



Interim results 2010 - Rabobank Group

Press conference
25 August 2010

Financial developments

Financial results Rabobank Group

- Net profit EUR 1.7 billion; +26%
- Tier 1 ratio 14.9%; +1.1 percentage points
- Return on equity 10.3%
- Efficiency ratio 60.4%
- Bad debt costs 27 basis points; -/-28 basis points

Financial position

- Loan portfolio EUR 435 billion; +5%
- Amounts due to customers EUR 298 billion; +4%
- Equity EUR 40 billion; +6%

Market developments in H1 2010

Market shares in the Netherlands

- Mortgages 31%
- Savings 39%
- SMEs 41%

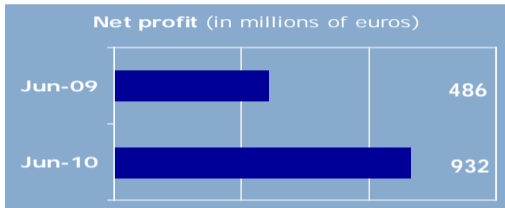
Cooperative banks resilient and stable

CSR in core activities, services and own operations

Staff

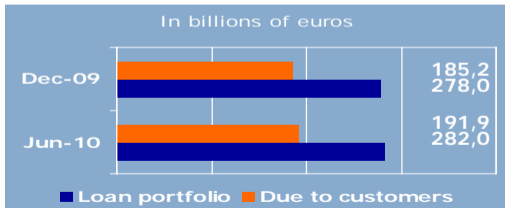
- FTEs
 - 58,400 FTEs; -/-2%
 - 68% in the Netherlands, 32% elsewhere
- Best employer and employer of choice
- New CBA negotiated

Domestic retail banking



Net profit at EUR 932 million

- Higher volumes, better margins and lower costs
- Drop in bad debt costs



Loan portfolio

up 1% to EUR 282.0 billion

Amounts due to customers

up 4% to EUR 191.9 billion

Savings

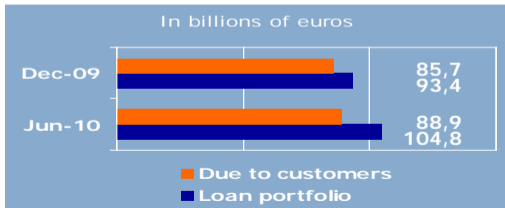
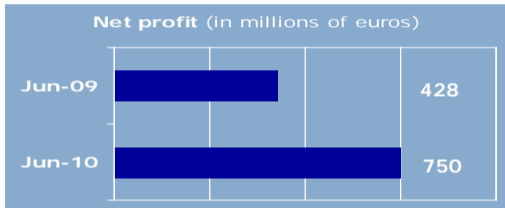
up 3% to EUR 111.9 billion

Developments in lending at domestic retail banking

In billions of euros	Jun-10	Dec-09	Jun-09	AGR
Private individuals	192.9	190.0	187.9	+5.0
TIS	60.2	58.8	58.4	+1.8
Food and agri	28.8	29.2	28.4	+0.4
Total	<u>282.0</u>	<u>278.0</u>	<u>274.7</u>	<u>+7.3</u>

- Growth level lower than in H1 2009, but higher than in H2 2009
- Growth in all three sectors over the past twelve months

Wholesale banking and international retail banking



Net profit at EUR 750 million

- Increase in fee income
- Gain on sale of equity stake in Yes Bank
- Drop in bad debt costs

Loan portfolio

up 12% to EUR 104.8 billion

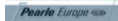
Amounts due to customers

up 4% to EUR 88.9 billion

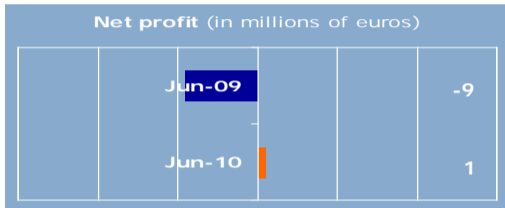
Performance in wholesale market

Stronger position in wholesale market

Wholesale transactions in 2010 included deals with:

