



Rabobank

*Media Release
October 14, 2014*

Rabobank New Zealand announces expiry of parental guarantee

A parental guarantee on local deposits provided by the global Rabobank Group – which was put in place when Rabobank purchased Wrightson Farmers Finance Limited (now Rabobank New Zealand Limited) in 1998 – will not be renewed when it expires on May 1, 2015.

CEO of Rabobank New Zealand Ben Russell said the guarantee would not be renewed as it was no longer warranted by the local operations, which were now well-established, financially-robust businesses in their own right.

Rabobank New Zealand Limited has been the only major overseas-owned bank with a parental guarantee in New Zealand.

“The parental guarantee, which the Rabobank Group has provided to deposit customers of our New Zealand RaboDirect and Rabobank businesses, was put in place as an initial measure while the local operations were established. Since then, Rabobank New Zealand has grown to become one of New Zealand’s largest lenders to the food and agribusiness sector and, through RaboDirect, a leading specialist online savings bank,” he said.

“Our size and strength in this country means we have effectively outgrown the need for a parental guarantee.”

Mr Russell said he was pleased to note Standard & Poor’s had confirmed Rabobank New Zealand Limited’s credit rating remained at AA- at this time, with the indication it would move to A+ following the expiry of the guarantee.

“Rabobank New Zealand is a strategically important part of Rabobank’s international business, which is focused on lending to the agribusiness sector and retail deposits,” he said.

Rabobank New Zealand Limited posted a net profit after tax of NZ\$81 million in 2013, with equity of NZ\$1.1 billion as at December 31, 2013. The total capital ratio for Rabobank New Zealand Limited, at June 30 2014, was 13.42 per cent.

Mr Russell said the Rabobank parental guarantee would remain in place on existing deposit funds and loan credit balances that are with the bank before the expiry date.

“All funds in deposits or loan credit balances held with Rabobank New Zealand, including RaboDirect, prior to May 1, 2015 will continue to carry the parental



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guarantee until customers withdraw these funds from us, or they are transferred to an account with us in a different customer name,” he said.

Rabobank New Zealand is part of Rabobank Group, ranked in the Top 5 Safest commercial banks in the world, according to Global Finance magazine, 2014. The Group has equity of EUR 40 billion and a Tier 1 capital ratio of 14.9 per cent, as at June 30, 2014.

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Rabobank New Zealand is a part of the international Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 110 years' experience providing customised banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 42 countries, servicing the needs of approximately 10 million clients worldwide through a network of more than 1600 offices and branches. Rabobank New Zealand is one of New Zealand's leading rural lenders and a significant provider of business and corporate banking and financial services to country's food and agribusiness sector. The bank has 32 branches throughout New Zealand.

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