

**Rabobank Nederland**

Report Date: November 10, 2006  
 Previous Report: August 25, 2005

**RATING**

Rating	Trend	Rating Action	Debt Rated
AAA	Stable	Confirmed	Long-Term Deposits and Senior Debt
R-1 (high)	Stable	Confirmed	Short-Term Debt

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**RATING HISTORY**

	Current	2005	2004	2003	2002	2001
Long-Term Deposits and Senior Debt	AAA	AAA	AAA	AAA	AAA	AAA
Short-Term Debt	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)	R-1 (high)

**RATING RATIONALE**

The AAA long-term ratings of Rabobank Nederland (Rabobank) reflect its leading domestic position, its consistent and risk-averse strategy, very low risk profile and ample solvency. The ratings also reflect the financial strength of the entire Rabobank group, underpinned by the high cohesiveness and strong support mechanisms existing between the mutual group's central entity, its member banks and core subsidiaries (see detailed issuer profile). Consistent with Dominion Bond Rating Service's (DBRS) view of systemically important banks such as Rabobank, its ratings also take an incremental benefit from its pre-eminent role in the Dutch financial sector. In recent years, Rabobank has been striving to maintain its market leadership in Dutch retail banking by complementing its global franchise with selected acquisitions. In 2006, the group made the following targeted acquisitions both aimed at reinforcing its core franchise and fitting well in its business portfolio:

- Athlon, a leading independent car leasing company, which further enhanced Rabobank's De Lage Landen specialized finance activities;
- ABN AMRO Bouwfonds' real estate development and asset management activities, which Rabobank has recently acquired, with a view to bolster its mortgage distribution in new domestic housing developments.
- Finally, Community Bank of Central California and Mid-state Bank and Trust – acquired in January and November, respectively – two community banks serving rural counties of central California. Subsequently merged into Rabobank North America, they are contributing to expanding the group's footprint in California and strengthening its presence in U.S. agribusiness.

**RATING CONSIDERATIONS**

**Strengths**

- Long-term and low-risk approach strategy
- Dominant domestic position enhanced by Interpolis-Achmea combination
- Diversified and healthy business mix
- Solid asset quality underpinning low risk profile
- Stable profit indicators
- Strong capital ratios

**Challenges**

- Improving cost management in a highly competitive domestic market
- Generating expected synergies from recent acquisitions/combinations (Eureko, Athlon, Bouwfonds)
- Maintaining tight management control over expanded group activities

**FINANCIAL INFORMATION**

	30/06/2006*	31/12/2005	31/12/2004	31/12/2003	31/12/2002	31/12/2001
Total assets (EUR millions)	521,467	506,234	483,574	403,305	374,720	363,679
Equity (EUR millions)	24,694	24,257	21,127	21,375	20,447	17,713
Net Income (EUR millions)	1,056	1,788	1,609	1,403	1,250	1,206
Pre-provision earning capacity (risk-weighted basis)	1.58%	1.56%	1.61%	1.72%	1.71%	1.62%
Post-provision earning capacity (risk-weighted basis)	1.37%	1.28%	1.35%	1.39%	1.40%	1.30%
Efficiency ratio (operating expenses/operating income)	65.68%	65.83%	66.98%	67.58%	68.18%	70.73%
Impaired loans % gross loans	1.53%	1.57%	1.48%	1.71%	1.82%	1.87%
Tier 1 capital ratio	11.40%	11.60%	10.90%	10.80%	10.30%	9.90%

\* Interim information is annualised where needed.

**THE COMPANY**

Rabobank Nederland (Rabobank) is the largest domestic financial services provider in the Netherlands with assets of EUR 521 billion. It is a co-operative banking organization composed of 218 independent, local co-operative banks in the Netherlands; the central Rabobank organization; and a number of specialized subsidiaries that offer a broad array of financial services. Having its roots in retail banking and agriculture, Rabobank has grown into a diversified financial services group with interests in insurance through its 37% stake in Dutch leading insurer Eureko, specialized finance (De Lage Landen), asset management (Robeco) and real estate development and services. Rabobank's international footprint through branches and subsidiaries (e.g. the United States, Australia, Ireland, Poland) is correlated to group's global franchise in agri-business.

## RATING CHANGE DRIVERS

### Factors with Positive Rating Implications

- DBRS's Stable outlook on Rabobank's ratings is based on its expectation that the group should preserve its dominant retail banking position and low risk profile while maintaining its strategy of controlled expansion.

### Factors with Negative Rating Implications

- Material international diversification that would change the current business mix.
- Unexpected earnings volatility arising from the bank's international or diversification activities.
- Significant deterioration of asset quality ratios stemming from a prolonged downturn in Dutch residential housing is a potential scenario, though it appears remote given the historical stability and fundamentals of the Dutch real estate market.

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## RATING RATIONALE (Continued from page 1.)

Total consideration for these transactions is around EUR 2.6 billion, which is manageable relative to the size of the group and capital base.

On the other hand, Rabobank's presence in insurance has been bolstered by the combination in 2005 of its subsidiary Interpolis with Achmea, Eureko's core Dutch operations. The co-operation is progressing well and Rabobank's sale of insurance products has been strengthened notably in health insurance, while Eureko's improved earnings capacity has enhanced its contribution to group earnings.

### Intrinsic Credit Assessment (IA)

Rabobank's Intrinsic Assessment equivalent rating is positioned one notch below the group's AAA rating. The high ratings reflect the group's healthy business and financial profiles, low risk profile and conservative strategy that is aimed primarily at maintaining its dominant domestic position. At the same time, Rabobank's diversified business portfolio adds to its overall franchise, and the soundness of the individual businesses acquired over the years and integrated into the group's operations has not undermined the group's credit strength. In particular, the bank's expansion outside its home market has been aligned with the group's key strategic metrics, focusing on agri-business, a field where Rabobank holds worldwide leading positions, and community banking in rural areas, as well as extensions of the group's core businesses such as leasing. The bank's rating stability is based in part on the expectation that any addition to Rabobank's current business mix would fit well with its current profile and risk appetite. That said, Rabobank continues to derive an overriding proportion of its earnings from its core domestic market.

DBRS notes that Rabobank has not departed from its traditional risk aversion in managing its balance sheet and risks, despite its steady expansion and asset growth. Assets

remain heavily tilted towards domestic exposure, and residential housing loans. Other risks, notably interest rate risk, are also managed conservatively. Also, growth of the group's solvency base has kept pace with capital funding needs, thanks to issuance of member certificates and limited use of capital leverage through capital hybrids. The introduction of Basel II norms should further boost Rabobank's reported solvency ratios.

The rating strengths are somewhat mitigated by the difficulty of further improving the operating efficiency of domestic operations while intense competition continues to pressure margins. Longer term, the group's main challenge will be to continue to add to its franchise without departing from its conservative management style and maintaining high operational management diligence as the group extends the scope and/or international footprint of its activities. In particular, although Eureko has significantly reduced its risk profile and earnings volatility, Rabobank will need in future to maintain its risk-averse approach while leveraging the strategic and business opportunities of becoming a significant shareholder in a major European insurance group.