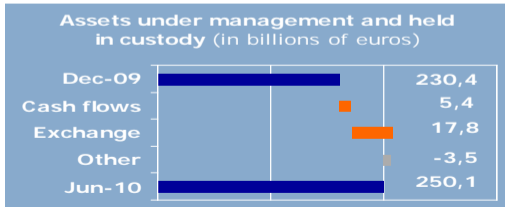


Asset management and investment



Net profit at EUR 1 million

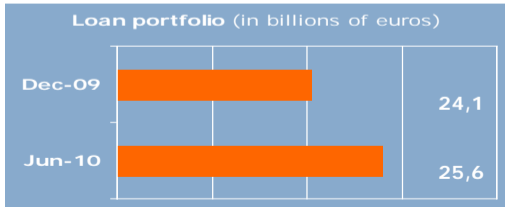
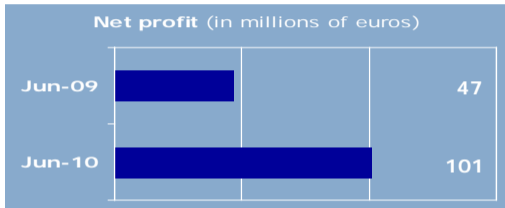
- Increase in asset management fees
- Lower trading income at Sarasin
- Cost reductions



Assets under management and held in custody up 9% to EUR 250.1 billion

- Cash flows at EUR 5.4 billion
- Exchange result at EUR 17.8 billion
- Negative investments results at EUR 3.1 billion

Leasing



Net profit at EUR 101 million

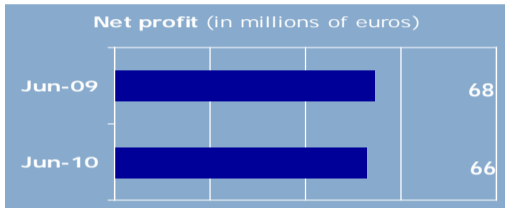
- Better margins on new contracts
- Improvement in second-hand car market
- Drop in bad debt costs

Loan portfolio

up 6% to EUR 25.6 billion

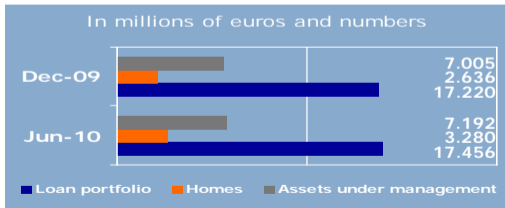
- Growth mainly due to rise in US dollar
- Food and agri up 15%

Real estate



Net profit at EUR 66 million

- Higher margins and lower costs
- Increase in bad debt costs, but relatively low at 23 basis points



Loan portfolio

up 1% to EUR 17.5 billion

Number of homes sold

up 24% to 3,280

Assets under management

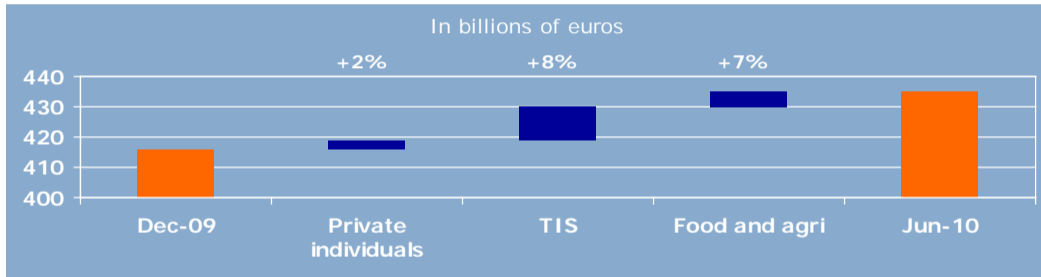
up 3% to EUR 7.2 billion

Statement of financial position of Rabobank Group



In billions of euros	Jun-10	Dec-09		Jun-10	Dec-09
Cash and cash equivalents	9.4	16.6	Due to customers	297.8	286.3
Loans to customers	454.8	433.9	Debt securities in issue	192.4	171.8
Financial assets	83.7	55.7	Due to other banks	27.6	22.4
Due from other banks	34.1	35.6	Derivative financial instruments and other trade liabilities	72.4	48.8
Derivative financial instruments	63.6	39.1	Other liabilities	45.1	40.3
Other assets	30.3	26.9	Equity	40.5	38.1
Total assets	675.8	607.7	Total equity and liabilities	675.8	607.7

