



Rabobank

Pillar 3 – Capital Adequacy and Risk Disclosures Quarterly Update

Rabobank Australia Limited
ABN 50 001 621 129 AFSL 234 700

www.rabobank.com.au

Quarterly Update as at 30 September 2015

Introduction

Rabobank Australia Limited (“the Bank”) is an Authorised Deposit-taking Institution (“ADI”) subject to regulation by the Australian Prudential Regulation Authority (“APRA”) under the authority of the Banking Act 1959.

In accordance with the Australian Prudential Standard 330 (“APS 330”), financial institutions are required to disclose prudential information. A subset of this information is disclosed quarterly.

Verification of the Disclosure

This Pillar 3 Disclosure (“the Disclosure”) document is unaudited. However, it has been verified in accordance with the Board approved Prudential Disclosure policy.

Scope of Application

The Bank is a Level 1 entity for regulatory (“APRA”) reporting purposes. The Bank is a solo entity, therefore does not have any subsidiaries, Level 2 entities.

Level 1	Standalone basis (“Solo”)
Level 2	The consolidation of the Bank and all its subsidiary entities other than non-consolidated subsidiaries (“Consolidated”)

Context

The Bank currently remains on the Standardised Approach for Credit, Market and Operational risk for APRA regulatory reporting.

Nature of Business

The Bank continues to focus on the provision of flexible, competitively priced, secured loans to the rural sector in Australia. The Bank continues to provide internet banking services to retail clients through its RaboDirect division.

There were no significant changes in the state of affairs of the Bank during the financial year.

Attachment C

Table 3: Capital Adequacy (Risk Weighted Equivalent)		
	30 September 2015	30 June 2015
Credit Risk Subject to Standardised approach	AUD mln	AUD mln
Corporate*	14,173.3	14,494.5
Government	–	–
Bank	71.1	114.9
Residential mortgage	72.7	77.6
Other retail	–	–
Other	–	–
Total capital requirement subject to standardised approach	14,317.1	14,687.0
Credit risk capital requirement relating to securitisation exposures	–	–
Market risk minimum capital requirement	4.3	4.0
Operational risk minimum capital requirement	989.9	989.9
Total RWA and capital requirement	15,311.3	15,680.9
Capital ratios (%)		
Common Equity Tier 1 capital Ratio	11.27%	10.86%
Tier 1 Capital Ratio	11.27%	10.86%
Total Capital Ratio	12.99%	12.54%

* Note: Corporate includes corporate and private sector counterparties.

Attachment C

Table 4: Credit risk				
Exposure Type	30 September 2015		30 June 2015	
	Gross credit exposure	Average gross credit exposure	Gross credit exposure	Average gross credit exposure
	AUD mln	AUD mln	AUD mln	AUD mln
Cash and liquid assets	343.8	456.4	569.0	737.8
Trading securities	–	–	–	–
Investment securities	1,729.2	1,725.4	1,721.6	1,689.4
Due from other financial institutions	340.9	285.6	230.3	201.2
Loans and advances	14,166.8	14,310.3	14,453.7	13,931.3
Acceptances	–	–	–	–
Derivatives*	30.3	26.7	23.1	24.3
Contingent liabilities, commitments, and other off-balance sheet exposures*	77.7	73.0	68.2	69.0
Other assets	–	–	–	–
Total exposures	16,688.7	16,877.4	17,065.9	16,653.0

Portfolios subject to standardised approach	Gross credit exposure	Average gross credit exposure	Gross credit exposure	Average gross credit exposure
	AUD mln	AUD mln	AUD mln	AUD mln
Corporate**	14,083.7	14,215.5	14,347.2	13,825.5
Government	1,760.2	1,752.8	1,745.3	1,705.8
Bank	667.5	726.0	784.5	931.7
Residential Mortgage	177.3	183.1	188.9	189.9
Other retail	–	–	–	–
Other	–	–	–	–
Total exposures	16,688.7	16,877.4	17,065.9	16,653.0

* Note: Derivatives and off-balance sheet exposures represent the credit equivalent amount of the Bank's off-balance sheet exposures calculated in accordance with APS112.

** Note: Corporate includes corporate and private sector counterparties

Attachment C

Table 4: Credit risk (continued)

Portfolios subject to Standardised approach as at 30 September 2015	Impaired loans AUD mln	Past due loans ≥ 90 days** AUD mln	Specific provision balance AUD mln	Charges for specific provision AUD mln	Write-offs AUD mln
Corporate*	220.5	320.7	89.9	17.3	4.9
Government	–	–	–	–	–
Bank	–	–	–	–	–
Residential Mortgage	–	–	–	–	–
Other retail	–	–	–	–	–
Other	–	–	–	–	–
Total	220.5	320.7	89.9	17.3	4.9

Portfolios subject to Standardised approach as at 30 June 2015	Impaired loans AUD mln	Past due loans ≥ 90 days** AUD mln	Specific provision balance AUD mln	Charges for specific provision AUD mln	Write-offs AUD mln
Corporate*	232.3	385.4	77.5	0.7	1.3
Government	–	–	–	–	–
Bank	–	–	–	–	–
Residential Mortgage	–	–	–	–	–
Other retail	–	–	–	–	–
Other	–	–	–	–	–
Total	232.3	385.4	77.5	0.7	1.3

Balance	30 September 2015 AUD mln	30 June 2015 AUD mln
General reserve for credit losses	102.7	102.7

* Note: Corporate includes corporate and private sector counterparties.

** Note: Past due loans ≥ 90 days includes impaired loans.

Attachment C

Table 5: Securitisation Exposures

No securitisation or resecuritisation activity was undertaken during the September 2015 or June 2015 quarters.

Securitisation Exposure – Underlying asset type	30 September 2015		30 June 2015	
	Total Exposures Securitized	Recognised Gain or (Loss) on sale	Total Exposures Securitized	Recognised Gain or (Loss) on sale
	AUD mln	AUD mln	AUD mln	AUD mln
Housing Loans	–	–	–	–
Commercial Loans	–	–	–	–
Credit Cards and other Personal Loans	–	–	–	–
Auto and Equipment Finance	–	–	–	–
Other	–	–	–	–
Total	–	–	–	–

Securitisation Exposure – Securitisation facility type	30 September 2015			30 June 2015		
	On-Balance Sheet Securitisation Retained	On-Balance Sheet Securitisation Purchased	Off-Balance Sheet Securitisation Exposure	On-Balance Sheet Securitisation Retained	On-Balance Sheet Securitisation Purchased	Off-Balance Sheet Securitisation Exposure
	AUD mln	AUD mln	AUD mln	AUD mln	AUD mln	AUD mln
Securities	–	–	–	–	–	–
Liquidity support facilities	–	–	–	–	–	–
Funding facilities	–	–	–	–	–	–
Warehouse facilities	–	–	–	–	–	–
Lending facilities	–	–	–	–	–	–
Other commitments and credit enhancements	–	–	–	–	–	–
Derivative transactions	–	–	–	–	–	–
Underwriting facilities	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total	–	–	–	–	–	–

