



Rabobank

**Media Release
February 18, 2014**

Rabobank announcement on drought support

Agribusiness specialist Rabobank has moved to reassure clients impacted by severe drought conditions in Queensland and New South Wales that it will work to support them through current difficulties.

Rabobank Australia acting CEO Peter Knoblanche said while the bank's clients in drought-impacted areas were "overall managing extremely well in some very challenging circumstances", Rabobank would work alongside affected farmers and agribusiness operators to mitigate the impact of the drought and ensure clients were well-positioned to re-build production and their financial positions when seasonal conditions improved.

"As a global specialist in agriculture, we take a long-term view and understand that climatic extremes, like the current drought conditions and other acts of nature, are part of the business of being in farming," Mr Knoblanche said.

"Droughts affect not just Australia, but a great many countries around the world. We are very used to dealing with clients in drought conditions in many parts of the globe and we recognise that, as devastating as they can be, droughts and other acts of nature are a fact of life in agriculture.

"It is our standard practice to stand by our clients wherever we can in these times of adversity, when circumstances are outside their control, and help them deal with these problems."

In terms of the current prolonged drought conditions impacting parts of Queensland and New South Wales, Mr Knoblanche said, the bank would work with any impacted clients on an individual basis as it had in previous droughts and other major weather events.

Assistance measures which could be provided included 'carry on' finance to keep viable operations running and the waiving of break costs on early redemption of Farm Management Deposits, to allow access to needed funds. Other support, in applicable circumstances, included deferral of scheduled loan payments, waiving of fees on loan increases necessary for rebuilding operations and waiving of fees for equipment finance variations.

Mr Knoblanche said Rabobank's rural loans were also specifically designed for farmers and offered financial flexibility to help manage through times of difficulty. "They are flexible interest-only facilities, which enable clients to opt to pay principle reductions when they choose. This is of particular benefit in times of reduced cash flow due to adverse circumstances such as drought," he said.

Mr Knoblanche said despite the challenges of the current drought conditions in parts of the country, the good news was the Australian agricultural sector was fundamentally very sound, with a strong, positive outlook for the future.



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Mr Knoblanche said any clients struggling with the impacts of drought should contact their local rural manager or branch or phone Rabobank on 1800 025 484.

The world's leading food and agribusiness bank, Rabobank is one of the largest bankers to rural Australia and a major provider of corporate banking services to the country's food and agribusiness sector.

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Rabobank Australia & 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 more than nine million clients worldwide through a network of more than 1600 offices and branches. Rabobank Australia & New Zealand is one of Australasia's leading rural lenders and a significant provider of business and corporate banking and financial services to the region's food and agribusiness sector. The bank has 93 branches throughout Australia and New Zealand.

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