



Rabobank

Green Bond Investor Presentation

Utrecht, July 2019



Rabobank

*Growing
a better world
together.*

***Rabobank,
Sustainably
Successful
Together***



Growing a Better World Together through our dual strategy



Challenges & Opportunities

Banking for the Netherlands

Make a substantial contribution to welfare and prosperity as a leading, cooperative and customer-oriented domestic bank

Our impact on society: €295bn total loan portfolio in the Netherlands¹

Banking for Food

Make a substantial contribution to feeding the world sustainably as an international leader in Food & Agri (F&A)

Our impact on stimulating sustainable food supply: €103bn loans to F&A companies worldwide¹



Servicing our clients



Financing & Advice

Make it possible



Knowledge

> 115 years of experience and knowledge



Network

Local ↔ Global
People ↔ Business

1. For more information please see [Rabobank's Social Impact Report 2018](#)

Our sustainability strategy: 'Sustainably successful together'



*As a **cooperative bank**, Rabobank aims to help its clients achieve their ambitions in and for a sustainable society. We focus our own contribution to society on accelerating **sustainable agriculture and food supply worldwide**, and on strengthening the **vitality of communities**. By linking our financial services, expertise and relevant networks to the sustainable ambitions of all our clients, we can become **stronger and more sustainable together***

Sustainability ambitions: spearheads to 2020



1. Supporting retail and business clients to achieve greater sustainability
2. Accelerating sustainable development of agriculture and food supply worldwide
3. Strengthening local communities

Key sustainability figures (Dec 2018)²

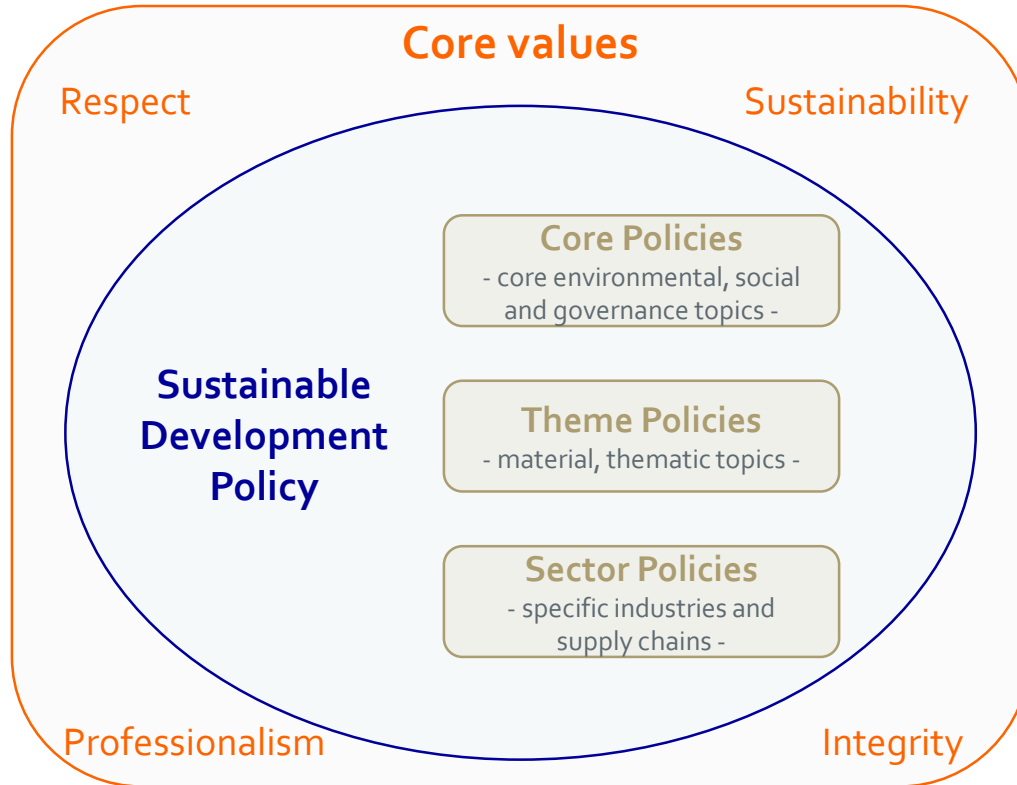
- Total sustainable financing: €47bn
- Total sustainable assets held in custody for clients: €5bn
- Total sustainable funding: €4bn
- Total sustainable financial transactions supervised: €7bn

Starting with a strong foundation...