### Support Assessment (SA)

DBRS's credit rating for Rabobank refers to its systemic importance in the Netherlands, reflecting its leading position in the Dutch banking system and strong constituency in the population, buttressed by growing mutual membership. Because of its importance, Rabobank would be likely to receive some form of timely systemic support in case of need, a consideration which underpins an SA2 Support Assessment. That said, DBRS views the scenario of a financially healthy group like Rabobank needing any form of support as extremely unlikely for the foreseeable future.

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## LONG-TERM AND RISK AVERSE STRATEGY

### Maintaining a dominant position in its home market is Rabobank's core priority

With nine million clients, Rabobank is the Netherlands' leading retail bank, with dominant market shares in key products (39% in savings accounts, 24% in mortgages, 38% in SMEs and 83% in agriculture). The bank has gradually secured its leading position with additions to its product suite by making targeted acquisitions in insurance (Interpolis), asset management (Robeco) and specialised financial services (De Lage Landen). Successful integration has enhanced the group's franchise and further entrenched its position. Further reductions to the branch network, which remains key to its dense domestic coverage

despite falling from 1,954 in 1996 to 1,249 today, are no longer envisaged.

Although the Netherlands remains an over banked market, Rabobank sees growth opportunities in the following:

- Large Dutch cities; by improving Rabobank's branch coverage.
- The top segments in private and corporate markets, where it will vie with arch competitors ING Bank and ABN AMRO.
- Higher penetration in selected products, notably insurance, through its partnership with Achmea.

- Residential real estate project development, where the bank's position will be bolstered by the acquisition of Bouwfonds from ABN AMRO for EUR 845 million in late 2006. In this respect, Rabobank expects to capture its natural market share in the financing purchases of new housing by private customers.

#### **Growing membership also sustains franchise**

Since 2000, Rabobank has been engaged in a drive to increase client membership and numbers have more than tripled to around 1.6 million today. The rationale supporting increased membership is (1) strengthening member engagement at the local Rabobanks, (2) ensuring member control, and (3) maintaining the group's core co-operative ideal. Incidentally, the intensification of the personal bond between the group and its clients also intensifies client loyalty and increases the number of products held by clients, as well as expanding the bank's insight and penetration in local markets. In addition, the sale of membership certificates to mutual members have helped finance capital needs for internal and external growth.

#### **Rationalization has benefited cost efficiency**

Although still lagging some relevant European peers, the cost efficiency of Rabobank's retail activities has shown steady progress in recent years and the group should continue to take advantage of increased focus on cost management. In the past ten years, the number of local Rabobanks has been cut in half, with the aim of making local banks larger, with enhanced critical mass and the capacity to service the customer with more professionalism and lower reliance on support from Rabobank Nederland, the central organization of the group. The group is expected to bring the number of local banks to

around 200 in the coming years (from 218 at June-end 2006). Similarly, domestic staff numbers have been gradually reduced, thanks notably to local bank mergers, rationalization of operations services and increased use of electronic banking.

#### **Global leader in food and agri-business**

Rabobank has followed the following twofold, focused international expansion strategy that highlights its key competitive strength in agricultural and rural banking:

- (1) Leverage its food and agri-business expertise, which draws from its Dutch rural roots.
- (2) Invest in smaller foreign retail banks in developed or promising markets with strong positions in the primary sector and rural areas.

In the United States, the acquisitions of Community Bank of Central California and Mid-State bank & Trust in 2006, following an initial acquisition of Valley independent Bank in 2002, will create a network of 80-plus branches serving the farming districts of central California. This presence underpins Rabobank's position as one of the leading players in U.S. food and agri-business.

Rabobank's foreign banking activities have grown regularly but still constitute a small proportion of its total lending book, and, more globally, non-Dutch activities account for no more than 25% of total earnings. DBRS expects Rabobank to continue pursuing a prudent and calibrated approach in its international expansion, entailing low event or execution risk for the bank and its debt holders. That said, the growing international footprint of these activities will continue to require enhanced operational diligence from management to maintain a strict oversight.

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### **DOMINANT DOMESTIC POSITION ENHANCED BY INTERPOLIS-ACHMEA COMBINATION**

#### **Successful combination of Interpolis and Achmea**

In 2005, Rabobank's insurance subsidiary Interpolis was merged into Achmea, resulting in the creation of the largest insurance company in the Netherlands with a leading position both in health and Property & Casualty (P&C) insurance, and a strong number two position in life insurance, underpinned by solid multi-distribution (bank, direct, broker channel). Following the transaction, Rabobank holds 37.8% in Eureko, Achmea's holding company. Achmea distributes through a variety of brands but the Interpolis brand has been maintained for sales through Rabobank. Following a period of subdued growth associated with tax changes in the early 2000s, life and health insurance continue to have positive growth prospect in the Netherlands and remain key products in Rabobank's retail product suite. The combination has progressed as planned, yielding the expected cost and cross-selling benefits.

#### **Further involvement in Eureko is possible**

Eureko's key strategic objective is to consolidate and grow its Dutch insurance franchise, which makes up 95% of total premiums, therefore contributing to Rabobank's domestic leadership. The company also has investments in developing markets, notably in Poland's leading insurer PZU. Following a period of strategic uncertainty, changes in its management, poor profitability and stressed financial position, Eureko has restored good financial fundamentals, sold various assets, realigned its domestic activities, and cut costs. Asset risk, earnings and solvency volatility have been lowered by

diminishing the level of equity holdings, but the company remains exposed to a low interest rate environment, which could penalize life insurance earnings through the cost of relatively high guarantees. At the same time, similar to many of its European peers, Eureko is benefiting from a benign environment in P&C, characterized by low loss ratios.

#### **Rabobank to stick to risk-averse management style**

On the whole, DBRS views Eureko as a valuable investment for Rabobank, although it may marginally impair the bank's low earnings volatility. Therefore, as the co-operation between the two groups progresses, increased commitment in Eureko appears possible. On the other hand, although Eureko has significantly reduced its risk profile and earnings volatility, DBRS would expect Rabobank's management to continue to maintain its risk-averse approach in monitoring the performance of its affiliate, while pursuing the strategic benefits and business opportunities of becoming a significant shareholder in a major European insurance group.

The main uncertainty lies in the arbitration process between Eureko and the Polish state, which has concluded that Poland had illegitimately deprived Eureko of its rights to gain control of PZU. Eureko is seeking EUR 1.5 billion in damages, as well as finding a satisfactory compromise with the Polish state to resolve the situation.

## DIVERSIFIED AND HEALTHY BUSINESS MIX

Rabobank's diversified business portfolio adds to the overall franchise, and because of the soundness of the individual businesses acquired and integrated into operations over the years, the group's credit strength has not been undermined. The bank's credit strength is based in part on the expectation that any addition to Rabobank's current business mix would fit well with its current profile and risk appetite. Not only are all ancillary activities well aligned with Rabobank's risk profile, but their franchise is partly rooted into the bank's own. All business lines outside Dutch retail banking have positive earnings contribution, and combined, now contribute around 50% to total earnings.

