



Annual Review 2019

*Building the Renewed
Cooperative Bank*



*Growing a
better world
together*

Rabobank

About this Review

Our Annual Review explains how we create value for our stakeholders. In this report we describe our strategy, our performance and our impact on society.

On 12 March 2020, we will publish a series of other reports, such as the Annual Report 2019 which contains the Management Report, the Financial Statements, our sustainability performance, remuneration report and the Report of the Supervisory Board. and the Pillar 3 Report.

We used the International Integrated Reporting <IR> Framework of the International Integrated Reporting Council (IIRC) as a basis for this review. This report has not been reviewed by our external auditor.



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Chairman's Foreword

Strengthening our core and spreading our wings

2019 was a dynamic year. We had to deal with political and economic instability and persistent low interest rate. The consequences are apparent in our results for the year. Yet even in this challenging environment we can report a net profit of EUR 2.2 billion and we showed good progress on our strategic objectives. Interest income was down slightly, but at the same time we managed to further reduce costs. Our capital position has improved and remains solid. We completed the sale of non-core activities and invested in future-proofing the bank.

We made good progress on contributing to major societal themes in 2019. For instance, we invested in making the housing market more sustainable and in the energy transition. Together with our subsidiary and project developer BPD, we are taking the first steps in developing new build properties to tackle bottlenecks in the rental market. In the past year we further shaped our international efforts to make the food chain more sustainable, partly through the AGRI3 Fund which Rabobank initiated and the work of Rabo Foundation in Africa. And we are working to help our private customers

in the Netherlands achieve greater financial self-reliance and to reduce debt problems. These initiatives are fine examples of how the cooperative Rabobank expresses its mission to work in partnership to make the world a better place.

We are proud of the transition our bank made in the past few years. This transition is starting to show through in our daily operations. Customer satisfaction is rising, as is our employee engagement, the balance sheet has been optimized, our cost levels are lower and we are working more efficiently. We have significantly expanded and improved our digital service offer to both private and commercial customers. We made good progress in performing our role as gatekeeper of the financial system but there is potential for further improvements, for instance through more collaboration in the sector.

This was all made possible thanks to the efforts and active commitment of our employees and many of our members. A sincere thanks to you all.

Our profits in 2019 are lower than the record profit of EUR 3 billion we posted over 2018. The interest rate

environment significantly impacted our results and contributed to the devaluation of our participation in Achmea by EUR 300 million. The sale of RNA resulted in a one-off positive result of EUR 342 million. In the past year additions to the impairment charges were substantially higher than the historically low level of previous years. At 23 basis points the level of impairment charges has once again normalized.

Costs were down by 4% and the cost/income ratio went down from 65.9% to 63.8%. The factors driving cost development include substantial investments in digitalization and the IT infrastructure and costs related to regulation and supervision, including CDD and AML activities. Nonetheless, we aim to further improve the cost/income ratio to a percentage slightly above 60% in the coming years. The long-term ambition is for a percentage of about 55%. What we can actually achieve remains tied to interest rate fluctuations.

Our capital position remains robust: the common equity tier 1 (CET 1) ratio is 16.3 %, which is well above the regulatory requirement and Rabobank's own minimum target of 14%. The increase of 0.3 percentage points is partly attributed to retained

earnings and the sale of non-core activities. Our strong capital position enables Rabobank to adequately absorb the future effects of, among others, Basel IV. The return on equity amounted to 5.3% (7.3% in 2018).

The loan portfolio grew by EUR 6 billion in 2019, excluding the sale of the RNA portfolio, due mainly to growth in international Food & Agri and at leasing subsidiary DLL. Underlying deposits from customers rose by EUR 11 billion with the most evident growth in domestic retail banking.

The impact of the low interest rate caused by central bank policy and monetary stimulus measures are hitting us harder. We would certainly welcome a monetary policy aimed at normalizing interest rates. The economy is unpredictable and the effects of climate change are affecting us all.

The sale of non-core activities in North America (RNA), Ireland (ACC loan portfolio) and the remaining retail activities in Indonesia gives us space to grow our core activities. We see opportunities in Food & Agri where we have been a strong player for many years in the Netherlands and around the world.



This position provides a strong foundation to achieve more economies of scale and increase our market share. We see the lease market as another opportunity where there is a clear trend from ownership to usage models. This provides interesting openings for our subsidiary DLL, which is well-positioned in this market.

Our role as gatekeeper of the financial system will once again be a top priority in the coming year. We are joining forces with the other leading banks to work together in the public domain. Only then can we truly take a stance on financial crime and illicit finance. In the past year we have made considerable investments in people and resources to further reinforce our role as gatekeeper of the financial system. Once again, this year we will devote considerable attention to the associated challenges including risk management, transaction monitoring and customer due diligence.

After a year in which many Dutch farmers took to the streets for their futures, we wish to emphasize that Rabobank is and will remain their partner. We continue to support the agricultural sector on its road to more sustainable land use and natural balance. At the same time, we are conscious of the challenges to the future prospects of the farmers themselves. In the coming year we will make further active efforts to support this transition.

We will continuously improve our core and at the same time will spread our wings. We want to make a meaningful contribution to major societal transitions both as a cooperative bank and as part of our growth in the Netherlands and in the international food & agri business. At the same time, we have a duty to safeguard the revenue model of our cooperative way of providing services. To this end we will seek closer connections with our members. We will work together on solutions that benefit our customers, society and the world around us.

Wiebe Draijer, Chairman of Rabobank's Managing Board

Rabobank at a Glance

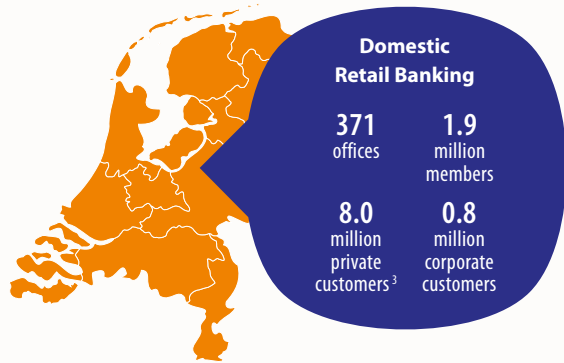
Mission } Growing a better world together

Almost 9.5 million customers



The Netherlands

89 Local Rabobanks



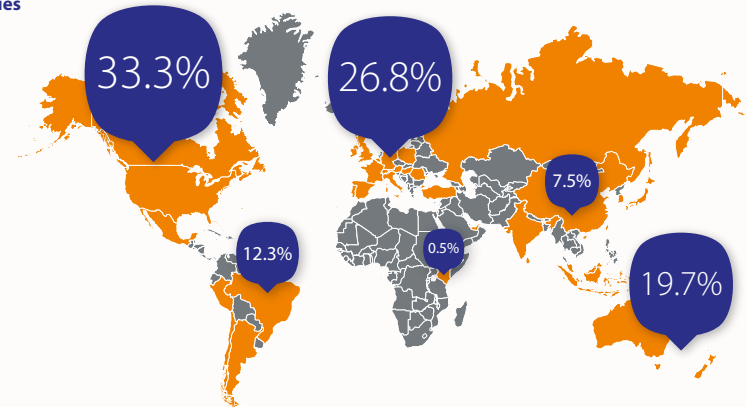
What We Offer in the Netherlands

(amounts in EUR billions)

- 187.7 Dutch Private Mortgages
- 82.4 Lending to Trade, Industry and Services⁴
- 37.9 Lending to Food & Agri⁴
- 1.7 billion point-of-sale terminal transactions
- 123.7 Savings
- 47.1 Assets Under Management
- 1.7 Leasing
- 4,485 BPD transactions

International

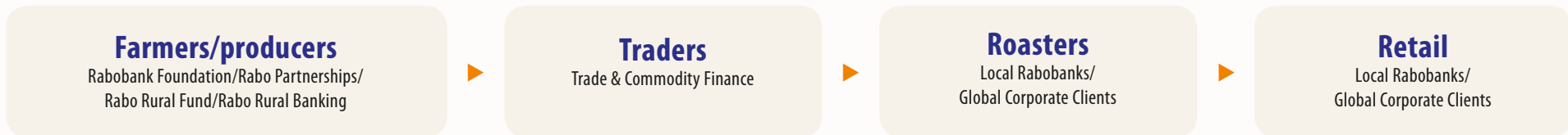
39 Countries



What We Offer Internationally (amounts in EUR billions)

69.3	Private sector lending to Food & Agri	37.0	Private sector lending to Trade, Industry, and Services	31.5	Leasing
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Example of a Food & Agri Value Chain - The Coffee Chain



¹ Local Rabobanks and Obvion ² Wholesale, Rural & Retail ³ As of 2019 the client definition for local bank is refined to improve representativeness and resulted in an increase in the number of clients. ⁴ WRR the Netherlands & domestic DLL portfolio included

About us

Rabobank is a cooperative bank with a mission. We are dedicated to working together with customers, members, and partners to creating a more resilient living environment and tackling the big social challenges of the day. The basic premise is that we can achieve more together than alone.

We first started as a cooperative searching for solutions that benefited everyone. The world is a different place now and our customers have different needs than people back then. But our mentality has not changed a bit: we are always on the look-out for ways to make the world we share a better place.

We have members instead of shareholders. Every year we choose to invest part of our annual profit in society. And it's up to our members how to allocate this "cooperative dividend". The chief recipients are local projects which benefit the community. We also work with Rabo Foundation to help vulnerable groups of people achieve greater self-reliance.

Our focus is on customers in the global food and agri sector and in the Netherlands, on F&A, retail, and private banking customers.

Rabobank Group also includes BPD, our real estate subsidiary specialized in housing solutions, and the subsidiary DLL, which meets our clients' leasing needs.