Rabobank's Sustainability Policy Framework



Rabobank



Compliance with the policies is reviewed annually. The clients' sustainability policies and actions are tracked through '**client photos**', which are used in credit approval and monitoring processes



...we engage with our stakeholders on sustainability in every area we can...

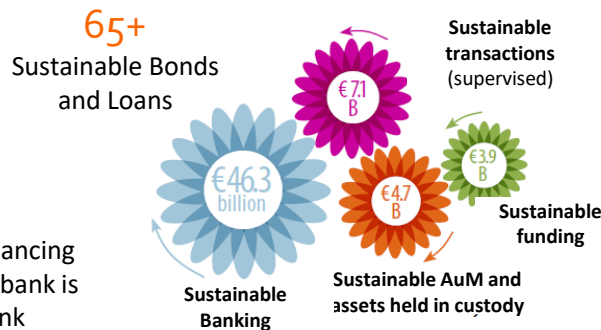


Rabobank

Focus on Sustainable Banking



With 44% of all green financing in the Netherlands, Rabobank is the largest green bank



Improving Sustainable F&A Chains



wbcd

4 innovation projects with **WWF** in 4 chains in 4 countries



Chair of the WBCSD Climate Smart Agriculture Finance Working Group
9 round tables on sustainable chains

Stimulating Circularity



Support clients in embedding circular practices into their businesses

Co-developed the Circular Economy financing guidelines

ESG Leader Commercial Paper

Global first to launch €5bn programme to provide investors with diversified investment opportunities



Rabo Impact loan



€250m for SME sustainable frontrunners and €50m for healthcare and education

Renewable Energy



81% of energy investments goes to renewable energy
€3.6bn

Sustainable Housing



Vista Mortgages

A sustainable interest discount for energy-efficient homes

Rabo Green Construction Depot

Construction fund for existing homes to make homes more sustainable



... and achieve great sustainability outcomes



Rabobank

Industry leading in sustainability



ESG score: 89/100

- Leader classification
- 1st place commercial banks
- Environment: 92 - Social: 88 - Governance: 88

ESG Risk Rating: 9.5

- Negligible risk
- 1st percentile diversified banks



Score: Prime C



Score: 79 /100

Environment: 85 - Social: 80 -
Economic: 75



Score: 46,19% (1 out of 16)
Positive (BB) performance

Climate-neutral since 2007



Green Bond of the year award



Bond of the year: Bank

Our contribution to the Sustainable Development Goals



Rabobank

- Rabobank and UN Environment collaborate to **finance \$1bn** to boost sustainable food production
- Our mission fits naturally within the **UN Sustainable Development Goals** ('SDGs'). We also use the SDGs for internal steering and target setting, some examples³:
 - In 2018, 142,173 farmers - 45% of them women - gained access to markets through the **Farm to Market Alliance** (SDG 2)
 - **€500m from Rabobank's Green Bond** was allocated to 12 sustainable solar and wind energy projects, which together generate **229.1 MW** (SDG 7)
 - Rabobank financed **€4.6bn in sustainable products and services** that have a positive effect on the economy, society or environment, or otherwise reduce negative impacts thereon (SDG 8)
 - Rabobank's '**A**' label real-estate portfolio is valued at **€29.1bn** (SDG 11)
 - Rabobank issued **€7.5bn** in loans to businesses with a meaningful **sustainability label** (SDG 12)
 - We used the **Rabo Impact Loan** to invest **€143m** in sustainable frontrunners with a positive environmental impact (SDG 13)
 - Rabobank promotes **sustainable aquaculture**, partly by offering a reduced interest rate to certified fish farms (SDG 14)
 - Rabobank financed **€321M in organic farming projects** and **€42M in nature conservation projects** (SDG 15)





