

Press release

1 March 2012

[Till embargo 11:00 CET]



Rabobank

Rabobank: Satisfactory results in uncertain market conditions

- **Rabobank Group net profit for 2011 down 5%, landing at EUR 2.6 billion.**
- **Private sector lending up 3%, rising to EUR 448 billion, with loans to private individuals at EUR 212 billion (+2%) and loans to the corporate sector at EUR 236 billion (+3%).**
- **Share of the Dutch mortgage market up 2.7 percentage points to 31.7%.**
- **Amounts due to customers up 10% to EUR 330 billion, illustrating Rabobank's position as a safe haven, with savings deposits by private individuals rising by 7% to EUR 140 billion.**
- **Assets under management and held in custody for clients down 3% on balance, dropping to EUR 264 billion; substantial inflow of new assets into asset management business and currency gains countered by investment losses.**
- **Difficult market conditions reflected in increase in bad debt costs by 8 basis points to 37 basis points.**
- **Solvency shored up in 2011: Tier 1 ratio up 1.3 percentage points to 17.0%, with core Tier 1 ratio rising 0.1 percentage point to 12.7%.**
- **Continued robust liquidity position; EUR 42 billion raised in long-term funding in 2011.**
- **At EUR 349 million, minor exposure to government bonds issued by GIPS countries.**
- **Some EUR 60 million in cooperative dividends distributed in 2011.**

Piet Moerland, Chairman of the Executive Board:

“From a financial perspective, Rabobank Group had a satisfactory year. Net profit in 2011 amounted to EUR 2.6 billion, a slight drop on 2010, which is a satisfying result given the difficult economic conditions. The Dutch economy saw only limited growth in 2011. The European debt crisis and the failure to find an adequate solution fuelled the persistent turmoil on the financial markets. Consumer and business confidence suffered severely as a consequence, as did confidence between banks. In a harsh economic climate with a poor outlook, amounts due to customers increased considerably and lending grew, albeit to a limited extent. The lack of economic recovery in the second half of 2011 led to a rise in bad debt costs. Our 46% equity interest in Swiss private bank Sarasin was sold in the year under review. The closing will take place in 2012.

We managed to maintain or even expand our leading position in most of our key markets. Our customer satisfaction rating remained high. Our efforts to become the leading wholesale bank in the Netherlands paid off again in the year under review, in the form of an improved market position. Outside the Netherlands, Rabobank International continued to expand its retail branch network, while the share of food en agri in its portfolio grew further.

As usual, we retained a large portion of our earnings, as a result of which the stability of the bank and the continuity of our services continue to be guaranteed. We performed impressively in the stress test and capital test conducted by the European Banking Authority in 2011. Despite

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difficult market conditions, we had relatively few problems in meeting our funding requirements at acceptable costs during the year under review.

The market will continue to struggle in 2012. Consumer and business confidence is not expected to recover in the near future. Employment trends are uncertain, additional cuts in government spending are likely, and pension benefits are under pressure. Top priority ought to be given to reforming the housing market, which could provide a significant boost to recovery of consumer confidence and a pick-up in economic growth. As the Dutch mortgage market leader, Rabobank presented an integrated plan for reforming the Dutch market for owner-occupied and rented residential properties. While Europe's political and monetary authorities have taken important measures to bring back stability, it will still be some time before all countries of Europe have their public finances back in good order and confidence has been restored on the financial markets.

The economic outlook is not the only challenge that Rabobank will face in 2012. Just as other banks, Rabobank is also confronted with an increase in rules and regulations, such as the Basel III capital requirements, the new deposit guarantee system and, most likely, the bank tax. These will generally lead to growth in lending coming under pressure in 2012. Our employees will continue to put all their energy into working for our customers and providing the level of service that they have come to expect from Rabobank. Customer interests form the principal starting point for the services that we provide, both in the Netherlands and abroad. This is down to Rabobank's long-standing cooperative perspective, which encourages us to connect with our members and our customers."

Key figures

| In millions of euros | 2011 | 2010 | % |
|---|-------------|-------------|----------------|
| Total assets | 731,665 | 652,536 | 12% |
| Private sector lending | 448,337 | 436,292 | 3% |
| Amounts due to customers | 329,892 | 298,761 | 10% |
| Assets under management and held in custody for clients | 263,600 | 270,400 | -3% |
| Number of employees (in FTEs) | 59,670 | 58,714 | 2% |
| Income | 13,378 | 12,716 | 5% |
| Operating expenses | 8,720 | 8,196 | 6% |
| Value adjustments | 1,606 | 1,234 | 30% |
| Taxation | 425 | 514 | -17% |
| Net profit | 2,627 | 2,772 | -5% |
| | | | % point |
| Tier 1 ratio | 17.0% | 15.7% | 1.3% |
| Core Tier 1 ratio | 12.7% | 12.6% | 0.1% |
| Return on equity | 7.6% | 8.6% | -1.0% |
| Efficiency ratio | 65.2% | 64.5% | 0.7% |

For more information you can contact Press office Rabobank Group

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More information

The Annual summary and the presentation are available on www.rabobank.com/results.

The online Annual summary is available on www.rabobank.com/annualreports and through the

Rabobank Annual Reports App. The key figures are available for mobile phone users on m.keyfiguresrabobank.com.