We put our mission "Growing a Better World Together," into practice through local initiatives, close to home. Close contact with our customers and our members motivates us to keep looking for solutions that benefit everyone. It's how we contribute to the well-being and prosperity of people in the communities we work in and how we can help feed the world sustainably. We want to achieve this by using our network to connect a wide variety of people and by sharing our knowledge and financial resources. We focus on four themes: sustainable food production, financial health for everyone, sustainable growth for entrepreneurs, and sustainable housing for everyone. We do this with 43,822 employees in 40 countries.

What We Want to Achieve *Financial Health for Everyone*

Having your finances under control – these days, it's something that our society expects of everyone. We do our best to help our customers be financially self-reliant. How? By giving them insight, helping them to see the big picture, and encouraging them to save for later. As a cooperative bank we are especially eager to help people who are struggling to manage alone. For example, even though many senior citizens can live independently for longer, not all of them are confident when it comes to banking online. Young people can use some extra support, too, so they do not end up in debt. More than 1.4 million households in the Netherlands have payment problems. We want to help these people by ensuring that they can enjoy good financial health.

Sustainable Growth for *Entrepreneurs*

Entrepreneurship is what drives our rapidly changing economy. Entrepreneurs are under constant pressure to innovate and become ever more sustainable. Technological innovations, new competitors, the energy transition, the food transition, the shift to circular enterprise:

each poses a threat and presents amazing opportunities for entrepreneurs. We believe in the power of cooperation here at Rabobank. Our interests are not financial alone, we are also keen to share our knowledge and networks. We connect entrepreneurs with each other so that together, they can develop smarter innovations and become more sustainable. Our cooperative mentality drives us to seek out solutions that are good for everyone. So that entrepreneurs can grow sustainably.

Sustainable Housing for Everyone

The transition to clean energy in the Dutch housing market is a massive social challenge. As a bank dedicated to society and the largest mortgage lender in the Netherlands, we want to contribute as much as we possibly can to advancing sustainability. And we want to do that while paying close attention to what's really important to our customers. We are dedicated to increasing possibilities for people to make their homes sustainable.

We can do that in different ways, for example, by expanding our offering of financing solutions, which includes the Rabo Green Mortgage,



the Rabo Green Escrow Account, sustainability discounts, the free GreenHome House Scan, and sustainability loans that save customers a trip to the notary. At the same time, we invest in cooperative solutions. We cooperate with other organizations on accelerating the energy transition and have co-founded the Dutch National Energy Fund, which is mainly for homeowners' associations, housing corporations, and the "school roof revolution," a project that will put solar panels on empty school-building roofs in the Netherlands.

Sustainable Food Production

By 2050 there will likely be almost 10 billion mouths to feed. People are also living longer. They all need enough healthy food to eat. The food issue affects everyone. So we all need to work together to find solutions. The solutions we find cannot stop at national borders, at the farm gate, or the supermarket entrance. We need an approach that works worldwide in every food chain, so that agricultural entrepreneurs can grow more produce with fewer resources and so consumers learn to make more thoughtful choices about what they eat every day. Our efforts today are aimed at making the world a better place for future generations. With this goal in mind, we offer financial products to our customers who produce, transport, and sell food, but we also share with them our knowledge and networks. By connecting them with interesting parties they could cooperate with, we encourage the entire food chain to always work on innovation and becoming more sustainable.



Our strategy

With our knowledge, networks, and finance we strive to enable customers to make independent decisions while remaining flexible. We aspire to be a meaningful cooperative and a rock-solid bank. We aim to ensure excellent customer focus by empowering our employees. Our strategy is founded on these four cornerstones.

We want to make a meaningful contribution to achieving the 17 Sustainable Development Goals (SDGs). While all the SDGs are important, our capacity to support their individual achievement varies. We focus most on the eight SDGs that we have the greatest influence on through our strategy. These are SDG 2 (zero hunger), 7 (affordable and clean energy), 8 (decent work and economic growth), 11 (sustainable cities and communities), 12 (responsible consumption and production), 13 (climate action), 15 (life on land), and 17 (partnerships for the goals).

Our Strategic Ambitions

Excellente Customer Focus

Customer focus must be deeply embedded in our culture. We can best satisfy current and future client requirements by providing good advice and services that are relevant, innovative, and digital.

We generate economic activity through our broad range of products which help to drive the economy and help our customers to face future challenges (SDG 7, 8, and 12).

Meaningful Cooperative

Cooperative banking means that we consult proactively with members, employees, customers, and other partners and bring them into contact through networking (SDG 11 and 17). We take a stance on social issues that matter to our clients and stakeholders, such as climate change (SDG 13) and biodiversity (SDG 15). With our vision of helping to feed the world sustainably, we want to contribute to eliminating hunger (SDG 2).

Empowered Employees

We aim to provide a good inclusive working environment for our employees (SDG 8). Our employees are proud and driven and demonstrate



craftsmanship, vitality, and adaptability. They feel empowered to represent Rabobank and are inspired by our mission and want to grow a better world together. It is our aim that top talents want to work, develop, and stay with us.

Rock-Solid Bank

We aim to do the right things well with everyone taking ownership, remaining conscious of risks, and operating as professionals. We are conscious of our gatekeeper role so that our products and services cannot be abused for purposes of money laundering or terrorism financing. Our financial performance and strong ratings enable us to ensure continuity, which is why we are working hard to improve our cost level (SDG 8).

Our Material Themes

We have regular contact with our stakeholders. We combine what they tell us with an analysis of the world around us to identify the most important topics for our bank. These are known as the material themes. The Managing Board steers on these themes.

Growing a better world together



Food & Agri financing

Rabobank is financing EUR 107 billion in the Food & Agri sector, a contribution that helps to boost the world's food supply. We are also actively partnering with local cooperative banks in development countries, focus lies amongst others on yield increase and poverty alleviation.



Sustainable energy generation financing

We are actively financing and investing in sustainable energy generation. For example, in 2019, we accounted for EUR 4.1 billion in 2019 through project finance in investments in sustainable energy generation, especially in wind and solar projects, but also biomass and geothermal energy.



Circular Business products & services

In 2019 we held Circular Business Challenges in 7 regions in the Netherlands and we helped clients through our Circular Business Desk.



Sustainable Housing Solutions

Clients can finance sustainability modifications, for example by the Rabo Groendepot (Green Construction Deposit), in which money can be reserved for energy-saving measures for homes, and by lowering the mortgage rate for sustainable homes. Customers can use the sustainability discount to make sustainable investments in their homes so that they can reduce their energy bills. We offer client discounts on energy contracts for locally sourced renewable energy of our partner Vandebrom.



Increase of sustainability-linked products

In 2019 we accounted for EUR 46 billion in sustainable finance. Over EUR 200 million of this figure we issued in so called impact loans to businesses with a meaningful sustainability label. These loans often have a lower interest rate, by offering this type of sustainable finance we contribute to the impact of these sustainable frontrunners. We also offer several sustainability-linked products and services through subsidiaries; BPD, Obvion and DLL.



Key contribution to Dutch Climate Agreement

In 2019, Rabobank has delivered a substantial contribution to the establishment of the Dutch Climate Agreement and together with 50 financial institutions signed the Climate Commitment Financial Sector which commits tot the Dutch Climate Agreement.



AGRI3 USD 1 billion fund and Dutch Biodiversity Monitor

Together with partners we set up the AGRI 3 USD 1 billion fund, aimed at accelerating forest protection, reforestation and sustainable agriculture on a large scale. Furthermore we are actively involved in developing the Dutch Biodiversity Monitor for crop row farming (pilot phase).



Eg. Partnerships with WWF, WBCSD and UN

Examples include participation in Deltaplan Biodiversiteitsherstel, WWF Rabo partnership for international projects around sustainable food production, 9 round tables, e.i. for Responsible Soy and Palm Oil and member/co-chair of the Climate Smart Agriculture Working Group of the WBCSD.

Trends and Developments

In 2019, we saw a lot of trends and developments that provide opportunities and challenges for Rabobank and our stakeholders. For example, trends and developments in consumer behavior, technology, innovation, market players, regulations, the economy and society.

Our Business Model

Given the low interest environment, requirements for banks and the current economy, we must continue to operate on a cost effective basis. Geopolitical unrest is undiminished and trade wars are shaping the global economy. Brexit is creating uncertainty, in which we see an opportunity to prepare our customers.

Client preferences are changing rapidly and significantly. The world of financing and lending is always fluctuating. Plenty of individuals and organizations are prepared to lend risk/venture capital to third parties. We will continue to focus on our core activities and next to that, we are developing crowdfunding initiatives.

To meet customer needs, we proactively monitor innovations in FinTech, FoodTech and AgTech. We are also entering into strategic partnerships.

Digital interaction is increasingly replacing face-to-face contact, so we are investing in the quality and further innovation of our (digital) services, Artificial Intelligence and Robotization. We see technology impacting our clients and our business, varying from on-farm drones to the use of personal data.

Climate Change

Climate change is a bitter reality. Despite the intentions and ambitions of the Paris Climate Agreement, the world is warming, posing opportunities and risks for our customers and our bank.

Legislation and Regulation

Regulation and new legislation are increasingly impacting the ways in which banks can offer their services. By working together with other banks, with public-private partnerships and government agencies, we can take a stand on issues like money-laundering. We give top priority to our role as gatekeeper and ensuring that customer files are complete and up-to-date.

Dilemmas

Trends and developments sometimes present dilemmas. In 2019, some of the questions we asked ourselves were: Given the low interest rate environment, should we pass on the negative interest rates to our customers even though we'd prefer not to? Do the developments on anti-money-laundering mean that we can (no longer) serve all types of customers? Should we part company with customers that are not sustainable enough? And what is an appropriate solution for the nitrogen issue? The Annual Report 2019 contains more information on these dilemmas.