Rabobank

Our Green Bond Framework

Rabobank Green Bond Rationale



Sustainability is in our DNA

- It is our ambition to '**Grow a Better World Together**'
- We want to offer sustainable investments to our **investors**
- We aim to create awareness and discussion with Rabobank's **stakeholders**

Dedicated Green Bond advocate since the very beginning

- **Founding member of the ICMA Green Bond Principles and Co-author of the ICMA Social Bonds Guidance.** Rabobank took on several active roles such as executive board member and as co-chair of the working Group 'Defining Green'
- Long-standing **partnership with the Climate Bond Initiative** since 2014
- Dedicated Green Bond team to **structure Green Bonds for our clients since 2013**

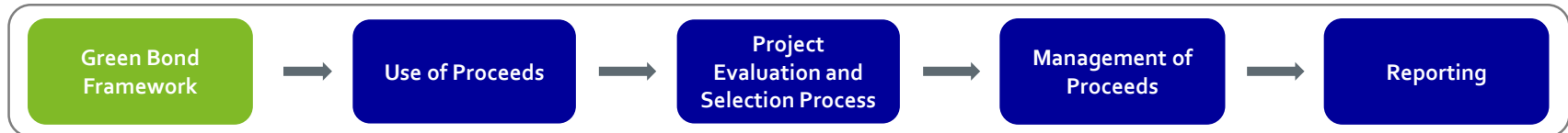


Rabobank Green Bond Framework



The Framework is in line with:

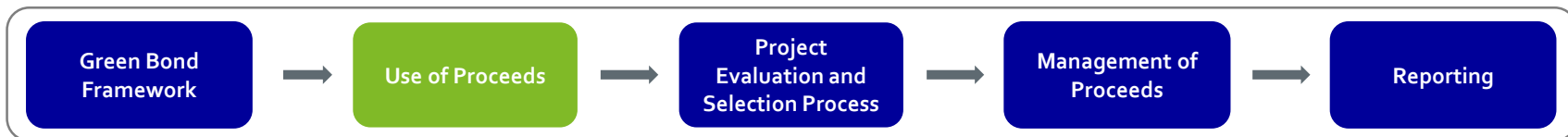
- The [ICMA Green Bond Principles](#)
- The [EU Climate Targets](#)
- Application of the “Do No harm” principle
- Social safeguards
- SDG no. 7: “Affordable and Clean Energy”



Use of Proceeds



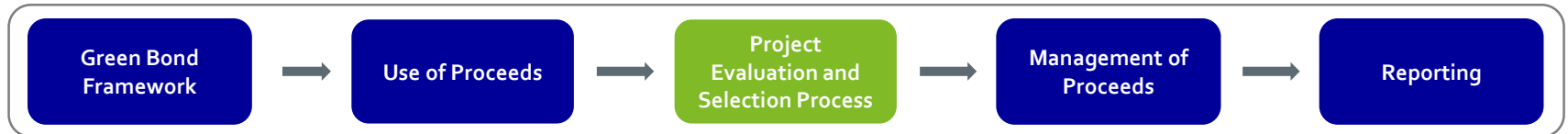
- The proceeds of Bonds issued under the Framework will be allocated to a loan portfolio of **wind and solar energy projects**
- All projects comply with the **Equator Principles**
- Rabobank applies **core minimum environmental and social requirements**
- The eligible projects are aligned with **EU Environmental Objective '(i) Climate Change Mitigation'**