- The group's asset management and private banking units manage around EUR 156 billion at June-end 2006. With main offices in Rotterdam and New York, Robeco aims at building a strong pan-European base and prominent operations in the United States, primarily through organic growth, leveraging commendable management performance in fixed income and equities. Expanding beyond Rabobank's core distribution reach which occurs

mainly through the local Rabobanks will nevertheless remain challenging, in face of strong global competitors.

- De Lage Landen (DLL), Rabobank's leasing subsidiary, is active in more than 25 countries in Europe and the Americas in financing selected business equipments (e.g. food and agriculture, healthcare, office and IT). The company takes advantage of strong partnership links with selected distributors. The acquisition of Athlon, a leading independent car leasing company should further enhance DLL's franchise in car fleet financing and management.
- Rabobank's acquisition of Bouwfonds' real estate development and asset management activities from ABN AMRO aims at bolstering mortgage distribution in new domestic housing developments. Given the more limited surface of the Netherlands, the scarcity of new building permits, and the fact that construction is conditional on a large proportion of houses being pre-sold, the risks associated with this activity are very low.

## STABLE PROFITABILITY INDICATORS

### Conservative financial objectives

Consistent with some of its European mutual peers, Rabobank aims at optimizing its earnings structure, rather than maximizing profits. In other words, the bank seeks to minimize earnings volatility, and gives priority to maintaining its dominant retail franchise, including through its pricing power. Being a mutual, the bank has less pressure to achieve high, short-term returns, but its management can devise long-term fruit bearing plans, and set conservative financial objectives consistent with its low risk profile and status. Rabobank's mutual status also gives it greater pricing flexibility to manage customer relationships over the long term.

### Financial performance broadly comparable to peers

Revenues and earnings have advanced steadily in recent years, albeit at a lower pace than those of banks having sizable wholesale banking and capital markets activities. All business lines have benefited from this healthy trend. Operating efficiency has also improved but remains somewhat below that of peers in the bank's Dutch retail division despite the gradual reorganization of its network, which we consider as a trade off

for maintaining an entrenched presence amongst retail customers.

Pre-provision profitability appears also to be somewhat below that of relevant peers. However, we point to the fact that this measure may currently understate Rabobank's true profitability under existing solvency rules. As Rabobank moves to Basel II requirements, we expect it to benefit from a significant lowering of its risk-weighted assets, as current Basel I fail to give a fair assessment of the very low risk content of Rabobank's assets, notably the bank's EUR 160 billion of residential mortgages. As an example, a 30% lowering of the bank's regulatory requirement would propel its pre-provision earning capacity to above 2.20%.

Although lending margins in the Netherlands are amongst the tightest in Europe, they are more comfortable, when adjusted for risks. That said, the low long-term interest rates and the ongoing flattening of the yield curve are minimizing the benefit of the bank's EUR 190 billion deposit base in terms of cost of funding.

Year-end 2005	RABOBANK	ING BANK	FORTIS BANK	DNB NOR	Groupe CREDIT	HBOS
Total assets (€m)	506,234	834,035	593,896	134,655	1,170,349	785,899
Shareholders' Equity (€m)	24,257	21,813	14,535	7,267	52,184	26,817
Net income (€m)	1,788	3,950	1,993	1,263	5,983	4,637
Net interest margin	1.42%	1.33%	0.98%	1.55%	1.49%	1.46%
Net interest margin (risk-weighted basis)	3.37%	3.46%	2.73%	2.34%	4.07%	3.11%
Pre-provision earning capacity (risk-weighted basis)	1.56%	1.55%	1.45%	1.91%	2.25%	2.60%
Post-provision earning capacity (risk-weighted basis)	1.28%	1.52%	1.30%	1.89%	1.95%	1.95%
Efficiency ratio (operating expenses / operating income)	65.83%	65.66%	69.02%	50.78%	61.56%	46.54%

### Challenge to further improve operating efficiency

Rabobank's cost income ratio has improved significantly, decreasing from more than 70% in 2000 to around 65% today. This achievement reflects the growing contribution of activities boasting lower cost structures, such as the bank's wholesale and international banking, and the effort to streamline the Dutch core operations. While the cost income ratios of most

business lines appear consistent with those of peers, further gains in domestic retail banking – where the cost income ratio still appears high at 69% – will become more difficult as intense domestic competition continues to pressure margins, and will probably involve more structural changes in the Dutch market

such as even more automation of operations, use of the Internet and the sale of value-added products through branches.

## **SOLID ASSET QUALITY UNDERPINS LOW RISK PROFILE**

### **Credit risk under control**

Historically, Rabobank's asset quality has been strong with most measures remaining favourably low and stable over the past several years, with the exception of higher-than-normal securities-related losses in 2002. DBRS expects loss rates to remain under control reflecting the group's business profile and general risk aversion.

Like most large banks in Europe and elsewhere, Rabobank experienced a marked decline in loss provisions in wholesale banking since 2002 as a result of the benign corporate credit environment, leading to an improvement in all asset quality metrics. While the more subdued domestic economy and a higher level of bankruptcies in 2004 entailed higher loss provisions in domestic retail banking, net credit losses have comfortably remained within Rabobank's long-term average losses target of 22 basis points (bps) per annum. This measure was 16 bps in the first half of 2006, but some deterioration is expected as the cycle evolves. With its large domestic market shares, the overall asset quality outlook is not immune from economic fluctuations.

### **Conservative underwriting**

The portfolio remains conservative with loans to individuals (almost entirely low-risk residential mortgages) comprising 53% of the portfolio. The portfolio mix has shifted significantly toward individual lending over the past five years, further enhancing Rabobank's asset quality. Agriculture (17% of the portfolio), has also historically been a low-risk asset class for the Group. The Netherlands has experienced rapidly rising housing prices, but unlike many Western economies, the boom has slowed dramatically over the past several years as a result of slow growth in the domestic economy. House price deflation appears highly unlikely in light of the tight supply of domestic housing, which provides a level of support to housing prices, while Rabobank's loan-to-value metrics have been consistently conservative (around 50% for the whole portfolio).

Lending to business has declined from 40% of the portfolio to 33% over the past six years. The portfolio remains well-diversified and with reasonable single name exposures. There is no exposure to hedge funds. We also note that net risk exposure to non-OECD countries is only 0.8% of the bank's total assets while 78% of loans to customers are domiciled in the Netherlands. Corporate loans are classified as non-performing and are kept on the books as such much earlier and much longer relative to many other jurisdictions, particularly North America. As a result of this accounting treatment, reported gross impaired loans appear higher than they would elsewhere.

### **Modest market risk exposure**

Trading and foreign exchange related earnings were 4% of total revenues in 2005, which highlights the bank's limited exposure to market risk. The reported value at risk (VaR – 97.5%, one day interval) was EUR 25 million at year-end 2005, and is small relative to both earnings and capital.

Comparatively, Rabobank's exposure to interest rate risk appears more significant, either directly, through the management of the bank's balance sheet, or indirectly, through its minority stake in Eureko. Rabobank monitors its interest rate risk by using sensitivity analysis, Equity at Risk (EaR) and Income at Risk (IaR) indicators. For 2005, the bank estimates that its EaR had never exceeded 7.5% when simulating a parallel rise of the yield curve by 100 bps, while the potential loss of interest income (on a 97.5% confidence interval) was EUR 250 million before tax. The magnitude of the bank's exposure seems hardly significant relative to its size. Although Eureko remains exposed to the cost of guarantees on its life insurance book of business, it has implemented a series of measures to reduce its market and interest rate risk sensitivity.