Opportunities and Risks






The trends and developments and our material themes lead to the following opportunities and risks for our organization and our stakeholders.

Material Theme	Opportunities and Risks for Rabobank		Opportunities and Risks for Stakeholders		What's our Approach?
	Opportunities	Risks	Opportunities	Risks	
<p>Rock-solid bank</p> <ul style="list-style-type: none"> • Strong financial performance • Robust capital position • Compliant with legislation and regulations 	<ul style="list-style-type: none"> • Improving trust in Rabobank • Easier to find and hold on to talent 	<ul style="list-style-type: none"> • Loss of trust and market share • Harder to find and hold on to talent • Higher costs for Customer Due Diligence 	<ul style="list-style-type: none"> • Investments in Rabobank capital instruments more secure 	<ul style="list-style-type: none"> • Difficult to meet our standards 	<p>We feel it is our responsibility to bank ethically and with integrity. We ensure that we adapt to changes in our environment and to laws and regulations. We are cost-conscious.</p>
<p>Excellent customer focus</p> <ul style="list-style-type: none"> • Improving customer satisfaction • Availability of services for entrepreneurs • Sustainable growth for enterprise • Sustainable Food & Agri 	<ul style="list-style-type: none"> • Greater trust in our customer service • Grow customer loyalty with reliable services 	<ul style="list-style-type: none"> • Large investments remain necessary to maintain data security and keep systems updated. 	<ul style="list-style-type: none"> • Customer service could be improved with digital services • Opportunities to help customers innovate and become more sustainable. 	<ul style="list-style-type: none"> • Customers could lose turnover if systems are not working • Cybercrime 	<p>We invest in digitalization and innovation to make our services easier to use. We invest in helping our private and corporate customers become more sustainable in cooperation with our partners.</p>
<p>Meaningful cooperative</p> <ul style="list-style-type: none"> • Strengthening local communities • Increasing member involvement 	<ul style="list-style-type: none"> • Increase trust and loyalty • Potentially improve policy decisions through feedback loop with our members 	<ul style="list-style-type: none"> • Weaker license to operate if member involvement declines. 	<ul style="list-style-type: none"> • Create a better living environment with cooperative investments 	<ul style="list-style-type: none"> • - 	<p>We have a mission to improve the living environment. Therefore, we invest part of our cooperative dividend in society and we also invest in cooperation with our members.</p>
<p>Empowered employees</p> <ul style="list-style-type: none"> • Ethics and integrity 	<ul style="list-style-type: none"> • Improving trust in Rabobank • Easier to find and hold on to talent 	<ul style="list-style-type: none"> • Loss of trust and market share • Harder to find and hold on to talent 	<ul style="list-style-type: none"> • - 	<ul style="list-style-type: none"> • Difficult to meet our standards 	<p>We feel it is our responsibility to bank ethically and with integrity. We ensure that we adapt to changes in our environment and to laws and regulations.</p>

Value Creation Model

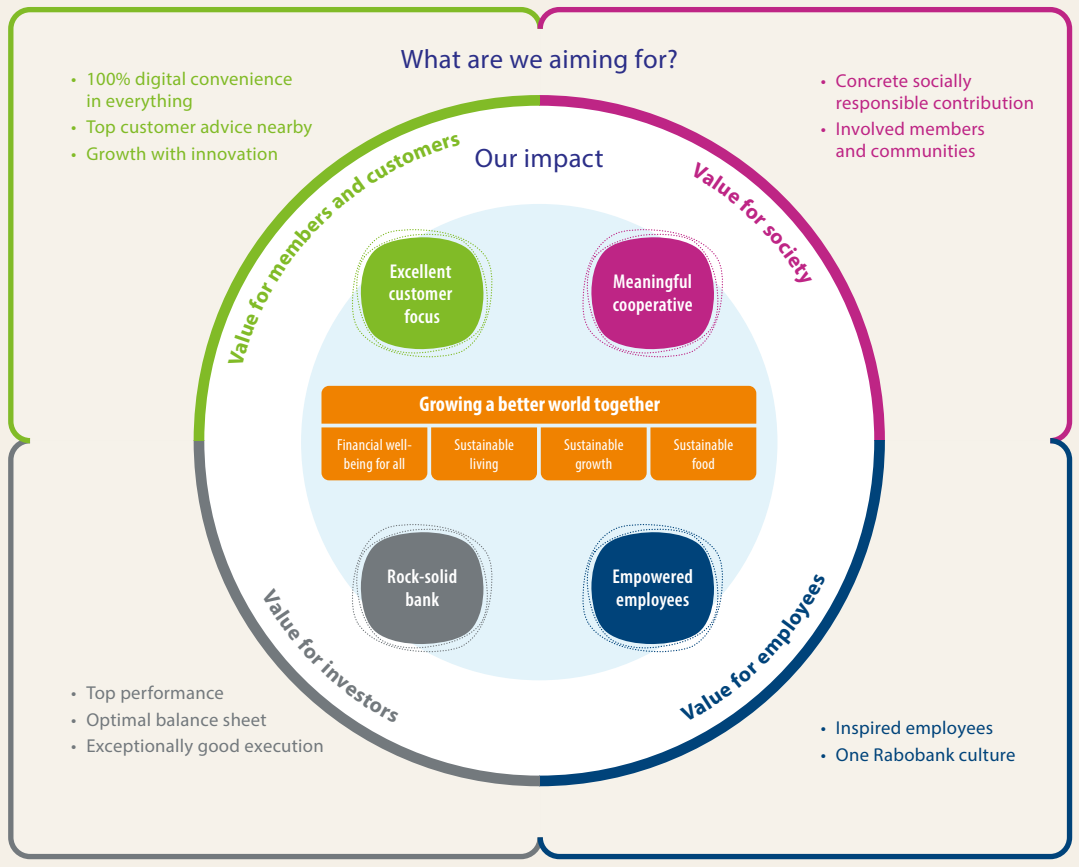
What do we need

To create value Rabobank relies on:

-  **Employees**
 - Diversity & Inclusion
 - Learning & development
-  **Knowledge**
 - Research publications & sector visions
 - Dialogue sessions
-  **Capital & Funding**
 - Wholesale funding
 - Rabobank Certificates
 - Equity
-  **IT Infrastructure**
 - System availability
-  **Partnerships**
 - WWF
 - UN environment programme
 - Investments in local communities
 - Arise

What are we aiming for

Rabobank creates value using its strategy under the influence of external developments:



What do we offer

Services Rabobank Provides

Volume of services

amounts in billions of euros

	2019	2018
In The Netherlands		
Dutch Private Mortgages	187.7	190.0
Lending to Trade, Industry and Services	82.4	81.5
Lending to Food & Agri	37.9	38.1
Billion point-of-sale terminal transactions	1.7	1.47
Savings	123.7	119.1
Assets Under Management	47.1	40.7
Leasing	1.7	1.8
BPD transactions	4,485	5,470
International		
Private sector lending to Food & Agri	69.3	65.0
Private sector lending to Trade, Industry, and Services	37.0	36.5
Leasing	31.5	28.6

The value we create

The value Rabobank creates for its stakeholders per strategic pillar

Progress measurement	2019	2018
- NPS Private Customers (NL)	61	57
- NPS Private Banking Customers (NL)	63	61
- NPS Corporate Customers (NL)	51	53
% online active private customers	64.0	61.8
% online active corporate customers	81.5	80.8

Excellent customer focus

Value for members and customers

We want to use our knowledge, network, and products to help our customers realize their dreams and ambitions. We also help them become more innovative and sustainable: for instance, our client photo can contribute to future-proofing. We don't just offer our customers financial products. When times get tough, for instance in periods of extreme drought, we support our customers. By facilitating everyday banking services, we generate economic activity and help keep the economy going. Member involvement is crucial for us to remain a meaningful cooperative. Our cooperative structure helps to keep us on point, thanks to the feedback our members give us about our strategic plan and the problems we encounter along the way. Their contribution is immensely valuable.

Value for investors

For institutional investors we offer relatively safe investment options through bonds and other subordinated instruments. We safeguard continuity through financial performance and strong ratings.

Progress measurement (in %)	2019	2018
Fully loaded CET 1 ratio	16.3	16.0
Total capital ratio (transitional)	25.2	26.6
Cost Income Ratio including regulatory levies	63.8	65.9
ROE	5.3	7.3
Sustainalytics ESG Risk Rating category diversified banks	1	2

Rock-solid bank

Rabobank contributes both directly and indirectly to all SDGs; the goals on which our primary efforts are focused are:



Meaningful cooperative

Value for society

We invest a percentage of our net profit in society through sponsorship and the cooperative dividend. We aim to accelerate the energy transition and support initiatives to tackle climate change. By supporting customers to make the shift to sustainable food production we can help to feed the world sustainably. It is our aim to contribute to the well-being and prosperity of people in the communities we work in.

Value for employees

The reason we attach so much importance to employee engagement is that we are convinced that happy people make happy customers. We want to provide a good working environment for our employees and give them the chance to excel. Which is why our culture focuses on people and why we offer them leadership programs and development opportunities. We believe in empowering our people through craftsmanship, vitality, and adaptivity. Increasing diversity in our workforce helps improve our service to customers.