Project Evaluation and Selection Process



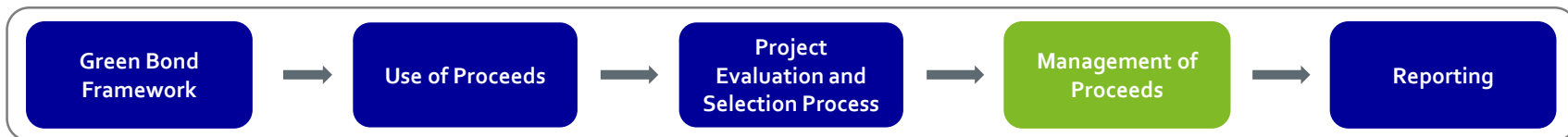
- The selection of Renewable Energy projects takes place on **project level**. Rabobank has a **dedicated project finance department** responsible for the financing of wind and solar projects. The **selection** of eligible projects is made in **collaboration with the sustainability department**



Management of Proceeds



- All outstanding proceeds will be balanced by a matching amount of loans to eligible renewable energy projects on a **portfolio basis**. Matched funding is provided by the **treasury department** to the projects. The treasury department manages the correct allocation of the Green Bond proceeds on portfolio basis
- Rabobank maintains a **healthy buffer of assets over liabilities of at least 130%** at all times. In the unlikely event of a pending allocation of proceeds, the proceeds will be held and/or invested temporarily in Rabobank's liquidity portfolio



Reporting



Rabobank

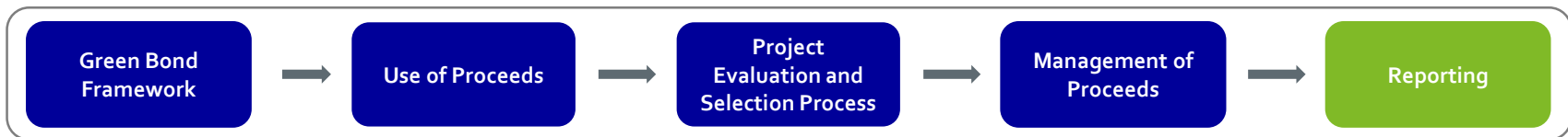
- Reporting will be available on Rabobank's website **within one year** from the date of the Green Bond issuance and **annually thereafter until the proceeds have been fully allocated**
- The Green Bond report is verified by an **external auditor** as part of the annual report

Allocation Reporting⁴

- | | | |
|---------------------------------|--|--|
| • Percentage allocated proceeds | • Total amount of wind and solar projects on a portfolio basis | • Project stage |
| • Volume outstanding portfolio | • List of projects | • Geographical location |
| • Number of projects | • Equator Principles category | • Nature of the projects |
| • Financial closing date | | • Share of new vs. refinanced projects |

Impact Reporting⁴

- | | | |
|--|---|--------------------|
| • Estimated installed capacity in gigawatt | • Indicative volume of carbon emissions avoided | • Project examples |
| • Equator Principles reporting | | |



⁴. As far as client confidentiality allows the disclosure of these metrics

External review highlights by Sustainalytics



Rabobank

A credible and impactful Framework

The Rabobank Green Bond Framework is **credible and impactful** and aligns with the four core components of the **Green Bond Principles 2018**

Globally impactful projects

Sustainalytics considers that Rabobank's financing of renewable energy projects will provide strong incentives for the **decarbonization of energy systems**, playing a supportive role in **reducing GHG emissions** in the Netherlands and globally... and highlights that the financing is **aligned with and positively contributes to the Netherlands' climate objectives...** and renewable energy projects financed across the European Union will **advance broader European policy objectives**

Acting upon sustainability commitments

Sustainalytics holds a positive view of the Rabobank Green Bond Framework and its alignment with the bank's **commitments to bring a meaningful contribution** to accelerate the **clients' transition** towards more sustainable business models, product offering and sustainable energy production