### **Liquidity risk**

Rabobank monitors its liquidity risk by ensuring that the ratio of its core assets relative to core liabilities never falls below a conservative 1.2. The bank also easily complies with liquidity requirements set forth by the Dutch central bank. Also, should unexpected market liquidity shortages occur, detailed contingency plans are available in which Rabobank would use its liquidity cushion in the form of government securities (around EUR 38 billion at year-end 2005). While Rabobank maintains a high domestic market share in the retail deposit market, the highly competitive local environment limits the attractiveness of this form of funding at the margin. The bank has therefore made increased use of market funding, to fund asset growth. Total debts on issue were EUR 136 billion at year-end 2005, both public issue and private placements. Around EUR 50 billion was in short-term instruments, but the liquidity risk is mitigated by various measures, as discussed above. Rabobank's signature in debt capital markets also remains among the strongest, ensuring unencumbered access at all times.

### **Mutual status does not handicap sound financial flexibility**

Rabobank's Tier 1 capital ratio of 11.4% is well above the Group's target of 10.0%. DBRS views this as strong given the low-risk business model. The Group generates an acceptable level of internal capital because it does not make dividend-like distributions to members. The fact that Rabobank cannot issue common equity to fund asset growth as a result of its co-operative ownership structure has therefore not handicapped its development.

The Group supplements internal capital generation by issuing membership certificates (EUR 5.8 billion on issue at year-end 2005). Membership certificates were sold to members starting in 2000 and currently account for 22% of Tier 1 capital. The certificates pay interest on a floating rate basis; interest is not payable in the event of a loss at Rabobank and the notes rank subordinate to the trust preferred securities. DBRS considers the certificates high quality capital with the same loss absorbing capacity as common equity. In addition, the bank has 8% capital leverage while most of the bank's peers are at 15% or above. While the amount of capital not represented by reserves has grown significantly over the past several years,

internal capital generation is expected to be sufficient going forward given a moderately positive earnings outlook and the expectation of slowing asset growth.

Finally, the introduction of the CRD is expected to significantly boost Rabobank's reported solvency. That said, the benefit will be gradually obtained and there remains some uncertainty relative to how the Dutch regulators will implement capital requirements under Pillar II.

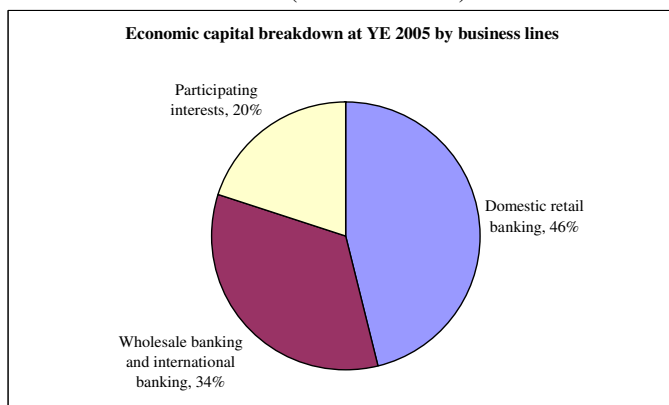
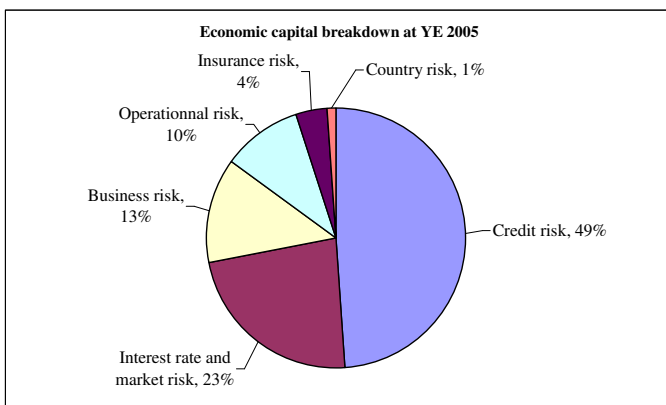
### Capital allocation highlights conservative capital management

Rabobank applies an internal economic capital model. The model aims at measuring the capital required to avoid default with a probability of 99.99%, consistent with maintaining the bank's AAA rating. Calculated economic capital at year-end 2005 was EUR 14.9 billion, somewhat higher than the

regulatory minimum (EUR 8.6 billion), but amply covered by the group's Tier I capital (EUR 24.9 billion).

The allocation of capital provides an informative insight in the bank's strategy and in management's gauging of the institution's risks. In particular, interest rate risk is the second largest contributor to economic capital needs, and it stems from both the group's exposure as its role as a financial intermediary with significant deposit base and long-term lending portfolios, and from the asset-liability risks arising in the life insurance books of Eureko. Unsurprisingly the largest risk, credit risk, contributes less than it does for some of the bank's peers, reflecting the high quality of Rabobank's assets.

In the business line analysis, wholesale and international banking claim one third share of economic capital while they account for around 25% of revenues and earnings. Capital allocated to participating interests represents mainly the bank's investment in Eureko (EUR 2.6 billion).



## EXTENDED COMPANY PROFILE

### Background information

Rabobank Nederland (an abbreviation from Coöperatieve Centrale Raiffeissen-Boerenleenbank B.A.) is the central entity of the cooperative Rabobank banking group. Rabobank Nederland results from the 1972 merger of two cooperative institutions, which were both created in 1898, Coöperatieve Centrale Raiffeissen based in Utrecht, Netherlands, and Coöperatieve Centrale Boerenleenbank based in Eindhoven, Netherlands. Rabobank's legal head office is in Amsterdam, but has its main head quarters in Utrecht. The group employed 50,988 staff at year-end 2005, including 7,428 abroad.

### Organization

The 218 local Rabobanks operate a domestic network of 1,229 branches and have 1.61 million members and around nine million clients. Outside the Netherlands, Rabobank is active in:

- Australia and New Zealand – Rabobank Australia
- Ireland – ACC Bank and direct banking
- United States – Rabobank North America and Community Bank of Central California
- Poland – 37 % minority interest in BGZ Bank, the leading agricultural bank
- Belgium – direct banking

### Mutual structure and support mechanisms

Rabobank comprises the local Rabobanks (Member Banks) in the Netherlands, the central cooperative Rabobank Nederland and various group subsidiaries and affiliated companies. Through their mutual financial association, the Member Banks and the central entity make up a single group. The Member Banks and the central entity are linked by an internal liability relationship. Enshrined into Dutch law, it stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution's funds in order to enable it to fulfill those obligations. Accordingly, The Rabobank Group is treated as a consolidated entity for the regulatory supervision of solvency, liquidity and other controls.