Empowered employees

Progress measurement	2019	2018
Reptrak	71.5	70.8
Member Engagement	50%	44%
CO ₂ emissions (tonnes per FTE)	2.9	3.3
Total sustainable financing	46,000	46,607
Sustainability performance of our local Rabobank clients (A-level)	8%	5%
Sustainability performance of our Wholesale clients (A-level)	24%	24%

Progress measurement	2019	2018
Employee Engagement Score	64	61
Diversity: % Women in the Managing Board	40	40
Diversity: % Women in the first level below the Managing Board	33	31
Diversity: % Women employed in the Netherlands	51	52

Creating Value for our Stakeholders

We aim to add value for our stakeholders and for society. The most important value we provide to our stakeholders is making the living environment stronger in the communities we work in and helping our customers realize their ambitions.

Our [value creation model](#) shows our key resources: financial capital, employees, knowledge, IT, and partnerships. Alongside our mission, vision, strategy, and products and services they are a vital input for our business model. The outputs and impacts of the value creation model are allocated between our strategic pillars.

Our Stakeholders

We are keen to enter into dialogue with all our stakeholders, including customers, members, employees, investors, non-governmental organizations, government bodies, politicians, regulators, and other banks. Our stakeholders influence us directly and indirectly and vice versa.

We communicate with our stakeholders in different ways: through dialogue sessions, member councils, customer feedback platforms and satisfaction surveys, employee engagement surveys, participation in sector initiatives, and other channels. The members of our Managing Board talk to customers,

employees, politicians, and other stakeholders about the progress we're making on our strategy and developments in the financial sector and they ask for stakeholder feedback on Rabobank's contribution to society.

Our Business Model

We offer our customers a varied package of products and services which include payment services, savings, insurance and loans, as well as strategic advisory services, such as treasury and mergers and acquisitions. Our income is made up primarily from net interest, in other words, the difference between the interest we receive from our customers and the interest we pay on our deposits and for funding. This income pays our costs, for instance, the salaries of our employees, taxes, investments in innovation and digitalization, and dividend payments to our investors.

Resources for Value Creation

Our value creation model shows the most important capital flows: human and social capital, intellectual capital,

and financial capital. Human capital is vital since it's our people that make the bank. Social capital helps us make our contribution to society. We use our intellectual and financial capital to service our customers.

Human Capital

We strongly believe in empowering our 43.822 (fte) employees by encouraging continuous learning, expertise, and entrepreneurial spirit. Diversity and inclusion help to promote performance and creativity in the bank.

Social Capital

We are serious about our role as a socially responsible bank. We help our customers and our network make connections. We take part in various local, sector and chain initiatives and support our commercial and private clients in achieving their sustainability goals. We plough back 45.4 million euros of our net profit to communities by supporting local non-profit initiatives. We have entered into a partnership with the UN Environment (AGRI3 Fund) to promote forestry protection and sustainable agriculture. We take part in sectoral climate initiatives as part of the Dutch climate agreement and are a member and co-chair of the Climate Smart Agriculture Working Group of the

WBCSD. In addition, we work with public- private initiatives and with other banks to find collective solutions to money-laundering.

Intellectual Capital

With a history going back more than 120 years, we have extensive knowledge about food & agri and other sectors. Customers across the world can avail of our knowledge, network, and financial resources. We are keen to hold dialogues with our stakeholders, to share that knowledge, make connections, and to learn. In order to provide digital convenience to our customers, we are constantly striving to ensure high system availability.

Financial Capital

For institutional investors we offer relatively safe investment options through bonds and other subordinated instruments. Combined with our income and equity, these represent our working capital. Our high credit ratings, capital levels, and liquidity buffers are what make us a rock-solid bank.

What Is Our Impact?

Customers and Members

We want to use our knowledge, network, and products to help our customers realize their dreams and



ambitions. We also help them become more innovative and sustainable: for instance, our client photo can contribute to future-proofing. We don't just offer our customers financial products. When times get tough, for instance in periods of extreme drought, we support our customers. By facilitating everyday banking services, we generate economic activity and help keep the economy going. Member involvement is crucial for us to remain a meaningful cooperative. Our cooperative structure helps to keep us on point, thanks to the feedback our members give us about our strategic plan and the problems we encounter along the way. Their contribution is immensely valuable.

Society

We invest a percentage of our net profit in society through sponsorship and the cooperative dividend. We aim to accelerate the energy transition and support initiatives to tackle climate change. By supporting customers to make the shift to sustainable food production we can help to feed the world sustainably. It is our aim to contribute to the well-being and prosperity of people in the communities we work in.

Institutional Investors

For institutional investors we offer relatively safe investment options through bonds and other subordinated instruments. We safeguard continuity through financial performance and strong ratings.

Employees

The reason we attach so much importance to employee engagement is that we are convinced that happy people make happy customers. We want to provide a good working environment for our employees and give them the chance to excel. Which is why our culture focuses on people and why we offer them leadership programs and development opportunities. We believe in empowering our people through craftsmanship, vitality, and adaptability. Increasing diversity in our workforce helps improve our service to customers.

2019 in review



Loan for homeowners associations through special savings fund* for sustainable housing
 * Rabobank and the government are two of the fund participants

Read more

Partnership between Rabobank and Mastercard for Mastercard Farmer Network

- #MFN
- #Africa
- #FinancialInclusion
- #InclusiveGrowth

Rabobank helps hospitality industry tackle food waste

Read more



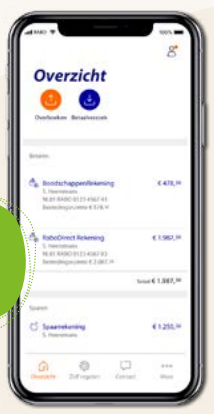
Contribution to Dutch banks' initiative to help people avoid debt

summer

winter

spring

More insight into personal finances



Excellent customer focus



Rabobank and WWF encourage sustainable salmon in Chile

fall

BPD builds 15,000 homes for middle-income renters



Rabobank and Hanze Hogeschool launch Customer Due Diligence training program

Read more

Excellent Customer Focus

Excellent customer focus



Sustainability Performance of Clients

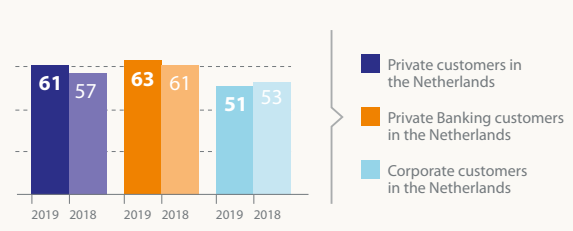
(Client Photo)

Frontrunner Clients Wholesale (A-level) 24%

Frontrunner Clients Local Rabobanks (A-level) 8%

We measure the sustainability performance of our clients with an exposure over EUR 1 million in a client photo ranking them from A-D.

KPI Net Promoter Score



We aim to be a leading bank in which current and future requirements can be fully satisfied through good advice, products, digital convenience and innovative services.



Excellent Customer Focus

Excellent Customer Focus

We want to use our knowledge, network, and products to help our customers realize their dreams and ambitions.



We help our clients innovative and become more sustainable: for instance, our client photo can contribute to future-proofing. We don't just offer our customers financial products. When times get tough, for instance in periods of extreme

drought or the nitrogen crisis in the Netherlands, we support our customers. By facilitating everyday banking services, we generate economic activity and help keep the economy going.

Customer Satisfaction

We use the Net Promoter Score (NPS) to measure customer satisfaction in the Netherlands. The NPS for retail clients rose in 2019. The customer satisfaction for corporate clients dropped slightly. We are continuing to invest in digitalization because it's important to our customers. In response to growing customer demand for digital services, we introduced a new customer service model. In the transition period, a number of customers reported issues, to which we have been responding.

Financial Health for Everyone

The number of customers using our digital services is rising. At year end, 64% our private customers do their banking online and 81.5% of our corporate clients. Easy access to their bank services is important to our clients, which is why we invest in our IT landscape and monitor the availability of our banking services. In 2019 availability was 99.6% for the banking app and 99.7% for online banking.

As the nature of the Dutch welfare state changes and the government reduces its role, people need to put aside more to pay for social and welfare services themselves. It is therefore vital to have a good overview of your financial situation, which is why we are developing our app to become more of a "financial coach." The app can help customers get control of their finances through improved insight into their financial situation. It shows customers their Rabobank accounts and transactions as well as accounts with other banks as well. The app can also help them anticipate future income and expenses. Customers can make their own goal-specific "piggy banks" and keep an eye on their spending.

In the Netherlands we also developed www.strakshetnodig.nl (dedicated to saving for a rainy day). We provided advice on saving, cutting costs, and how to invest. Our employees gave lessons in primary schools and helped set up Geldfit.nl, a platform which helps people who are in debt.

We also joined various partners in designing the Dutch "Schuldhulproute," a project which helps people find assistance for debt problems, and we participated in alliances to prevent the financial abuse of elderly people.

Sustainable Housing for Everyone

To help accelerate the energy transition we are initiating different measures to create wide access to sustainable housing. For instance, sustainability is now a standard topic of discussion when clients apply for a mortgage. Together with De Hypotheekshop, we have developed a training program to certify advisers in sustainable housing ("Erkend adviseur duurzaam wonen"). This training course is open to mortgage advisers outside Rabobank too.

Clients can finance sustainability modifications, for example by the Rabo Groendepot (Green Construction Deposit), in which money can be reserved for energy-saving measures for homes, and by lowering the mortgage rate for sustainable homes.

Customers can use the sustainability discount to make sustainable investments in their homes so that they can reduce their energy bill.

Sustainable Growth for Entrepreneurs

We don't just offer financial solutions to our commercial customers; we are keen to share our knowledge and networks too. We connect entrepreneurs with each other so that, together, they can develop smarter innovations and become more sustainable. For example, we partner with X!Delft, an initiative which helps academics, students, and corporates to innovate together. And through Rabo & Crowd we bring businesses and investors together.