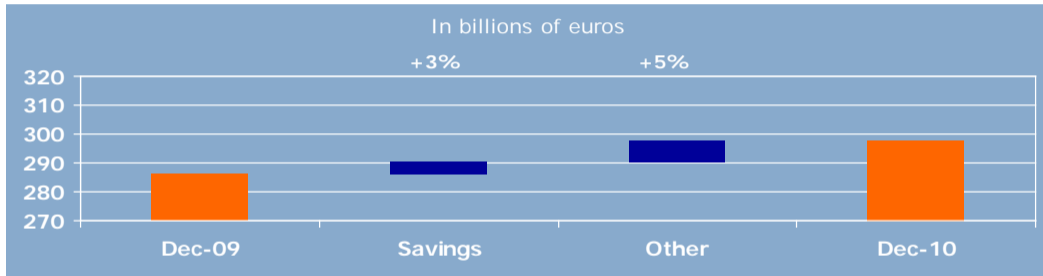
Loan portfolio



Loan portfolio up 5% to EUR 435.1 billion

- Growth in lending at local Rabobanks lower than in H1 2009
- Growth in lending at Rabobank International and De Lage Landen mostly due to currency effects

Amounts due to customers



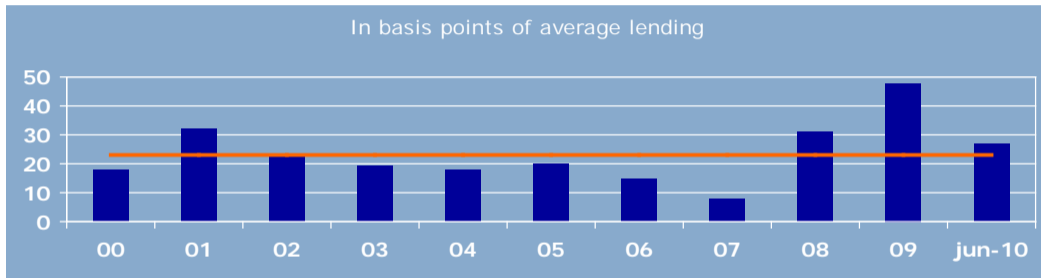
Amounts due to customers up 4% to EUR 297.8 billion

- Savings deposits up 3% to EUR 125.5 billion
- Inflow of savings deposits at local Rabobanks
- Savings deposits at foreign online banks up 16% to EUR 8.4 billion

Statement of income of Rabobank Group

Amounts in millions of euros	Jun-10	Jun-09	
Interest	4,332	3,885	
Fees and commission	1,413	1,216	
Other results	723	1,321	
Income	6,468	6,422	+1%
Operating expenses	3,906	3,860	
Value adjustments	569	1,119	
Taxation	332	127	
Net profit	1,661	1,316	+26%