Robust approach to finance with no adverse effects

Sustainalytics is of the opinion that Rabobank has robust procedures in place for mitigating associated environmental and social risks and is **well-positioned** to issue Green Bonds and finance activities that **will not have an adverse effect on the local environment or community**

Robust allocation process

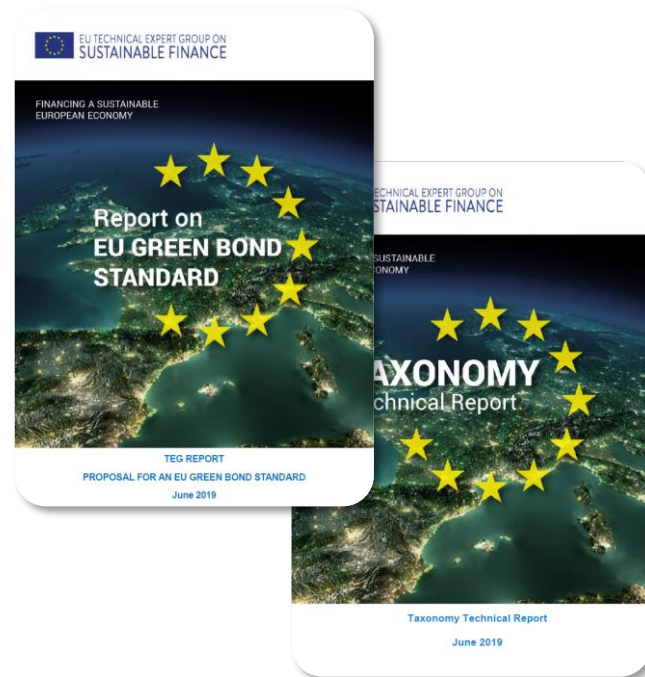
Sustainalytics notes Rabobank's commitment to maintaining a 130% buffer of assets over liabilities, which Sustainalytics considers a **robust practice for maintaining full allocation**

Best practice reporting process

Rabobank commits to publishing an annual report **detailing the aggregate allocation of the proceeds and impact metrics**, and the report will be **audited by an external auditor**, a best practice

Aligning Rabobank's Green Bond with the current proposed EU Green Bond Standard (EU-GBS)

- The EU-GBS is a **voluntary, non-legislative standard** proposed to issuers that wish to align with leading best practices in the market and build on market best practices such as the Green Bond Principles (GBP)
- EU-GBS is intended to provide a framework thereby enhancing **transparency, integrity, consistency and comparability** of EU Green Bonds
- Rabobank has **aligned** its Framework **with the current draft of the EU-GBS on a best-efforts basis**



Inclusion of the proposed EU-GBS in Rabobank's Green Bond Framework



Core components of EU-GBS (draft)

1	Green Projects	Green Projects are required to be aligned with the EU Taxonomy , implying that projects must (i) "substantially contribute" to one or more of the EU Taxonomy's environmental objectives, while (ii) not significantly harming any of the other objectives and (iii) complying with the minimum social safeguards set out in the 8 ILO conventions. Additionally it also includes 'Technical Screening Criteria' for the projects
2	Green Bond Framework	The issuer shall produce a Green Bond Framework (GBF) which confirms the voluntary alignment of the Green Bonds issued with the EU-GBS
3	Reporting	Externally verified allocation and impact reporting is required under the EU-GBS
4	Verification	Verification of the Green Bond Framework

Rabobank Green Bond

The Eligible Projects contribute to Environmental Objective "(i) climate change mitigation ", Rabobank's Sustainability Policy Framework addresses the no significant harm principle and Rabobank adheres to the 8 ILO conventions . Solar energy projects fall under NACE code D.35.1.1 and wind energy projects under D.35.1.1 as categorised by the EU Taxonomy
Rabobank's GBF is written in accordance with the ICMA's Green Bond Principles with specific additions to address the GBF requirements made in the EU-GBS
Rabobank will report on an annual basis and will disclose on the reporting requirements set out by the EU-GBS on a best-efforts-basis. Annual external verification on the report will be provided by Rabobank's company auditor
The Framework is verified by Sustainalytics , an external review service provider with 15% market share ⁵