To facilitate the transition to a sustainable circular economy, Rabobank offers solutions for different phases of a company's development. We invested over EUR 100 million in circular Business Models. We develop services to commercial customers through investments in our own innovations and in existing platforms and start-ups.



We provided almost EUR 25 million for the subordinated innovation loan (Achtergestelde Innovatie Lening) and granted green loans to promising newcomers. Fundr gives entrepreneurs the opportunity to make a digital application for a loan up to EUR 1 million. We want to help our customers become more sustainable. This starts with measuring the sustainability performance of our clients with an exposure of more than EUR 1 million. In energy labels, 8% of our local banks are frontrunners (A-label) as are 24% of our wholesale clients. This year the number of sustainable products and services we offer increased. In 2019, EUR 46 billion of sustainable loans were granted, were EUR 6.4 billion assets under management, EUR 5.3 billion sustainable funding and Rabobank supervised EUR 6.7 billion sustainable transactions.

Sustainable Food Production

We make connections between customers in the entire food & agri chain so that they can work together to build a future with enough healthy food for everyone. The focus is on sustainability in both food production and consumption. Examples include our Rabo Food Forward program in the Netherlands, the Food & Beverage Packaging Forum at Rabobank North America and the Farm2Fork event in Sydney.

Innovation is important to find new solutions for the entire food chain. The F&A Innovation Fund is one way we supported various innovative food & agri companies and their projects, from UV lighting that ensures higher crop yields to virtual fencing. Blockchain is one of the chief opportunities we see to make the food chain more transparent. Project Trado is a good example in which we worked with start-ups, Unilever, Sainsburys, and three other banks to come up with solutions for tea planters in Malawi.



Meaningful Cooperative

Meaningful cooperative

Community Funds and Donations

We allocated a percentage of our net profit for future investments in local community initiatives in the Netherlands.

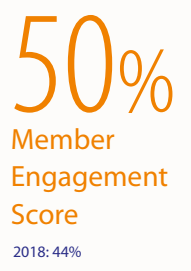
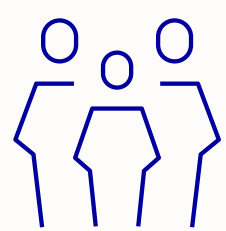


Partnerships Rabobank

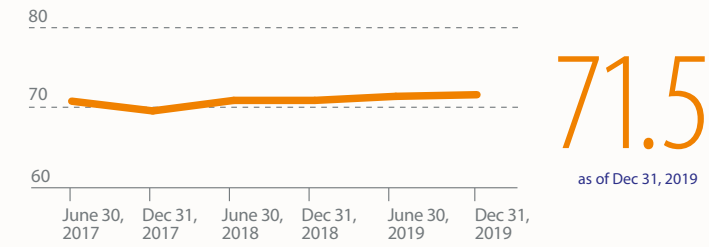
We believe we can achieve more if we work together with partners. That's why we invest in partnerships.

- Partner of WWF on sustainable food production
- Member and co-chair of the Climate Smart Agriculture Working Group of the WBCSD
- Tent Partnership for refugees
- CEO Partnership for Economic Inclusion (CEOP)
- Mastercard Farmer Network
- Active participation in the Dutch Climate Agreement talks
- XDelft
- An ambitious partnership with UN Environment on the AGRI3 fund, focused on forest protection, sustainable agriculture and land use
- Host Round table responsible soy
- Biodiversity monitor arable farming in the Netherlands
- Arise

Rabobank is committed to make a difference as a cooperative customer-driven bank, championing societal issues.



RepTrak Score Reputation Management





Meaningful Cooperative

A bank should do more than simply provide financial services.



We invest a percentage of our net profit in society through sponsorship and the cooperative dividend. We aim to accelerate the energy transition and support initiatives to tackle climate change. By supporting customers to make the shift to sustainable food

production we can help to feed the world sustainably. It is our aim to contribute to the well-being and prosperity of people in the communities we work in. Our reputation score improved again last year, from 70.8 in 2018 to 71.5 in 2019.



Involving the Members Makes the Cooperative Meaningful

Member involvement is crucial for us to remain a meaningful cooperative. Our cooperative structure helps to keep us on point, thanks to the feedback our members give us about our strategic plan and the problems we encounter along the way. Their contribution is immensely valuable.

We stay in contact with our members in different ways, for instance in dialogue sessions, events, or membership council meetings. We also contact our members twice a year to ask about their engagement and get their suggestions on how we could involve them more. 50% of our members indicate that they are involved with the bank (2018:44%).

The Power of Partnership

We believe that working in partnership increases our impact.

This is why we invest in different forms of partnership with other organizations including the World Wide Fund for Nature, the MasterCard Farmer Network, the Tent Partnership for refugees and the Round Table on Responsible Soy. We also participated in the consultations which underpinned the Dutch Climate Agreement.

Our Climate Contribution

We are the biggest residential mortgage lender in the Netherlands. We are also a leading project developer: our subsidiary Bouwfonds Property Development manages a portfolio of around 10,000 properties every year in the Netherlands and Germany. And all those properties have one thing in common: within a few decades they must all be climate neutral. This target was set in the Paris Climate Agreements and is further detailed in the Dutch Climate Agreement. To give middle income households access to sustainable rental accommodation, we are providing an extra housing stock of 15,000 properties.

We have also started a climate program to identify the climate risks in our banking portfolio in line with the recommendations of the TCFD and the Dutch climate agreement. The aim is to evaluate the impact of various climate change scenarios so that we can help our clients in affected sectors take action. Finding a solution to protect fragile natural areas is important to us. But the cost of the solutions should be fairly distributed between the sectors which are causing the problems. We will do all we can to offer the best possible support to our clients in finding the solutions they need.

Our Contribution to Society

We invest a percentage of our net profit in society through sponsorship and the cooperative dividend. We aim to accelerate the energy transition and support initiatives to tackle climate change. By supporting customers to make the shift to sustainable food production we can help to feed the world sustainably. It is our aim to contribute to the well-being and prosperity of people in the communities we work in.

We invest in local communities through our cooperative dividend and sponsorship, by sharing knowledge

and networks and by encouraging our employees to do voluntary work. Projects we support include giving lessons on money to schoolchildren, the Dutch "Schuld hulproute," which helps people find assistance for debt problems, as well as the Business Innovation Team in Limburg (BITL) and RVN@. BITL was established to help entrepreneurs grow sustainably and contribute to growth and employment in the southern province of Limburg. The purpose of RVN@ is to make the Nijmegen region one of the top spots for innovation and social and economic growth.

We organize various events on food issues, sustainable housing, financial health, The Week of the Cooperative, and growth for entrepreneurs. In all these events, we bring people and organizations together to experience the power of partnership and share knowledge so that together we can increase our impact.

Cooperative Dividend

We invest part of our profit in society. We call this our "cooperative dividend." Our members decide how this money will be spent, and it's usually on projects which benefit the local community.

Sponsorship

Clubs and associations have an important role to play in society. Clubs devoted to sport and culture contribute to social cohesion. They discover new talents and help them prepare for great achievements. But many of these associations in the Netherlands are experiencing financial and organizational problems. So we have decided to focus our sponsorship strategy on supporting local club activities. We do this in partnership with other organizations like NOC*NSF/ TeamNL and the Dutch national hockey association KNHB for sport, and Kunstbende and MOJO/Lowlands for culture. Half of the sport and cultural associations in the Netherlands now participate in our support program.

Art

We see art as the barometer of society. Which is why we work closely with leading artists on the Dutch cultural scene. Since we also believe in the transformational power of art, every year we invite an artist to be our artist in residence to give us an opportunity to learn from them.

Empowered Employees

Empowered employees

Gender Diversity

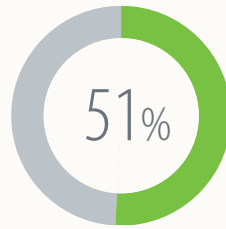
Percentage of women ...



in the
Managing
Board



in the first
level below
the Managing
Board



employed



It is our people who define who we are as Rabobank. Our employees help our customers achieve their ambitions. We believe happy people make happy customers.

Number of Employees

Worldwide, as of December 31, 2019

43,822
FTE

December 31, 2018 = 43,247



HR Priorities

Transformation

Happy people make
happy customers

Simplification



One
Rabobank
Culture

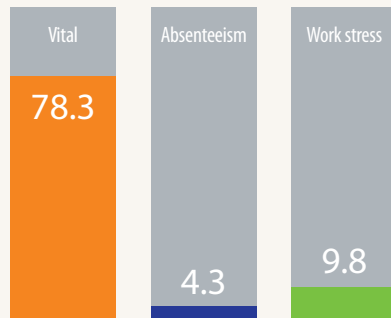
intermediar

Rabobank #11

in ranking favorite employers
of the Netherlands

#1 in ranking for ICT
among financials

% of employees...



Engagement Scan

64

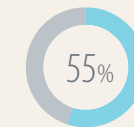
2018 = 61

84.6% of our
employees enjoy
going to work
at Rabobank.

84.7% find their
work interesting

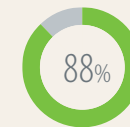
% of redundant employees

... that wanted a job



... succeeded within
6 months

... that wanted to start
their own business



... succeeded within
6 months

Empowered
Employees

Empowered Employees

Happy employees make happy
customers



We invest in employee engagement because we are convinced that happy people make happy customers.



We want to provide a positive working environment for our employees and we want them to excel. Therefore, we strive to create a culture centered around people and offer employees leadership programs and opportunities to grow. We believe in empowering our people through craftsmanship, vitality, and adaptivity. Increasing the diversity of our workforce helps us better serve our customers.