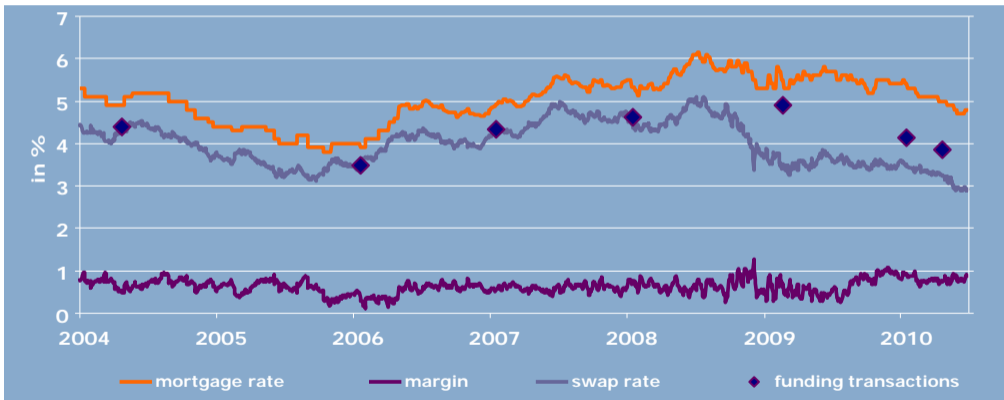
Bad debt costs



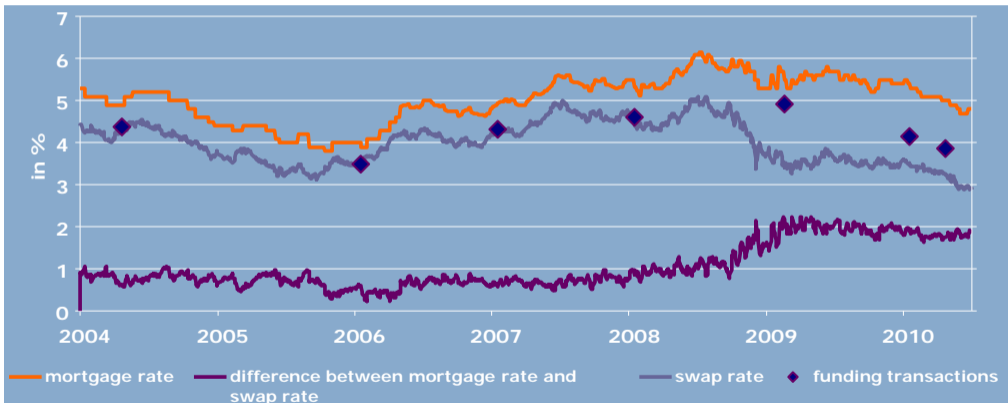
Bad debt costs at 27 basis points

- 50% decrease compared to H1 2009
- Recovery most prominent at local Rabobanks and Rabobank International

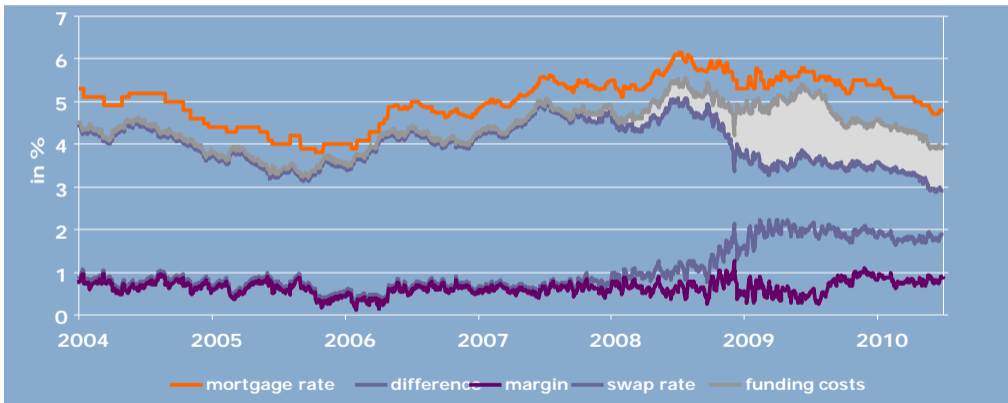
Mortgage rate and funding costs (I)



Mortgage rate and funding costs (II)



Mortgage rate and funding costs (III)



Financial ratios

In %	Jun-10	09	Jun-09	Target
Tier 1 ratio	14.9	13.8	13.0	12.5
Net profit growth	26	-17	-18	10
Return on equity	10.3	7.5	8.7	8.0

Slowdown in global growth

Economic growth continuing, but at a slower pace

- Slowdown in growth in Asia and the US
- Accelerated growth in the UK and the eurozone
- Large differences within the eurozone
 - northern exporting countries taking the lead
 - southern countries lagging behind

Expected slowdown in eurozone

- Positive effect of stockpiling a temporary factor
- Increase in exports levelling off due to lower growth of world economy
- Government policies offering fewer incentives or proposing cuts
- Growth in consumption dependent on surplus countries:
 - enough resources to increase spending ... but uncertainty and prospect of budget cuts in these countries as well

Outlook for the Dutch economy in H2 2010 and 2011



- Dutch economy on its way to recovery, but economic growth will level off
- Temporary factors will wane and growth in world trade will fall
- Consumption and investments will see limited increases
- Better situation on the labour market, but no clear direction for the future
- Inflation rate will stay at a moderate level
- Housing market still under pressure

Outlook for Rabobank Group in H2 2010

- Client activity level will increase modestly
- Growth in lending will be limited
- Bad debt costs will be lower than in 2009
- Capital position will see further improvements
- Liquidity position will stay strong
- Good performance for H1 offers comfort for the remainder of the year



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