In addition, the group's cross guarantee mechanism also extends to a number of key operating subsidiaries including:

Rabohypotheekbank,  
 Raffaisenhypotheekbank,  
 De Lage Landen International BV  
 De Lage Landen Trade Finance BV  
 De Lage Landen Financiering BV  
 De Lage Landen Financial Services BV  
 Schretlen & Co

Rabobank International is a division of Rabobank Nederland. As Rabobank Nederland's international branches, its obligations also benefit from DBRS ratings. Other international subsidiaries of Rabobank (e.g. Ireland's ACC, Australia and New Zealand), as well as the group's real estate activities (Rabo Vastgoed – development; FHG Bank – financing) and Robeco are not encompassed in the group's solidarity mechanisms.

### Corporate governance

As Shareholders, the local Rabobanks influence and control Rabobank Nederland's management and strategy through their delegates at the General Meeting, where members of the

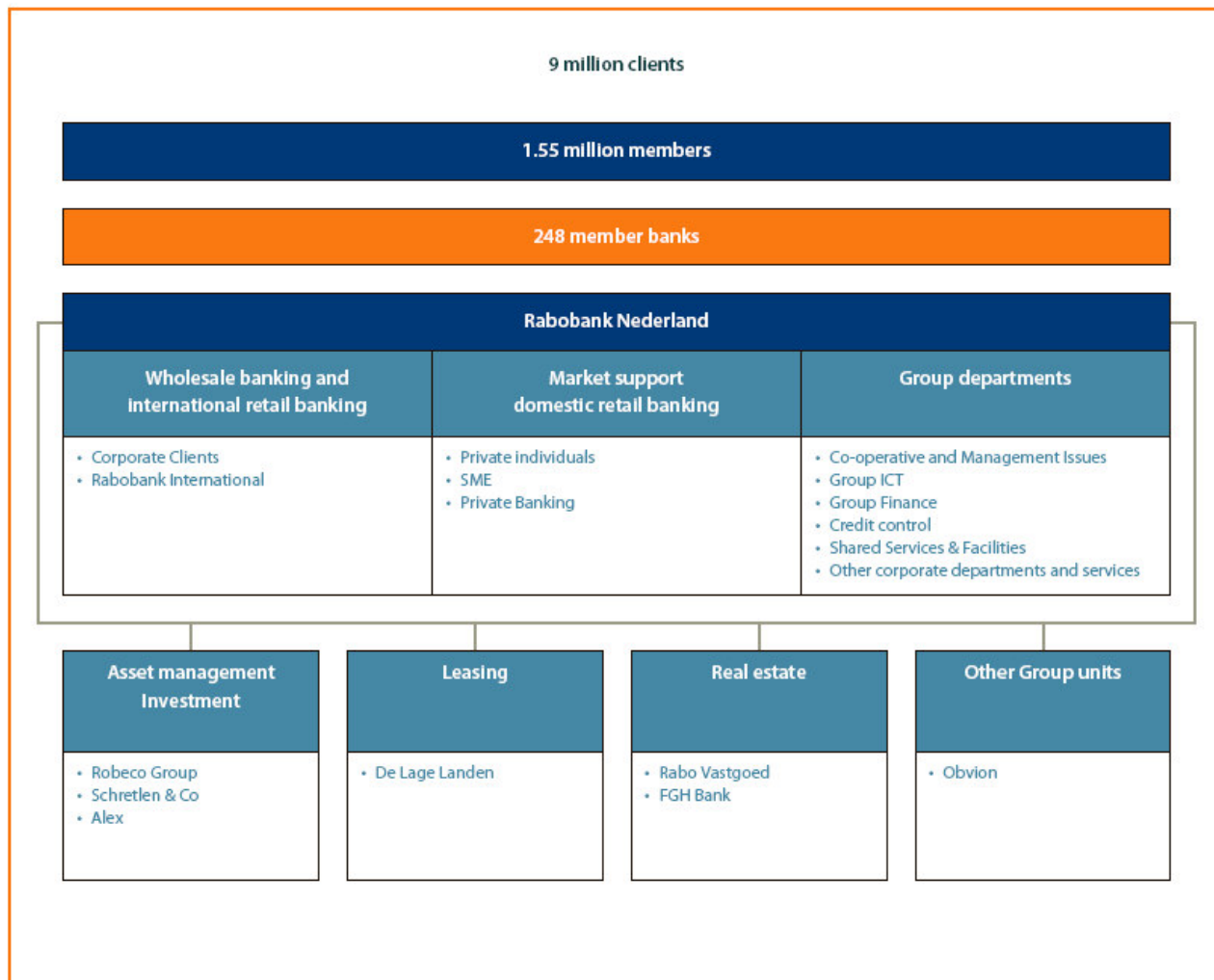
supervisory board are appointed. The supervisory board supervises the policy pursued by the Executive board and the general conduct of the group affairs, in terms of strategy and risk management.

Only banks that have a cooperative structure and whose articles of association have been approved by Rabobank Nederland are part of the mutual group. Individual members of local Rabobanks elect a local supervisory board which appoints local management.

### Historical milestones

- 1965** The Coöperatieve Centrale Boerenleenbank acquires the securities office Schretlen & Co in Amsterdam.
- 1969** The Agricultural Credit Insurance "Eindhoven," a subsidiary of the central bank in Eindhoven, and insurer Interpolis establish financing company De Lage Landen.
- 1972** Merger of the Centrale Coöperatieve Raiffeisen-Bank and the Coöperatieve Centrale Boerenleenbank.
- 1978** Property developer Rabo Vastgoed is founded.
- 1990** Rabobank and insurer Interpolis decide to merge.
- 1990** Rabobank enters into a strategic alliance with the Robeco Group, the largest asset manager in the Netherlands.
- 1996** Het Centrale Bankbedrijf, a division of Rabobank Nederland, continues its activities under the name Rabobank International and focuses specifically larger Dutch companies and on the international Food & Agribusiness.
- 1997** Rabobank acquires half of the shares of the Robeco Group, with the right eventually to expand its shareholding to 100%
- 2001** Robeco becomes a 100% subsidiary of the Rabobank Group.
- 2002** Obvion, a joint venture of the Rabobank Group and ABP (a leading pension fund) is established, with the goal of selling mortgages via intermediaries.
- 2003** Rabobank acquires internet broker Alex.
- 2003** Rabobank acquires FGH Bank, specialized in commercial real-estate financing.
- 2004** Rabobank signs a cooperation agreement with Eureko/Achmea. Rabobank receives a 5% share in the Eureko group.
- 2005** Announcement of the fusion of Interpolis and Eureko. Rabobank's shares in Eureko increase to 37%.
- 2006** February: Rabobank acquires Community Bank of Central California for USD 371 million (merged into Rabobank N.A.).  
March: De Lage Landen acquires Athlon Car Lease for EUR 580 million. July: Rabobank agrees to acquire Bouwfonds' real estate development and asset management activities from ABN AMRO. The real estate financing activities (BPF) will, with the exception of Rijnlandse Bank, not be acquired. The acquisition will require an investment of EUR 845 million.  
November: Rabobank acquires Mid-State Bank and Trust for USD 851 million (also merged into Rabobank N.A.).

