the core capital (common equity tier 1 ratio) with the total of the risk-adjusted assets. The minimum percentages are determined on the basis of CRD V/ CRR and reflect the application of article 104a of the CRR to partly fulfil the pillar 2 requirement with additional tier 1 and tier 2 capital.

Risk-weighted assets are determined based on separate and distinct methods for each of the credit, operational and market risks. For credit risk purposes, the risk-weighted assets are determined in several ways dependent on the nature of the asset. For the majority of assets the risk weighting is determined by reference to internal ratings and a number of characteristics specific to the asset concerned. For off-balance sheet items the balance sheet equivalent is calculated firstly on the basis of internal conversion factors and the resulting equivalent amounts are then also assigned risk-weightings. For operational risk purposes, an Advanced Measurement Approach model is used to determine the amount of risk-weighted assets. For market risk purposes, the Internal Model Approach is applied on the majority of the exposures in scope, with very small exposures following standardized methods.

Rabobank's Capital Adequacy and Risk Management Report (pillar 3) is publicly available on
https://www.rabobank.com/about-us/organization/results-and-reports/downloads
Rabobank's Interim Report is publicly available on
https://www.rabobank.com/about-us/organization/results-and-reports/downloads

6. Insurance business (unaudited)

The Banking Group does not conduct any insurance business.

7. Risk management policies (unaudited)

Since 31 December 2023:

- there has been no material change in the Banking Group's policies for managing credit, currency, interest rate, liquidity, operational, and other material business risks (the Banking Group has immaterial equity risk); and
- the Banking Group has not become exposed to a new category of risk to which the Banking Group was not previously exposed.

8. Securitisation, funds management, other fiduciary activities and the marketing and distribution of insurance products

Since 31 December 2023, there have been no material changes in:

- involvement in the establishment, marketing, or sponsorship of trust, custodial, funds management, or other fiduciary activities; or
- arrangements to ensure that difficulties arising from those activities would not impact adversely on the Banking Group.

Independent auditor's review report

To the Directors of Coöperatieve Rabobank U.A.

Report on the interim financial statements and the supplementary information (excluding credit and market risk exposures and capital adequacy information disclosed in accordance with Schedule 9)

This report is for Coöperatieve Rabobank U.A. New Zealand Banking Group (the "NZ Banking Group"), which is an aggregation of the New Zealand business of Coöperatieve Rabobank U.A., incorporated in the Netherlands and trading as Rabobank (the "Overseas Bank"). The NZ Banking Group comprises Rabobank New Zealand Branch, Rabobank New Zealand Limited, De Lage Landen Limited and AGCO Finance Limited at 30 June 2024 and for the six months then ended.

Our conclusion

We have reviewed the interim financial statements (the "Financial Statements") for the six month period ended 30 June 2024 of the NZ Banking Group as required by clause 26 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") and the supplementary information disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order (the "Supplementary Information"), excluding information relating to credit and market risk exposures and capital adequacy required to be disclosed in accordance with Schedule 9 of the Order contained in the half year disclosure statement (the "Disclosure Statement").

The Financial Statements comprise the statement of financial position as at 30 June 2024, the related statement of comprehensive income, statement of changes in equity and condensed statement of cash flows for the six month period then ended and explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying:

- Financial Statements of the NZ Banking Group disclosed on pages 3 to 23 have not been prepared, in all material respects, in accordance with New Zealand Equivalent to International Accounting Standard 34 *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34 *Interim Financial Reporting* (IAS 34); and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order:
  - does not present fairly, in all material respects, the matters to which it relates; or
  - is not disclosed, in all material respects, in accordance with those schedules.

Basis for conclusion

We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 (Revised) Review of Financial Statements Performed by the Independent Auditor of the Entity (NZ SRE 2410 (Revised)). Our responsibilities are further described in the Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information section of our report.

We are independent of the NZ Banking Group in accordance with the relevant ethical requirements in New Zealand relating to the audit of the annual financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Other than in our capacity as auditor and providers of other related assurance services, we have no relationship with, or interests in, the NZ Banking Group. In addition, certain partners and employees of our firm may deal with the NZ Banking Group on normal terms within the ordinary course of trading activities of the NZ Banking Group. The provision of these other services and relationships have not impaired our independence.

Responsibilities of the Directors for the Disclosure Statement

The Directors of the Overseas Bank (the 'Directors') are responsible, on behalf of the NZ Banking Group, for the preparation and fair presentation of the Financial Statements in accordance with clause 26 of the Order, NZ IAS 34 and IAS 34 and for such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the Financial Statements and the Supplementary Information that are free from material misstatement, whether due to fraud or error.

In addition, the Directors are responsible, on behalf of the NZ Banking Group, for the preparation and fair presentation of the Disclosure Statement which includes:

- all of the information prescribed in Schedule 3 of the Order; and
- the information prescribed in Schedules 5, 7, 9, 12 and 14 of the Order.

Auditor's responsibilities for the review of the Financial Statements and the Supplementary Information

Our responsibility is to express a conclusion on the Financial Statements and the Supplementary Information based on our review. NZ SRE 2410 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the:

- Financial Statements, taken as a whole, have not been prepared, in all material respects, in accordance with NZ IAS 34 and IAS 34; and
- Supplementary Information that is required to be disclosed in accordance with Schedules 5, 7, 12 and 14 of the Order:
  - does not present fairly, in all material respects, the matters to which it relates; or
  - is not disclosed, in all material respects, in accordance with those schedules; or
  - if applicable, has not been prepared, in all material respects, in accordance with any conditions of registration relating to disclosure requirements imposed under section 74(4)(c) of the Banking (Prudential Supervision) Act 1989.