5. Over the period 2007-2017, according to CBI and as referred to in the EU's report on the EU Green Bond Standard

A detailed look at the Green Project criteria



1

Eligible projects contribute to one of the six EU Environmental Objectives

The eligible solar and wind projects under the Framework positively contribute to the **EU Environmental Objective '(i) Climate Change Mitigation'** as the nature of these projects decarbonize energy systems, and thus enable the reduction of Greenhouse Gas Emissions emitted into the air

2

No significant harm to any of the other Environmental Objectives

Rabobank's **Sustainability Policy Framework** requires insight in impacts of the client's operations which includes possible environmental and / or social risks. As part of its policies, Rabobank has committed to the **Equator Principles** for all Renewable Energy projects as Risk Management Framework to determine, assess and manage environmental and social risk. A detailed list of expectations towards clients' prudent approach towards potential environmental impacts can be found in the Policy framework and the Green Bond Framework

3

Compliance with Minimum Social Safeguards

Rabobank is deeply committed to upholding the principles concerning fundamental rights contained in the **eight core conventions** of the **International Labour Organization (ILO)** as set forth in its Declaration of Fundamental Principles and Rights at Work. In addition to following Rabobank's **Code of Conduct, Sustainable Development Policy, and Human Rights Policy**, all clients are expected to respect all labour standards as described in the ILO Declaration on Fundamental Principles and Rights at Work and comply with a broad set of criteria regarding labour standards described in **Rabobank's Sustainability Policy Framework**

4

EU Taxonomy

The eligible projects are categorised under the EU Taxonomy under **NACE codes D.35.1.1** (Production of Electricity from Solar PV) and **D.35.1.1** (Production of Electricity from Wind Power)

Disclaimer



This presentation and any information therein (together the "Presentation") may contain marketing materials and has been prepared by Coöperatieve Rabobank U.A. ("Rabobank").

The Presentation is provided to the recipient of the Presentation (the "Recipient") for information purposes only and on the basis of the acceptance of this disclaimer.

The presentation is only directed at Professional Clients or Eligible Counterparties as defined in EU Directive 2014/65/EU ("MiFID II") and is not intended for distribution to any Retail Investor in the European Economic Area. For these purposes, a Retail Investor means a person who is one (or more) of: (i) a Retail Client as defined in point (11) of article 4(1) of MiFID II; or (ii) a Customer within the meaning of Directive 2002/92/EC (Insurance Mediation Directive), where that Customer would not qualify as a Professional Client as defined in point (10) of article 4(1) of MiFID II.

In addition, the Presentation is directed exclusively at persons outside the United States of America who are not U.S. persons (as defined in Regulation S ("Reg S") of the U.S. Securities Act of 1933, as amended (the "Securities Act")) or acting for the account or benefit of a U.S. person in offshore transactions in reliance on Regulation S and in accordance with applicable laws.

The Presentation or any other statement (oral or otherwise) made at any time in connection herewith does not constitute an offer to sell or the solicitation of an offer to invest in financial instruments. This Presentation does not constitute an offering document. The information herein is neither an advertisement nor does it comprise a prospectus for the purpose of EU Directive 2003/71/EC (as amended from time to time). The information herein has not been reviewed, verified or approved by any rating agency, government entity, regulatory body or listing authority or any other external party and does not constitute listing particulars in compliance with the regulations or rules of any stock exchange.

The Presentation does not, in particular due to its nature as a presentation, purport to be a complete description of all material terms (which may be different from the ones referred to herein) of any product or any (potential) transaction that may be finally consummated. The information contained herein does not purport to be complete and should not be relied upon in connection with a decision to participate in a transaction, the terms of which will be more fully described in the final transaction documents. The decision to invest in one of the products mentioned should solely be based on the applicable prospectus or information memorandum including the risk factors, costs, terms and conditions and underlying values. The applicable prospectus or information memorandum is available with Rabobank or on www.rabobank.com/nl.