	Retail banking	Wholesale banking	Asset management and investment	Leasing	Real estate	Other	Total
<b>2005</b>							
Interest	4,176	1,415	61	514	96	-	6,262
Fees and commissions	1,205	511	600	47	-	-	2,363
Other income	50	301	57	158	54	119	739
Revenues	5,431	2,227	718	719	150	119	9,364
Operating costs	3,735	1,277	468	392	41	241	6,154
Operating income	1,696	950	250	327	109	(122)	3,210
Provisions	(175)	(259)	-	(92)	(1)	-	(527)
Pre-tax income	1,521	691	250	235	108	(122)	2,683
Net income	1,024	573	174	178	78	56	2,083
Cost income ratio	68.8%	57.3%	65.2%	54.5%	27.3%	NA	65.7%
<b>2004</b>							
Interest	3,949	1,374	72	458	76	-	5,929
Fees and commissions	1,156	342	512	36	-	-	2,046
Other income	68	545	69	147	50	-	879
Revenues	5,173	2,261	653	641	126	-	8,854
Operating costs	3,754	1,357	466	363	32	-	5,972
Operating income	1,419	904	187	278	94	-	2,882
Provisions	(247)	(119)	(1)	(86)	-	-	(453)
Pre-tax income	1,172	785	186	192	94	-	2,429
Net income	757	555	138	154	64	-	1,668
Cost income ratio	72.6%	60.0%	71.4%	56.6%	25.4%	NA	67.4%
<b>2003</b>							
Interest	3,949	1,374	72	458	76	-	5,929
Fees and commissions	1,156	342	512	36	-	-	2,046
Other income	68	545	69	147	50	-	879
Revenues	5,173	2,261	653	641	126	-	8,854
Operating costs	3,754	1,357	466	363	32	-	5,972
Operating income	1,419	904	187	278	94	-	2,882
Provisions	(247)	(119)	(1)	(86)	-	-	(453)
Pre-tax income	1,172	785	186	192	94	-	2,429
Net income	757	555	138	154	64	-	1,668
Cost income ratio	72.6%	60.0%	71.4%	56.6%	25.4%	NA	67.4%

**Organization chart**


## Financial Information

<b>RABOBANK [Consolidated]</b>					
<b>In EUR million</b>		<b>30/06/2006 *</b>	<b>%</b>	<b>30/06/2005 *</b>	<b>%</b>
		<b>IFRS</b>		<b>IFRS</b>	
<b>Balance Sheet</b>					
Cash and deposits with central banks		1,974	0%	8,006	2%
Lending to/deposits with credit institutions		50,242	10%	43,646	9%
Financial securities		116,737	22%	119,496	23%
- Trading portfolio		44,217	8%	34,458	7%
- At fair value		22,466	4%	29,842	6%
- Available for sale		48,477	9%	53,031	10%
- Held-to-maturity		1,577	0%	2,165	0%
- Other		0	0%	0	0%
Financial derivatives instruments		21,300	4%	33,326	7%
- For hedging purposes		0	0%	0	0%
- Other		21,300	4%	33,326	7%
Gross lending to customers		317,417	61%	291,867	57%
- Loan loss provisions		-2,529	0%	-	-
Insurance assets		0	0%	0	0%
Investments in associates/subsidiaries		3,025	1%	761	0%
Fixed assets		3,866	1%	3,819	1%
Goodwill and other intangible assets		429	0%	260	0%
Other assets		9,006	2%	8,907	2%
<b>Total assets</b>		<b>521,467</b>	<b>100%</b>	<b>510,088</b>	<b>100%</b>
Total assets (USD)		654,394		615,319	
Loans and deposits from credit institutions		104,228	20%	94,569	19%
Deposits from customers		195,934	38%	173,747	34%
- Demand		0	0%	0	0%
- Time and savings		195,934	38%	173,747	34%
Issued debt securities		147,091	28%	137,402	27%
Financial derivatives instruments		24,901	5%	37,614	7%
- For hedging purposes		0	0%	0	0%
- Other		24,901	5%	37,614	7%
Insurance liabilities		11	0%	19,114	4%
Other liabilities		20,117	4%	20,785	4%
Subordinated debt		2,510	0%	3,296	1%
Hybrid Capital [1]		1,981	0%	2,075	0%
Shareholders' Equity		24,694	0	21,486	0
<b>Total liabilities and equity funds</b>		<b>521,467</b>	<b>100%</b>	<b>510,088</b>	<b>100%</b>
<b>Income Statement</b>					
Net interest income		2,886		2,784	
Interest expenses		-		-	
Net interest income and credit commissions		2,886	58%	2,784	60%
Net fees and commissions		1,157	23%	1,090	24%
Trading / FX Income		0	0%	0	0%
Net realised results on investment securities (available for sale)		0	0%	0	0%
Net results from other financial instruments at fair value		0	0%	0	0%
Net income from insurance operations		0	0%	157	3%
Results from associates/subsidiaries accounted by the equity method		0	0%	0	0%
Other operating income (incl. dividends)		911	18%	580	13%
<b>Total operating income</b>		<b>4,954</b>	<b>100%</b>	<b>4,611</b>	<b>100%</b>
Staff costs		-1,984	61%	-1,841	61%
Other operating costs		-1,103	34%	-1,002	33%
Depreciation/amortisation		-167	5%	-154	5%
<b>Total operating expenses</b>		<b>-3,254</b>	<b>100%</b>	<b>-2,997</b>	<b>100%</b>
<b>Pre-provision operating income</b>		<b>1,700</b>		<b>1,614</b>	
Loan loss provisions		-227		-249	
<b>Post-provision operating income</b>		<b>1,473</b>		<b>1,365</b>	
Impairment on (in)tangible assets		0		0	
Net gains/losses on (in)tangible assets		0		0	
Other non-operating items		0		0	
Pre-tax income		1,473		1,365	
Taxes		-272		-306	
Minority interest		-145		-133	
<b>Net income</b>		<b>1,056</b>		<b>926</b>	
Net income (USD)		1,325		1,117	
		<b>30/06/2006 *</b>		<b>30/06/2005 *</b>	
<b>Off-balance sheet and other items</b>					
Asset under management		228,100		217,100	
BIS Risk-weighted assets (RWA)		222,631		208,138	
No. of employees (end-period)		46,510		50,294	

**Earnings and Expenses**

<b>Earnings</b>		
Net interest margin [2]	1.23%	-
Pre-provision earning capacity (total assets basis) [3]	0.66%	-
Pre-provision earning capacity (risk-weighted basis) [4]	1.58%	-
Pre-provision earning capacity by employee (EUR)	73,103	64,183
Post-provision earning capacity (total assets basis)	0.57%	-
Post-provision earning capacity (risk-weighted basis)	1.37%	-
<b>Expenses</b>		
Efficiency ratio (operating expenses / operating income)	65.68%	65.00%
All inclusive costs to revenues [5]	65.68%	65.00%
Operating expenses by employee (EUR)	139,927	119,179
Loan loss provision / pre-provision operating income	13.35%	15.43%
Provision coverage by net interest income	1271.37%	1118.07%
<b>Profitability Returns</b>		
Pre-tax return on Tier 1 (excl. hybrids)	n/a	n/a
Return on equity	9.74%	10.03%
Return on average total assets	0.41%	-
Return on average risk-weighted assets	0.98%	-
Dividend payout ratio [6]	-	-
Internal capital generation [7]	4.91%	n/a