Employee Engagement

We witnessed an increase in employee engagement from 60.8 in the fourth quarter of 2018 to 64 in 2019. Our employees report (2019: 84.6%) that they enjoy going to work. Our employees also stated that they understand the contribution that they and their team are making toward our mission "Growing a Better World Together." And 78.3% of our employees said that they feel energetic. 9.8% of staff indicate they suffer from work stress.

Sick leave rates in the Netherlands remained stable at 4.3% , which is above the Occupational Health and Safety standard of 3.7%.

Diversity and Inclusion

We believe that our bank performs better when it works with diverse and inclusive teams. One place we can observe this is in the number of women employed in the Managing Board (40%) and the next level down (33%).

A diverse and inclusive working environment also boosts creativity and innovation within our bank. Having employees from different ethnic backgrounds makes us better at discovering the needs of different groups of customers. We also think it is important that everyone can be themselves. A variety of genders, ethnic backgrounds, and cultures makes Rabobank a better place. We also want to help people who have been marginalized from the labor market and newcomers to find a place in our organization. In 2019, we hired a number of refugees.

Future of Work

We use strategic resource planning, for example, to continually monitor the employability of our workforce. If possible, we provide employees training in the future of work with reskilling and coaching, among others. In 2019, 55% of the redundant employees who had also applied for a job succeeded to find a job within six months and 88% of the employees that wanted to start their own business achieved that goal within six months.

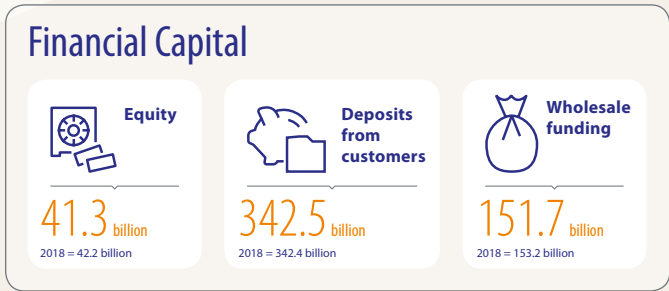
Remuneration Policy

We believe that remuneration is more than just pay. We strive to provide an inspiring working environment in which employees can develop and get the most out of themselves and their talent. We encourage our employees to make a difference in the local communities where they work. Please refer to the Annual Report 2019 for more information about our Remuneration Policy.

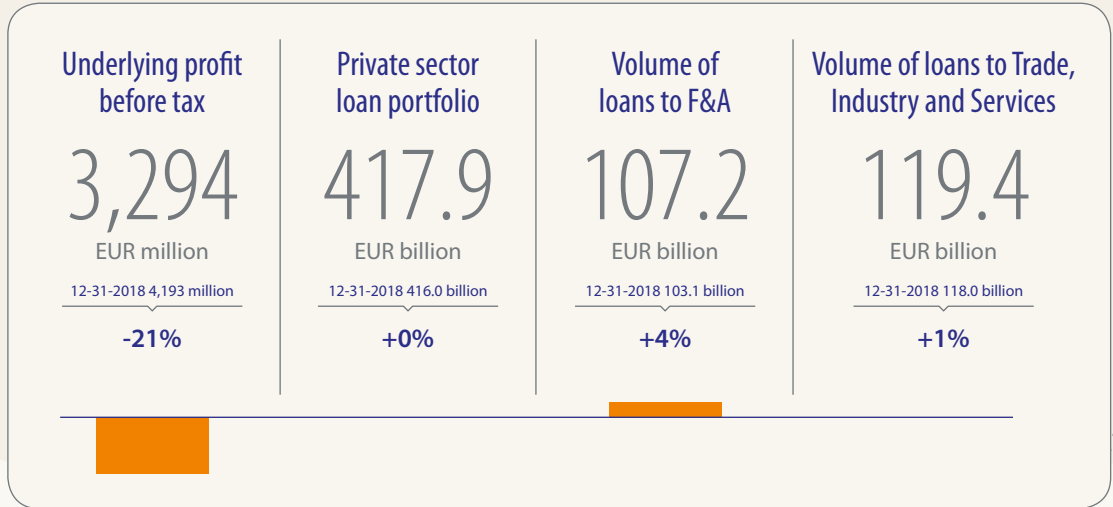
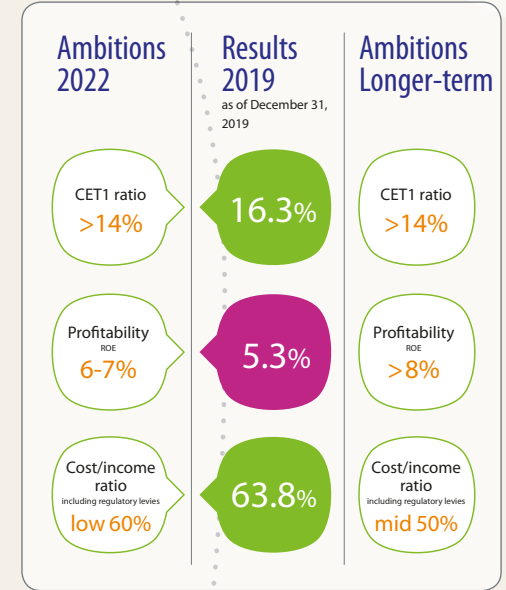


Rock-Solid Bank

Rock-solid bank



Remaining a rock-solid bank is a cornerstone of Rabobank's strategy. We strive to do the right things well, with everyone taking ownership and remaining conscious of the risks.



Rock-Solid Bank



Rock-Solid Bank

Good performance, doing the right thing, and being aware of the risks.

We offer institutional investors relatively low-risk investment options in the form of bonds and other subordinated instruments. Our

financial performance and strong ratings enable us to guarantee our continuity.

Good Performance

Our net profit ended up at EUR 2.2 billion. Compared to 2018's record-high profit, net profit in 2019 is lower. The difference is primarily due to impairment charges, which have now returned to normal levels from historically low levels in 2018. The low-interest rate environment negatively affected interest income, which decreased, but only by 1%. Our financial performance and strong ratings enable us to ensure the continuity of our organization. To do that, we must keep a close eye on our cost levels. In 2019, we reduced our costs by 4%. We aspire to cutting costs even further, but not at the expense of everything else. We also think it's important to be able to sufficiently invest in innovation and digitalization, along with legislation and regulation dossiers, so that we can continue to satisfy our customers' wishes.

Strong Capital Position

We have a robust capital position. The common equity tier 1 (CET 1) ratio amounts to 16.3% (2018:16.0%). That is well above the regulatory requirement and higher than our own minimum target of 14%. The decrease of 0.3 percent points is a result of retained earnings and the sale of non-core activities, such as Rabobank North America (RNA) and our operations in Ireland (ACC loan portfolio). This brings the divestment program to a close and enables us to focus on growing our core activities. We maintain a capital position sufficient to absorb the future impact of Basel IV.

Ethics and Integrity

We take our role as gatekeeper to the financial sector very seriously so that our products and services cannot be abused for purposes of money laundering or terrorism financing. We will devote considerable attention to the associated challenges including risk management, transaction monitoring and customer due diligence.

We will remain in constant dialogue with the regulators about our progress. In addition, we believe in the importance of working with other parties to develop a sector-wide approach, to devise solutions and to implement them.

Compliance with Laws and Regulations

All of our activities must comply with current legislation and regulations as well as our own Code of Conduct. Our clients count on us to fulfill our duty of care and expect us to act with integrity. Our risk management policy helps us to achieve our strategic goals. Our focus on Food & Agri internationally and domestically, in addition to our other activities in the Netherlands, presents different risks politically, economically, legally, and socially. Accepting a certain amount of (responsible) risk is part of banking, for example, signing new clients, issuing loans, or entering into interest-rate contracts. Risks are normal, but they must remain within our risk appetite.

Ratings

Ratings agencies issue assessments of the creditworthiness and the solidity of a bank after analyzing the bank and its environment. We have enjoyed relatively high ratings from all rating agencies for many years.

Outlook

Strategic Priorities for 2020

The Managing Board has set 10 strategic priorities for 2020 and beyond. As a cooperative, we want to help solve challenges in society together with partners that cannot be fixed alone. In the coming years continuous improvement and a cost reduction is required. We will accelerate cooperative banking by looking for further growth opportunities as a cooperative. We cherish our clients and want to grow in a appropriate way. As one Rabobank, we take responsibility for the performance of the group as a whole. We adopt new ways of working and further strengthen our one rabobank culture.

We see opportunities in Food & Agri where we have been a strong player for many years in the Netherlands and around the world.

This position provides a strong foundation to achieve more economies of scale and increase our market share. We see the lease market as another opportunity where there is a clear trend from ownership to usage models. This provides interesting openings for our subsidiary DLL, which is well-positioned in this market.

We will continue to strengthen our core business and at the same time will spread our wings. As a cooperative bank we want to make a meaningful contribution to major societal transitions. At the same time we have a duty to safeguard our cooperative business model, and to this end we will seek closer connections with our members. We will work together on solutions that benefit our customers, our communities and the world around us.



“Strong Results Despite Challenging Environment”



Supervisory Board

Chairman of the Supervisory Board Ron Teerlink reflects on 2019.

The Supervisory Board dealt with a broad range of issues in 2019, from responding to the challenging environment, legislation and regulation dossiers, our availability to our customers, and the renewal of our cooperative.



Challenging Environment

The low-interest rate environment, trade wars, and political shifts all make for a challenging environment. At the same time, loan impairment costs are normalizing. All these developments mean we will have to remain focused on cost management, digitalization, and future-oriented banking. For us, future-oriented banking means that our cooperative impacts social issues. One example of this from 2019 was the plan to build 15,000 sustainable rental accommodations for middle-income households. We are specifically interested in collaborating with other organizations to find solutions to societal problems.

