

## ***Rabobank New Zealand Group 2023 results***

Agribusiness banking specialist Rabobank continued to build its rural lending portfolio in the year to December 31, 2023, reporting net lending growth of \$531 million for its New Zealand Banking Group.

Rabobank New Zealand CEO Todd Charteris said the bank's continued portfolio growth during 2023 highlighted Rabobank's commitment to New Zealand's food and agribusiness sector and reflected its ambition within the New Zealand market.

"Rabobank's strategy is to become New Zealand's leading food and agri bank and our intention is to continue growing our New Zealand business by supporting our existing clients and by exploring new lending opportunities with other leading New Zealand agribusinesses," he said.

"2023 was certainly a difficult one for many of our clients as they grappled with lower commodity prices and higher farm input costs, however, we take a long-term view of supporting our clients and we remain positive about the prospects for farming businesses and the sector as a whole in the years ahead."

Mr Charteris said the bank's food and agri lending book grew to \$16.6 billion in 2023, up by around 3.3 per cent on the prior year.

"Our agricultural lending portfolio (inside the farm gate) increased by \$454 million last year and, combined with solid growth in our corporate post-farm gate portfolio, resulted in net lending growth of \$531 million to the New Zealand food & agri sector," he said.

Mr Charteris said this portfolio growth helped to lift 2023 net profit after tax (NPAT) to \$218.46 million, up by \$25.1 million on the prior year.

"As with previous years, all of Rabobank New Zealand's profits are retained in New Zealand and are used to help fund food and agribusiness operators. This is a key part of our strategy as it allows plenty of room for continued growth as well as helping us to meet future increases to capital requirements," he said.

Mr Charteris said the increased NPAT was achieved despite higher operating expenses, which lifted by 11 per cent to \$203.71 million.

"Inflationary pressure was one of the contributing factors to this rise, as was continued investment in our processes and systems to better protect our customers from fraud and banking scams," he said.

"We also expanded our sustainability team in 2023 – including the appointment of a Chief Sustainability Officer – as part of our ongoing work to support our clients to develop and implement solutions that best meet their unique needs."

The bank's deposit portfolio lifted by 14.6 per cent to \$6.57 billion, Mr Charteris said, as awareness of Rabobank's Online Saving offering continued to grow.

"Interest rates for Rabobank Online Saving deposits were at, or near, the top of the market for much of 2023 resulting in a strong increase in our deposit portfolio that helped further lift the percentage of overall bank funding sourced from local deposits," he said.

Mr Charteris said the bank continued to work closely with its four regionally-based client councils to tackle agricultural industry challenges.

"With help from the Rabo Community Fund – a fund set up by the bank in 2021 to support rural communities and funded from bank net profit – our councils have been able to ramp up their activity and support more initiatives aligned to their six key themes - long-term industry capacity, environmental sustainability, the rural/urban divide, rural health, adaptation/disruption and natural disaster resilience," he said.

"In 2023 we were able to support more than 30 community initiatives across New Zealand, including food education charity [Garden to Table](#) and [Meat the Need](#) – a charity set up to connect the dots between farmers who want to donate some of what they produce and families in need."

Another highlight for 2023, Mr Charteris said, was the bank's direct investment into AgriZeroNZ – a partnership between the New Zealand government and major agribusiness companies to accelerate research into the reduction of biogenic methane from New Zealand's pasture-based production system.

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***Rabobank New Zealand is a part of the global Rabobank Group, the world's leading specialist in food and agribusiness banking. Rabobank has more than 125 years' experience providing customized banking and finance solutions to businesses involved in all aspects of food and agribusiness. Rabobank is structured as a cooperative and operates in 38 countries, servicing the needs of about 8.6 million clients worldwide through a network of close to 1000 offices and branches. Rabobank New Zealand is one of the country's leading agricultural lenders and a significant provider of business and corporate banking and financial services to the New Zealand food and agribusiness sector. The bank has 27 offices throughout New Zealand.***

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