Annual results

Wiebe Draijer, chairman of the executive board
Annual results - financial analysis

*Bas Brouwers, CFO*
Net profit
20% increase in profits

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2014</th>
<th>Movement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net interest income</td>
<td>9,139</td>
<td>9,118</td>
<td>0%</td>
</tr>
<tr>
<td>Other income</td>
<td>3,875</td>
<td>3,771</td>
<td>3%</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>13,014</strong></td>
<td><strong>12,889</strong></td>
<td><strong>1%</strong></td>
</tr>
<tr>
<td>Operating expenses</td>
<td>8,145</td>
<td>8,055</td>
<td>1%</td>
</tr>
<tr>
<td><strong>Gross result</strong></td>
<td><strong>4,869</strong></td>
<td><strong>4,834</strong></td>
<td><strong>1%</strong></td>
</tr>
<tr>
<td>Goodwill impairment</td>
<td>623</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Loan impairment charges</td>
<td>1,033</td>
<td>2,633</td>
<td>-61%</td>
</tr>
<tr>
<td>Regulatory levies</td>
<td>344</td>
<td>488</td>
<td>-30%</td>
</tr>
<tr>
<td><strong>Operating profit before taxation</strong></td>
<td><strong>2,869</strong></td>
<td><strong>1,681</strong></td>
<td><strong>71%</strong></td>
</tr>
<tr>
<td>Taxation</td>
<td>655</td>
<td>-161</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net profit</strong></td>
<td><strong>2,214</strong></td>
<td><strong>1,842</strong></td>
<td><strong>20%</strong></td>
</tr>
</tbody>
</table>
Development of net interest income
Compared to the average total assets

**Net interest income** (in EUR millions and in basis points of the average total assets)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net interest income</th>
<th>Net interest margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>9.174</td>
<td>133</td>
</tr>
<tr>
<td>2012</td>
<td>9.171</td>
<td>124</td>
</tr>
<tr>
<td>2013</td>
<td>9.095</td>
<td>128</td>
</tr>
<tr>
<td>2014</td>
<td>9.118</td>
<td>135</td>
</tr>
<tr>
<td>2015</td>
<td>9.139</td>
<td>135</td>
</tr>
</tbody>
</table>

- Net interest income stable at EUR 9.1 billion or 135 basis points of the average total assets
- Underlying fall in net interest income for local Rabobanks and Wholesale, Rural & Retail
- Increase in net interest income leasing and real estate
Operating expenses
Total operating expenses 1% higher, staff costs 6% lower

- Lower staff costs through reduction in internal staffing levels
- Increase in provisions for reorganisation adds to increase in other operating expenses
- The efficiency ratio excluding regulatory levies remained stable at 62.6%
In 2015, total staffing levels fell by approximately 2,000 FTE.

Vision 2016 and Mars: 6,100 jobs have been cut and 2,900 more will be cut in 2016.

Performance Now: in the period 2016 - 2018, a further 9,000 jobs will be shed.
Loan impairment charges
Fall in loan impairment charges by EUR 1.6 billion to EUR 1.0 billion

Loan impairment charges (in EUR millions)

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic retail banking</td>
<td>1,422</td>
<td>343</td>
</tr>
<tr>
<td>Wholesale and intern. retail banking business</td>
<td>420</td>
<td>526</td>
</tr>
<tr>
<td>Leasing</td>
<td>131</td>
<td>85</td>
</tr>
<tr>
<td>Real estate</td>
<td>656</td>
<td>90</td>
</tr>
</tbody>
</table>

Loan impairment charges (in basis points of average lending)

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic retail banking</td>
<td>37</td>
<td>52</td>
<td>60</td>
<td>60</td>
<td>24</td>
</tr>
<tr>
<td>Wholesale and intern. retail banking business</td>
<td>25</td>
<td>59</td>
<td>32</td>
<td>32</td>
<td>24</td>
</tr>
<tr>
<td>Leasing</td>
<td>28</td>
<td>32</td>
<td>36</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real estate</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

10-year rolling average

- Loan impairment charges
Regulatory levies
Further structural increase in costs

**Regulatory levies (in EUR millions)**

- Bank tax also accounts for an additional EUR 172 million; marginally higher than in 2014
- In 2015, the first contribution to the resolution fund was made to the amount of EUR 172 million
- Introduction in 2016 of ex-ante financed deposit guarantee scheme (EUR 130 million)
Lending
Loan portfolio falls by 1% to EUR 426 billion

<table>
<thead>
<tr>
<th>Private sector loan portfolio (in EUR billions)</th>
<th>31/12/2014</th>
<th>Private individuals</th>
<th>31/12/2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Food and agri</td>
<td>5.8</td>
<td>6.4</td>
<td>426.2</td>
</tr>
<tr>
<td>TIS</td>
<td>6.4</td>
<td>5.8</td>
<td></td>
</tr>
<tr>
<td>Private individuals</td>
<td>2.9</td>
<td>2.9</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>429.7</td>
<td>421.2</td>
<td></td>
</tr>
</tbody>
</table>

- Loans to private individuals (EUR 208 billion) falls due to high level of mortgage repayments
- TIS portfolio (EUR 120 billion) falls in part due to a reduction in commercial real estate
- Food and agri portfolio increases to EUR 98 billion
Due to customers
Rose by 3% to EUR 338 billion

Due to customers (in EUR billions)

- Private savings fell by 1% to EUR 140.5 billion
- Other due to customers rose at local Rabobanks and in the wholesale and international retail banking business
- The loan-to-deposit ratio improves from 1.32 at the end of 2014 to 1.25 at the end of 2015
Solvency
Developments in CET 1 ratio and capital ratio

- Qualifying capital (CET1+ AT1 + T2) increases by EUR 4.4 billion to EUR 49.5 billion
- Capital ratio improved by 1.9% points to 23.2%
- Common Equity Tier 1 ratio of 13.5% well above minimum SREP requirement
- Fully loaded Common Equity Tier 1 ratio increased to 12.0% (11.8%)
- Leverage ratio improved to 5.1% (4.9%)
**Business segments (1)**

**Domestic retail banking**

- **Net profit (in EUR millions)**
  - 2014: 533
  - 2015: 1,321

- **Loans (in EUR billion)**
  - 2014: 289.9
  - 2015: 281.9

- Economy growing, housing market recovering, and fall in loan impairment charges
- Further drop in number of employees
- Loans fall in part due to extra mortgage repayments

**Wholesale and intern. retail banking**

- **Net profit (in EUR millions)**
  - 2014: 758
  - 2015: -333

- **Loans (in EUR billion)**
  - 2014: 95.2
  - 2015: 98.8

- Sharp fall in net profit because of an impairment on goodwill for RNA
- The loan portfolio grew by 4% to almost EUR 100 billion due to F&A
Business segments (2)

Leasing

- **Net profit (in EUR millions)**
  - 2014: 436
  - 2015: 498

- **Lease portfolio (in EUR billions)**
  - 2014: 33.0
  - 2015: 35.7

  • Strong result thanks to higher net interest income and lower loan impairment charges
  • Lease portfolio rose by 8% to EUR 36 billion

Real estate

- **Net profit (in EUR millions)**
  - 2014: -263
  - 2015: 181

- **Loans (in EUR billions)**
  - 2014: 16.7
  - 2015: 15.3

  • Recovery in real estate market continues
  • Loan portfolio reduced to EUR 15 billion
Annual results

Wiebe Draijer, chairman of the executive board
Thank you for your attention