A review in accordance with NZ SRE 2410 (Revised) is a limited assurance engagement. We perform procedures, consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing and consequently do not enable us to obtain assurance that we might identify in an audit. Accordingly, we do not express an audit opinion on the Financial Statements and the Supplementary Information.

Who we report to

This report is made solely to the Directors, as a body. Our review work has been undertaken so that we might state to them those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Directors, as a body, for our review procedures, for this report, or for the conclusions we have formed.

The engagement partner on the review resulting in this independent auditor's review report is Sam Hinchliffe.

For and on behalf of:

PricewaterhouseCoopers

Chartered Accountants
Sydney, Australia

28 August 2024

Independent Assurance Report

To the Directors of Coöperatieve Rabobank U.A.

Limited assurance report on compliance with the information required on credit and market risk exposures and capital adequacy

This report is for Coöperatieve Rabobank U.A. New Zealand Banking Group (the "NZ Banking Group"), which is an aggregation of the New Zealand business of Coöperatieve Rabobank U.A., incorporated in the Netherlands and trading as Rabobank (the "Overseas Bank"). The NZ Banking Group comprises Rabobank New Zealand Branch, Rabobank New Zealand Limited, De Lage Landen Limited and AGCO Finance Limited at 30 June 2024 and for the six months then ended.

Our conclusion

We have undertaken a limited assurance engagement on the New Zealand Banking Group's compliance, in all material respects, with clause 23 of the Registered Bank Disclosure Statements (Overseas Incorporated Registered Banks) Order 2014 (as amended) (the "Order") which requires information prescribed in Schedule 9 of the Order relating to credit and market risk exposures and capital adequacy to be disclosed in its half year Disclosure Statement for the six month period ended 30 June 2024 (the "Disclosure Statement").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the NZ Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 of the Order and disclosed in section 5 of the Registered bank disclosures, is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

Basis for conclusion

We have conducted our engagement in accordance with Standard on Assurance Engagements 3100 (Revised) *Compliance Engagements* ("SAE 3100 (Revised)") issued by the New Zealand Auditing and Assurance Standards Board.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Directors' responsibilities

The Directors are responsible on behalf of Coöperatieve Rabobank U.A. for compliance with the Order, including clause 23 of the Order which requires information relating to credit and market risk exposures and capital adequacy prescribed in Schedule 9 of the Order to be included in the NZ Banking Group's Disclosure Statement, for the identification of risks that may threaten compliance with that clause, controls that would mitigate those risks and monitoring ongoing compliance.

Our independence and quality management

We have complied with the independence and other ethical requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We are independent of the NZ Banking Group. Other than in our capacity as auditors and providers of other related assurance services, we have no relationship with, or interests in, the NZ Banking Group. In addition, certain partners and employees of our firm may deal with the NZ Banking Group on normal terms within the ordinary course of trading activities of the NZ Banking Group. The provision of these other services and these relationships have not impaired our independence.

Assurance practitioner's responsibilities

Our responsibility is to express a limited assurance conclusion on whether the NZ Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 of the Order is not, in all material respects, disclosed in accordance with Schedule 9 of the Order. SAE 3100 (Revised) requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the NZ Banking Group's information relating to credit and market risk exposures and capital adequacy, included in the Disclosure Statement in compliance with clause 23 is not, in all material respects, disclosed in accordance with Schedule 9 of the Order.

In a limited assurance engagement, the assurance practitioner performs procedures, primarily consisting of discussion and enquiries of management and others within the entity, as appropriate, and observation and walk-throughs, and evaluates the evidence obtained. The procedures selected depend on our judgement, including identifying areas where the risk of material non-compliance with clause 23 of the Order in respect of the information relating to credit and market risk exposures and capital adequacy is likely to arise.

Given the circumstances of the engagement we:

- obtained an understanding of the process, models, data and internal controls implemented over the preparation of the information relating to credit and market risk exposures and capital adequacy;
- obtained an understanding of the NZ Banking Group's compliance framework and internal control environment to ensure the information relating to credit and market risk exposures and capital adequacy is in compliance with the Reserve Bank of New Zealand's (the "RBNZ") prudential requirements for banks;
- obtained an understanding and assessed the impact of any matters of non-compliance with the RBNZ's prudential requirements for banks that relate to credit and market risk exposures and capital adequacy and inspected relevant correspondence with the RBNZ;
- performed analytical and other procedures on the information relating to credit and market risk exposures and capital adequacy disclosed in accordance with Schedule 9 of the Order, and considered its consistency with the interim financial statements; and
- agreed the information relating to credit and market risk exposures and capital adequacy disclosed in accordance with Schedule 9 of the Order to information extracted from the NZ Banking Group's models, accounting records or other supporting documentation, which included publicly available information as prescribed by clauses 5 and 6 of Schedule 9 of the Order.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not express a reasonable assurance opinion on compliance with the compliance requirements.

Inherent limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure, it is possible that fraud, error or non-compliance with the compliance requirements may occur and not be detected.

A limited assurance engagement on the NZ Banking Group's information relating to credit and market risk exposures and capital adequacy prescribed in Schedule 9 of the Order to be included in the Disclosure Statement in compliance with clause 23 of the Order does not provide assurance on whether compliance will continue in the future.

Use of report

This report has been prepared for use by the Directors, as a body, for the purpose of establishing that these compliance requirements have been met.

Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Directors, as a body, or for any purpose other than that for which it was prepared.

The engagement partner on the engagement resulting in this independent assurance report is Sam Hinchliffe.

PricewaterhouseCoopers

Chartered Accountants
Sydney, Australia

28 August 2024