Renewal of the Cooperative

Our cooperative depends on the involvement of our members. We in the Supervisory Board have closely followed the proposal for the renewal of our cooperative, from the exploratory phase to the mindset to the concrete interpretation.

Through the renewal, we hope that customers will be able to recognize Rabobank as a cooperative in their communities, in our (digital) customer service, and in the way our employees behave. We want our members to feel drawn to the cooperative aspect of our bank and to believe that membership is worthwhile. We also hope that society will recognize and appreciate the concrete impact that Rabobank has on the four social themes and the living environment. Finally, we want employees to be able to explain the bank's cooperative mission and how their work is a direct contribution to the cooperative.

Contact by Phone

Good customer service depends on customers being able to reach us. In 2019 we noted a downward trend in our accessibility figures. We have tackled this with an organization-wide program to achieve optimum accessibility. The Supervisory Board has followed this process closely with a special committee. The program has already been paying off, but will continue to demand attention in 2020.

Legislation and Regulation

In 2019 our agenda included a number of dossiers relating to legislation and regulation. One of the biggest dossiers was Customer Due Diligence, what we also call the 'know-your-customer' principle. Today it goes without saying that banks act as gatekeepers to the financial system. Anchoring customer due diligence within the organization is of the utmost importance. We, as the Supervisory Board, follow this issue closely, and support the bank's decision to make the large investments it did in 2019. We are also enthusiastic about the initiative to cooperate with other banks and public-private parties to develop solutions for this sector-wide problem.

Another important subject last year was the interest-rate derivatives dossier. All customers received a definitive offer at the end of 2019, but the administrative processing will continue through 2020, as will the accountant's audit of part of the portfolio.'

Appointments and Farewells

We invited Bas Brouwers to serve again as CFO for another new term. We also said goodbye to Irene Asscher, who was a member of the Supervisory Board for 10 years. She has a strong, independent personality and always puts integrity first.



Our Governance

By becoming members our cooperative customers can influence the policy of the local bank of which they are a member. The governance structure means they can also influence the direction of the entire organization.

Our current governance structure is based on a balanced system of decision-making bodies which are closely related. A distinguishing feature of our governance structure is that the cooperative is inextricably linked to the bank. Bottom-up decision-making means that our members have the final say in approving the bank's strategic frameworks.

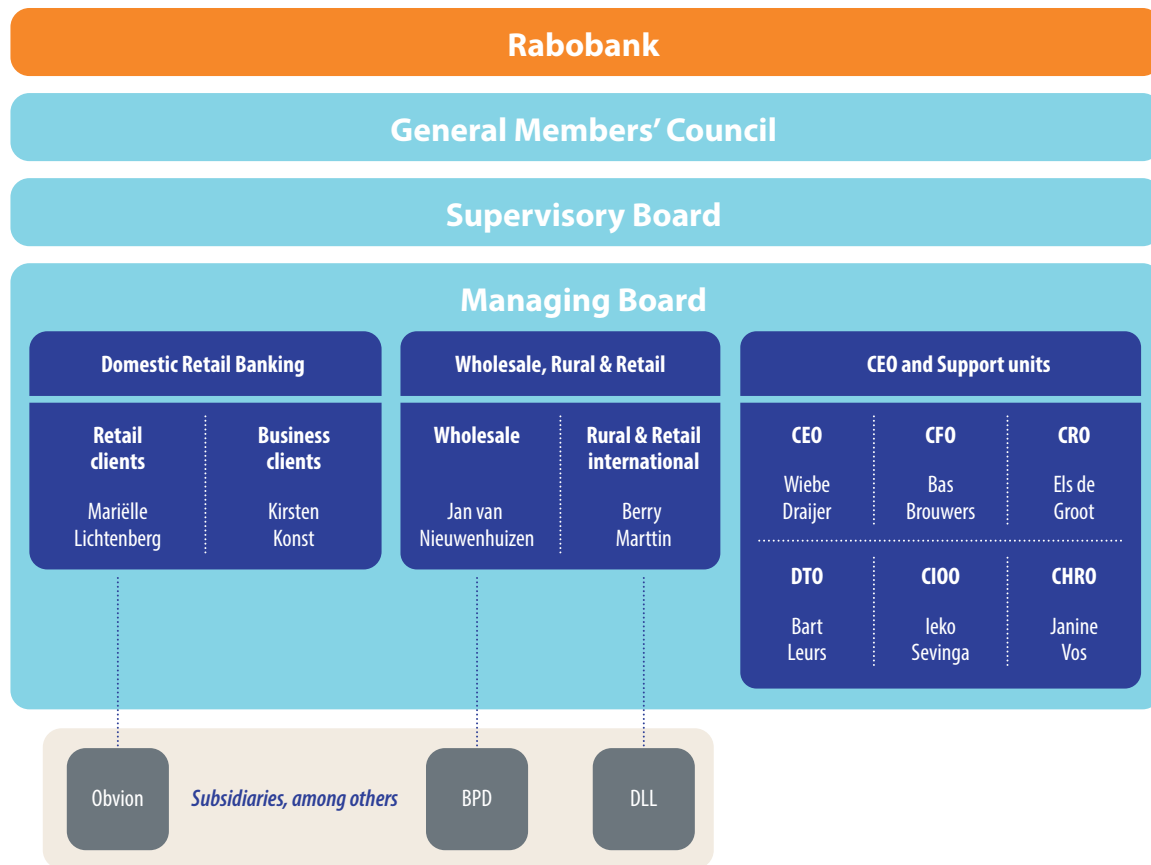
The daily management of Rabobank is the responsibility of a Managing Board consisting of 10 members led by a chairperson (CEO). Other members are the Chief Financial Officer (CFO) and Chief Risk Officer (CRO), and the Chief Information and Operations Officer (CIOO) who is responsible for IT, data improvement and operations. Separate directors of the four important client sectors are also members of the Managing Board: for the Netherlands this is private customers and commercial customers and for the international business this is Wholesale & Rural Clients. The Chief

Digital Transformation Officer (CDTO) is responsible for digitalization of services, innovation and Fintech across the entire company. Human resources is also represented in the Managing Board with the Chief Human Resources Officer (CHRO) to ensure further anchoring of the culture, leadership and talent development.

The members of the Managing Board are appointed by the Supervisory Board, consisting for two-thirds of Rabobank members. They supervise the Managing Board and evaluate its performance. The Managing Board is accountable to the General Members' Council (GMC) for implementation of the strategy and for how it has been supervised by the Supervisory Board. The GMC appoints the Supervisory Board and the chairman of this body is the leader of the GMC. Members of the GMC have a very strong two-way connection with the member base. They consult the local member bodies and can be held accountable in retrospect for decision-making and their own position on issues.

The GMC is the highest decision-making body at Rabobank. It consists of chairman of all local supervisory bodies who represent the members of their local banks. The GMC has around

Rabobank organization chart





ninety members and meets four times a year. It has a broad scope including activities within the cooperative as a whole, local banks, subsidiaries and participations in and outside the Netherlands. Within the cooperative the GMC takes the ownership role on behalf of the bank's 1.9 million members.

The GMC examines strategy and identity, budgets and the results achieved by the entire Rabobank organization. On behalf of members the GLC checks that Rabobank expresses its cooperative identity in society in tangible ways that can be clearly seen and experienced. The GMC monitors continuity and acts as the guardian of shared values on behalf of the members.

Policy and Standards

Sustainability is central to our mission and vision. The Sustainably Successful Together policy sets out Rabobank's ambitions in respect of sustainability up to 2020. In it we describe how we incorporate sustainability into relevant policy processes, products and services and how we support customers to achieve their ambitions in and for a more sustainable society.

The Sustainability Policy Framework is the single point of reference for all our sustainability policies. It gives details of our commitments and the expectations we have for our customers and business partners. The framework forms the basis for our sustainability standards for business partners and for providing financial products and services. Our sustainability performance is reviewed every year by external rating agencies.

We also have an ethics committee of which our Chairman of the Managing Board is a member. The committee deals with ethical dilemmas and issues recommendations on how to deal with them.

The Managing Board Remuneration Policy, in line with the Rabobank's vision on remuneration, focuses on contribution and leadership to realize the cooperative Rabobank mission. Managing Board members are not eligible for variable pay.

Risk Management

Our strategy entails specific risks and exposes the bank in both domestic and international markets to macro-economic, political, regulatory and social developments. Sound risk management enables us to serve our customers and satisfy our stakeholders. Without taking risks, profitable banking activities are impossible, which is why we must accept a certain degree of risk as defined in our Risk Appetite Statement. More information on risk management can be found in the Rabobank Annual Report.

Every day we take informed risk decisions while engaging with (new) customers, granting credit and entering into interest rate contracts. In the customers' interest, we design risk and control processes in order to manage the material risks. We employ a comprehensive approach to risk management, so that we may mitigate the risks we face with a solid risk management framework without quenching our Risk Appetite. Our risk management activities are designed to help realize the ambitions of the organization, of our customers and of our stakeholders.



Members of the Managing and Supervisory Board

Members of the Managing Board

Wiebe Draijer (W.) (Male, 1965, Dutch nationality)

Appointed to the Managing Board as CEO and Chairman with effect from October 1, 2014 with all the responsibilities this brings. His current appointment term expires on October 1, 2022. Wiebe Draijer is with the Managing Board also responsible for Communication & Corporate Affairs, Audit, Company Secretariat & Cooperative and the Corporate Strategy Office. Additional to his activities for Rabobank, Wiebe is member of the 'Cyber Security Raad', member of the Supervisory Board of 'Staatsbosbeheer' and member of board of the 'Nationale Coöperatieve Raad'.