**Growth**

Loans	8.75%	n/a
Deposits	12.77%	n/a
Net interest income	3.66%	n/a
Fees and commissions	6.15%	n/a
Expenses	8.58%	n/a
Pre-provision earning capacity	5.33%	n/a
Loan-loss provisions	-8.84%	n/a
Net income	14.04%	n/a

**Risks**

RWA% total assets	42.69%	40.80%
<b>Credit Risks</b>		
Impaired loans % gross loans	1.53%	n/a
Loss loan provisions % impaired loans	52.00%	n/a
Impaired loans (net of LLPs) % pre-provision operating income [8]	68.65%	n/a
Impaired loans (net of LLPs) % equity	9.45%	n/a

**Capital [9]**

Tier 1	11.40%	10.90%
Total Capital	11.60%	11.30%

[1] Subordinated debt also includes hybrid capital as at June 30, 2005 and 2006

[2] (Net interest income + dividends)% average interest earning assets.

[3] Pre-provision operating income % average total assets.

[4] Pre-provision operating income % average total risk-weighted assets.

[5] (Operating & non-op. costs) % (op. & non-op. revenues)

[6] Paid dividend % net income.

[7] (Net income - dividends) % shareholders' equity at t-1.

[8] We take into account the stock of LLPs in this ratio.

[9] Capital ratios of Interim results exclude profits for the year

\* Interim information is annualised where needed.

RABOBANK [Consolidated]		12/31/2005		12/31/2004		12/31/2003		12/31/2002		12/31/2001	
In EUR million		IFRS	%	IFRS	%	NGAAP	%	NGAAP	%	NGAAP	%
<b>Balance Sheet</b>											
Cash and deposits with central banks		2,923	1%	7,269	2%	7,117	2%	3,807	1%	3,736	1%
Lending to/deposits with credit institutions		53,065	10%	41,050	8%	41,919	10%	47,229	13%	40,078	11%
Financial securities		107,011	21%	115,671	24%	84,445	21%	82,547	22%	96,547	27%
- Trading portfolio		39,011	8%	32,646	7%	0	0%	0	0%	0	0%
- At fair value		14,871	3%	32,498	7%	0	0%	0	0%	0	0%
- Available for sale		51,221	10%	48,320	10%	0	0%	0	0%	0	0%
- Held-to-maturity		1,908	0%	2,207	0%	0	0%	0	0%	0	0%
- Other		0	0%	0	0%	84,445	21%	82,547	22%	96,547	27%
Financial derivatives instruments		24,135	5%	32,035	7%	0	0%	0	0%	0	0%
- For hedging purposes		547	0%	834	0%	0	0%	0	0%	0	0%
- Other		23,588	5%	31,201	6%	0	0%	0	0%	0	0%
Gross lending to customers		306,808	61%	275,963	57%	252,731	63%	227,037	61%	210,367	58%
- Loan loss provisions		-2,357	0%	-2,017	0%	-1,934	0%	-1,785	0%	-1,753	0%
Insurance assets		0	0%	0	0%	0	0%	0	0%	0	0%
Investments in associates/subsidiaries		2,971	1%	714	0%	201	0%	184	0%	156	0%
Fixed assets		3,883	1%	4,491	1%	3,964	1%	3,870	1%	3,756	1%
Goodwill and other intangible assets		252	0%	204	0%	0	0%	0	0%	0	0%
Other assets		7,543	1%	8,194	2%	14,862	4%	11,831	3%	10,792	3%
<b>Total assets</b>		<b>506,234</b>	<b>100%</b>	<b>483,574</b>	<b>100%</b>	<b>403,305</b>	<b>100%</b>	<b>374,720</b>	<b>100%</b>	<b>363,679</b>	<b>100%</b>
Total assets (USD)		599,513		659,595		506,228		392,744		410,564	
Loans and deposits from credit institutions		109,988	22%	96,444	20%	82,856	21%	85,886	23%	80,014	22%
Deposits from customers		186,459	37%	177,482	37%	172,571	43%	171,632	46%	172,174	47%
- Demand		48,240	10%	43,376	9%	0	0%	0	0%	0	0%
- Time and savings		138,219	27%	134,106	28%	172,571	43%	171,632	46%	172,174	47%
Issued debt securities		115,992	23%	97,520	20%	80,695	20%	61,739	16%	58,514	16%
Financial derivatives instruments		28,081	6%	39,171	8%	0	0%	0	0%	0	0%
- For hedging purposes		4,310	1%	4,532	1%	0	0%	0	0%	0	0%
- Other		23,771	5%	34,639	7%	0	0%	0	0%	0	0%
Insurance liabilities		3	0%	17,882	4%	16,554	4%	15,435	4%	14,496	4%
Other liabilities		36,717	7%	29,942	6%	27,043	7%	18,820	5%	20,066	6%
Subordinated debt		1,162	0%	202	0%	174	0%	111	0%	52	0%
Hybrid Capital		3,575	1%	3,804	1%	2,037	1%	650	0%	650	0%
Shareholders' Equity		24,257	5%	21,127	4%	21,375	5%	20,447	5%	17,713	5%
<b>Total liabilities and equity funds</b>		<b>506,234</b>	<b>100%</b>	<b>483,574</b>	<b>100%</b>	<b>403,305</b>	<b>100%</b>	<b>374,720</b>	<b>100%</b>	<b>363,679</b>	<b>100%</b>
<b>Income Statement</b>											
Interest income		22,101		18,580		17,078		17,544		19,387	
Interest expenses		-15,694		-12,385		-11,119		-12,202		-14,383	
Net interest income and credit commissions		6,407	68%	6,195	67%	5,959	65%	5,342	62%	5,004	59%
Net fees and commissions		1,846	20%	1,511	16%	1,572	17%	1,515	18%	1,524	18%
Trading / FX Income		373	4%	333	4%	170	2%	285	3%	422	5%
Net realised results on investment securities (available for sale)		38	0%	27	0%	0	0%	0	0%	0	0%
Net results from other financial instruments at fair value		20	0%	-90	-1%	0	0%	0	0%	0	0%
Net income from insurance operations		724	8%	575	6%	954	10%	759	9%	810	10%
Results from associates/subsidiaries accounted by the equity method		226	2%	99	1%	0	0%	143	2%	34	0%
Other operating income (incl. dividends)		-271	-3%	572	6%	583	6%	520	6%	640	8%
<b>Total operating income</b>		<b>9,363</b>	<b>100%</b>	<b>9,222</b>	<b>100%</b>	<b>9,238</b>	<b>100%</b>	<b>8,564</b>	<b>100%</b>	<b>8,434</b>	<b>100%</b>
Staff costs		-3,880	63%	-3,683	60%	-3,770	60%	-3,682	63%	-3,565	60%
Other operating costs		-1,953	32%	-2,173	35%	-2,101	34%	-1,789	31%	-2,032	34%
Depreciation/amortisation		-331	5%	-321	5%	-372	6%	-368	6%	-368	6%
<b>Total operating expenses</b>		<b>-6,164</b>	<b>100%</b>	<b>-6,177</b>	<b>100%</b>	<b>-6,243</b>	<b>100%</b>	<b>-5,839</b>	<b>100%</b>	<b>-5,965</b>	<b>100%</b>
<b>Pre-provision operating income</b>		<b>3,199</b>		<b>3,045</b>		<b>2,995</b>		<b>2,725</b>		<b>2,469</b>	
Loan loss provisions		-575		-481		-575		-500		-480	
<b>Post-provision operating income</b>		<b>2,624</b>		<b>2,564</b>		<b>2,420</b>		<b>2,225</b>		<b>1,989</b>	
Impairment on (in) tangible assets		0		0		0		0		0	
Net gains/losses on (in) tangible assets		0		0		0		0		0	
Other non-operating items		58		2		-18		-252		-59	
Pre-tax income		2,682		2,566		2,402		1,973		1,930	
Taxes		-599		-773		-733		-514		-532	
Minority interest		-295		-184		-266		-209		-192	
<b>Net income</b>		<b>1,788</b>		<b>1,609</b>		<b>1,403</b>		<b>1,250</b>		<b>1,206</b>	
Net income (USD)		2,117		2,195		1,761		1,310		1,361	
<b>Off-balance sheet and other items</b>											
Asset under management		224,200		223,400		184,000		168,000		194,400	
Derivatives (notional amount)		2,073,428		2,181,834		1,970,027		1,699,650		2,212,747	
BIS Risk-weighted assets (RWA)		213,901		196,052		182,820		165,843		152,812	
No. of employees (end-period)		45,580		50,216		57,055		58,096		58,120	