In furnishing the Presentation to the Recipient, the Recipient acknowledges that the information in the Presentation might not be updated or corrected for any inaccuracies after the date the Recipient received the Presentation. The Recipient also acknowledges that it might not be provided with any updated or revised version of the Presentation after the date it received the Presentation.

The information contained in the Presentation is published for the assistance of the Recipient, but is not to be relied upon as authoritative or taken in substitution for the exercise of judgement by any Recipient.

Neither Rabobank nor any of its affiliates make any representation or warranty as to the fairness, accuracy, adequacy or completeness of the information included in the Presentation, the assumptions on which it is based, the reasonableness of any forecasts contained therein or any further information provided to the Recipient. Neither Rabobank, nor its respective affiliates, accept any liability whatsoever for any direct or consequential loss howsoever arising from any use of the Presentation or its contents or omissions from the Presentation or otherwise arising in connection therewith.

Nothing in the Presentation should be construed as legal, tax, accounting, regulatory or investment advice. The Presentation is not to be taken as constituting investment advice or a recommendation by Rabobank to any person to participate in a (potential) transaction. The Recipient must not rely on the Presentation. The Recipient must verify the content of the information independently and make its own professional and business judgment and is advised to consult its own independent professional advisers in relation to the suitability of participating in a (potential) transaction. Rabobank does not recommend nor make any representation as to the suitability to participate in a (potential) transaction for the Recipient. In particular the legislation, relevant rules and regulations are in constant evolution and may change from time to time. It is recommended to seek advice regarding the actual and current legislation, relevant rules and regulations at the time of a (potential) transaction.

The Presentation contains certain tables and other statistical analyses (the "Statistical Information") which have been prepared in reliance on information provided by Rabobank. Numerous assumptions have been used in preparing the Statistical Information, which may or may not be reflected in the Presentation or be suitable for the circumstances of any particular Recipient. As such, no assurance can be given as to the Statistical Information's accuracy, appropriateness or completeness in any particular context, or as to whether the Statistical Information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The Statistical Information should not be construed as either projections or predictions. Any historical information contained in the Presentation is not indicative of future performance. Opinions and estimates (including statements or forecasts) constitute Rabobank's judgement as of the date indicated, are subject to change without notice and involve a number of assumptions which may not prove valid.

The Presentation may include "forward-looking statements". Such statements contain the words "anticipate", "believe", "intend", "estimate", "expect", "will", "may", "project", "plan" and words of similar meaning. All statements included in the Presentation other than statements of historical facts are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the relevant future business environment.

The Presentation is confidential and is being submitted to the Recipient only. It may not be copied or reproduced (in whole or in part) in any manner or disclosed to any other person without the prior written permission of Rabobank. The use of the information is restricted to the Recipient. Rabobank shall own all right, title, and interest in and to the Presentation and all intellectual property rights therein. No license or conveyance of any rights in any intellectual property owned by Rabobank is granted or implied by the Recipient's use of the Presentation. The Recipient agrees to notify Rabobank immediately if it becomes aware of any unauthorized use of the Presentation. The Recipient will treat the Presentation as private and confidential and will ensure that the Presentation and its content is protected with effective security measures and with the degree of care in each case as it would apply to its own confidential information.

© Rabobank, Croeselaan 18, 3521 CB Utrecht, The Netherlands, www.rabobank.com/nl, Chamber of Commerce number 30046259

Rabobank is incorporated in the Netherlands. Rabobank is authorized by the Dutch Central Bank (De Nederlandsche Bank) and regulated by the Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten).

Your receipt and use of the Presentation constitutes notice and acceptance of the foregoing.



Telephone	+31 30 712 2401
E-mail	IR@rabobank.com
Website	www.rabobank.com/IR
Bloomberg	RABO NA



Rabobank