<b>Earnings and Expenses</b>					
<b>Earnings</b>					
Net interest margin [1]	1.42%	1.53%	1.72%	1.59%	1.54%
Pre-provision earning capacity (total assets basis) [2]	0.66%	0.76%	0.80%	0.75%	0.68%
Pre-provision earning capacity (risk-weighted basis) [3]	1.56%	1.61%	1.72%	1.71%	1.62%
Pre-provision earning capacity by employee (EUR)	70,184	60,638	52,493	46,905	42,481
Post-provision earning capacity (total assets basis)	0.54%	0.64%	0.65%	0.61%	0.55%
Post-provision earning capacity (risk-weighted basis)	1.28%	1.35%	1.39%	1.40%	1.30%
<b>Expenses</b>					
Efficiency ratio (operating expenses / operating income)	65.83%	66.98%	67.58%	68.18%	70.73%
All inclusive costs to revenues [4]	65.21%	66.96%	67.77%	71.12%	71.43%
Operating expenses by employee (EUR)	135,235	123,009	109,421	100,506	102,632
Loan loss provision / pre-provision operating income	17.97%	15.80%	19.20%	18.35%	19.44%
Provision coverage by net interest income	1114.26%	1287.94%	1036.35%	1068.40%	1042.50%
<b>Profitability Returns</b>					
Pre-tax return on Tier 1 (excl. hybrids)	11.21%	13.53%	12.12%	10.66%	12.03%
Return on equity	8.41%	9.01%	9.21%	8.77%	9.74%
Return on average total assets	0.37%	0.40%	0.37%	0.34%	0.33%
Return on average risk-weighted assets	0.87%	0.85%	0.80%	0.78%	0.79%
Dividend payout ratio [5]	-	-	-	-	-
Internal capital generation [6]	8.46%	7.53%	6.86%	7.06%	n/a
<b>Growth</b>					
Loans	11.18%	9.19%	11.32%	7.92%	n/a
Deposits	5.06%	2.85%	0.55%	-0.31%	n/a
Net interest income	3.42%	3.96%	11.55%	6.75%	n/a
Fees and commissions	22.17%	-3.88%	3.76%	-0.59%	n/a
Expenses	-0.21%	-1.06%	6.92%	-2.11%	n/a
Pre-provision earning capacity	5.06%	1.67%	9.91%	10.37%	n/a
Loan-loss provisions	19.54%	-16.35%	15.00%	4.17%	n/a
Net income	11.12%	14.68%	12.24%	3.65%	n/a
<b>Risks</b>					
RWA% total assets	42.25%	40.54%	45.33%	44.26%	42.02%
<b>Credit Risks</b>					
Impaired loans % gross loans	1.57%	1.48%	1.71%	1.82%	1.87%
Loss loan provisions % impaired loans	48.96%	49.45%	44.80%	43.12%	44.61%
Impaired loans (net of LLPs) % pre-provision operating income [7]	76.81%	67.72%	79.57%	86.42%	88.17%
Impaired loans (net of LLPs) % equity	10.13%	9.76%	11.15%	11.52%	12.29%
<b>Market Risks</b>					
VaR % Tier 1	0.08%	0.08%	0.07%	0.08%	0.06%
VaR % daily pre provision income	50.73%	139.57%	37.89%	37.95%	26.68%
<b>Liquidity and Funding</b>					
Customer deposits % total funding	45.08%	47.76%	51.32%	53.74%	55.41%
Total wholesale funding % total funding [8]	54.92%	52.24%	48.68%	46.26%	44.59%
- Interbank % total funding	26.59%	25.95%	24.64%	26.89%	25.75%
- Debt securities % total funding	28.04%	26.24%	24.00%	19.33%	18.83%
- Subordinated debt % total funding	0.28%	0.05%	0.05%	0.03%	0.02%
Short-term wholesale funding % total wholesale funding	85.83%	79.44%	74.67%	77.24%	78.63%
Liquid assets % total assets	32.20%	33.91%	33.10%	35.65%	38.59%
Net wholesale funding reliance [9]	9.31%	-3.05%	-4.16%	-8.08%	-14.06%
Adjusted net wholesale funding reliance [10]	-55.85%	-66.43%	-36.19%	-45.40%	-57.01%
Customer deposits % gross loans	60.77%	64.31%	68.28%	75.60%	81.84%
<b>Capital [11]</b>					
Tier 1	11.60%	10.90%	10.80%	10.30%	9.90%
Tier 1 excl. Hybrids	9.95%	8.98%	9.64%	9.98%	9.45%
Total Capital	11.80%	10.80%	10.90%	10.50%	10.20%
Retained earnings % Total Equity	62.55%	63.75%	60.06%	57.92%	64.17%
Equity investments in associated companies/subsidiaries % total equity	13.97%	4.00%	1.32%	1.29%	1.26%
[1] (Net interest income + dividends)% average interest earning assets. [2] Pre-provision operating income % average total assets. [3] Pre-provision operating income % average total risk-weighted assets. [4] (Operating & non-op. costs) % (op. & non-op. revenues) [5] Paid dividend % net income. [6] (Net income - dividends) % shareholders' equity at t-1. [7] We take into account the stock of LLPs in this ratio. [8] Whole funding excludes corporate deposits. [9] (Short-term wholesale funding - liquid assets) % illiquid assets [10] (Short-term wholesale funding - liquid assets- loans maturing within 1 year) % illiquid assets [11] Capital ratios of Interim results exclude profits for the year					