Bas Brouwers (B.C.) (Male, 1972, Dutch nationality)

Appointed to the Managing Board with effect from January 1, 2016, current appointment term expires on January 1, 2024. As CFO, Bas Brouwers is responsible for Finance, including Financial Accounting, Treasury, Controlling, Tax and Investor Relations. Additional to his activities for Rabobank, Bas is Vice-Chair of the board of 'Nederlandse Vereniging van Banken'.

Els de Groot (E.A.) (Female, 1965, Dutch nationality)

Els de Groot was appointed to the Managing Board with effect from February 1, 2019, current appointment term expires on February 1, 2023. As CRO, Els de Groot is responsible for Risk Management, Compliance, Financial Restructuring & Recovery, Legal and Compliance.

Kirsten Konst (C.M.) (Female, 1974, Dutch nationality)

Kirsten Konst was appointed to the Managing Board as Director Business Clients with effect from September 1, 2017. Her main areas of focus are Commercial Banking in the Netherlands and local banks. Her current appointment term expires on September 1, 2021. Additional to her activities for Rabobank, Kirsten is member of the Supervisory Board of 'KRO-NCRV'.

Bart Leurs (B.) (Male, 1971, Dutch nationality)

Appointed with effect from September 1, 2017, current appointment term expires on September 1, 2021. As CDTO, Bart Leurs is responsible for the global Digital Transformation, Innovation Strategy, Data Analytics and manages a portfolio of Corporate Ventures, Partnerships and Participations.



Left to right (standing): Ieko Sevinga, Janine Vos, Els de Groot, Jan van Nieuwenhuizen, Bas Brouwers, Berry Marttin. Left to right (sitting): Wiebe Draijer, Mariëlle Lichtenberg, Bart Leurs, Kirsten Konst.



Mariëlle Lichtenberg (M.P.J.) (Female, 1967, Dutch nationality)

Mariëlle Lichtenberg was appointed to the Managing Board as Director Retail Clients with effect from September 1, 2017. Her main areas of focus are Retail and Private Banking, Marketing, Rabo Client Services (call center) and Obvion N.V.. Her current appointment term expires on September 1, 2021.

Berry Marttin (B.J.) (Male, 1965, Dutch and Brazilian nationalities)

Appointed to the Managing Board with effect from July 1, 2009, current appointment term expires on July 1, 2021. Berry Marttin is responsible for Rural & Retail International, Sustainability, Leasing, B4F Inspiration Center and DLL International. Additional to his activities for Rabobank, Berry is responsible for the Rabobank Foundation, and active as member of the Supervisory Board of 'Arise N.V.', member of the Supervisory Board of IDH ('Initiatief Duurzame Handel'), first Vice President of the Board of Directors 'American Chamber of Commerce' and member of the Board of trustees of the 'Hans R. Neumann Stiftung'.

Jan van Nieuwenhuizen (J.L.) (Male, 1961, Dutch nationality)

Appointed to the Managing Board with effect from March 24, 2014, current appointment term expires on March 24, 2022. His main areas of focus are Dutch and International Wholesale Banking and Commercial Real Estate. Additional to his activities for Rabobank, Jan is member of the Advisory Board of 'Euronext Amsterdam' and member of the Board of 'VNO-NCW'.

Ieko Sevinga (I.A.) (Male, 1966, Dutch nationality)

Appointed to the Managing Board with effect from September 1, 2017, current appointment term expires on September 1, 2021. As CIOO, Ieko Sevinga is responsible for the IT & Operations portfolio of Rabobank. Additional to his activities for Rabobank, Ieko is non-executive Board member of 'DPG Media B.V.' and non-executive Board member of 'MerweOord B.V..

Janine Vos, (B.J.) (Female, 1972, Dutch nationality)

Janine Vos was appointed to the Managing Board as Chief Human Resources Officer with effect from September 1, 2017. Her current appointment term expires on September 1, 2021. Additional to her activities for Rabobank, Janine is member of the Supervisory Board of KLM N.V..

Members of the Supervisory Board

Ron Teerlink (R.) (Male, 1961, Dutch nationality)

Ron Teerlink was appointed to the Supervisory Board with effect from 2013 and is chair since 2016. His current appointment term expires in 2021. Additional to his activities for Rabobank, Ron is member of the Supervisory Board of Takeaway.com and chair of the Supervisory Board of the Vrije Universiteit Amsterdam.

Marjan Trompetter (M.) (Female, 1963, Dutch nationality)

Marjan Trompetter was appointed to the Supervisory Board with effect from 2015 and is vice-chair since 2016. Her current appointment term expires in 2023. Additional to her activities for Rabobank, Marjan is vice-chair of the Supervisory Board of the 'Rijnstate Ziekenhuis' Arnhem and owner of Corona Consultancy.

Leo Degle, (L.N.) (Male, 1948, German nationality)

Leo Degle was appointed to the Supervisory Board with effect from 2012. His current appointment term expires in 2020. Additional to his activities for Rabobank, Leo is member of the Supervisory Board of Sakroon B.V./ Ten Kate B.V., board member of

FINCA Microfinance, board member of 'Wasser für die Welt', and board member of the Foundation Social Investment Innovation.

Petri Hofsté (P.H.M.) (Female, 1961, Dutch nationality)

Petri Hofsté was appointed to the Supervisory Board with effect from 2016. Her current appointment term expires in 2020. Additional to her activities for Rabobank, Petri is member of the Supervisory Board of Fugro N.V., member of the supervisory Board of PON Holding, member of the Supervisory Board of Achmea B.V. and several subsidiaries, board member of the Foundation Nyenrode, juror of the 'Kristalprijs' of the Dutch Ministry of Economical Affairs and Climate Policy, and board member of the 'Hendrik de Keyser' Association.

Arian Kamp, (A.A.J.M.) (Male, 1963, Dutch nationality)

Arian Kamp was appointed to the Supervisory Board with effect from 2016. His current appointment term expires in 2020. Additional to his activities for Rabobank, Arian is chair of the Supervisory Board of 'Koninklijke Coöperatie Agrifirm U.A., owner of the partnership A.A.J.M.



*Left to right (standing): Marjan Trompetter, Pascal Visée, Jan Nooitgedagt, Ron Teerlink, Arian Kamp.
Left to right (sitting): Leo Degle, Annet Aris, Petri Hofsté.*



Kamp and W.D. Kamp-Davelaar and chair of the Foundation 'Beheer Flynth'.

Jan Nooitgedagt, (J.J.) (Male, 1953, Dutch nationality)

Jan Nooitgedagt was appointed to the Supervisory Board with effect from 2016. His current appointment term expires in 2020. Additional to his activities for Rabobank, Jan is chair of the Supervisory Board of 'PostNL N.V., chair of the Supervisory Board of Invest-NL B.V., Board member of the Fiep Westendorp Foundation, member of the Financial Reporting and Accountancy Committee of AFM and chair of the Foundation 'Aandelenbeheer BAM Groep'.

Pascal Visée, (P.H.J.M.) (Male, 1961, Dutch nationality)

Pascal Visée was appointed to the Supervisory Board with effect from 2016. His current appointment term expires in 2020. Additional to his activities for Rabobank, Pascal is member of the Supervisory Board of Mediq Holding B.V., member of the Supervisory Board of Plus Holding B.V., member of the Supervisory Board of Royal FloraHolland U.A., chair of the Supervisory Board of 'Stedelijk Museum Schiedam, member of the Supervisory Board of Erasmus University, Member of the Board of the Foundation 'Prins Claus Fonds'.

Annet Aris, (A.P.) (Female, 1958, Dutch nationality)

Annet Aris was appointed to the Supervisory Board as with effect from 2018. Her current appointment term expires in 2022. Additional to her activities for Rabobank, Annet is member of the Supervisory Board of Randstad N.V., member of the Supervisory Board of ASML N.V., member of the Supervisory Board of Jungheinrich AG and senior Affiliate Professor of Strategy at INSEAD.

About this Review

This Rabobank Integrated Annual Review 2019 explains how we create value for our stakeholders. We used the International Integrated Reporting (<IR>) Framework of the International Integrated Reporting Council (IIRC) as a basis for this review. It provides information which is also published in other external reports such as the Rabobank Annual Report 2019. This Review is not meant as a replacement of these publications.

Scope en Boundaries

The Review relates to the reporting period January 1, 2019 to December 31, 2019 and was published on February 13, 2020 on Rabobank's corporate website. The information set forth in this report relates to Rabobank Group as a whole; it presents consolidated data for all Rabobank's entities and divisions. The Review includes the data of newly acquired businesses as of the year following acquisition. Rabobank no longer reports on divested units for the whole reporting year. The Review aims to provide a complete, concise and accurate view of our performance.

Continuous Stakeholder Dialogue and materiality

We are committed to a strategic, constructive and proactive dialogue with all our stakeholders. In this Review, we elaborate on the material topics arising from our materiality

assessment with the following stakeholder groups: clients, members, employees, non-governmental organizations, government agencies, politicians and supervisory bodies. Continuous dialogue with stakeholders provides us a clear view of which issues our stakeholders believe are important. Knowing that aids us in determining the material topics and is useful strategic input.

Based on an analysis of dialogue sessions with stakeholders, we have compiled a longlist of 125 topics. We then reduced that number to 24 topics after an analysis of media, trend reports, and important themes at other banks. We then surveyed our stakeholders about the topics they considered most relevant to Rabobank. The 10 topics that stood out from this survey were endorsed by the Managing Board. More information on the materiality

assessment we performed in 2019 can be found in the Rabobank Annual Report 2019.

Data Collection of Non-Financial Information

The collection of non-financial information is coordinated centrally within Rabobank Group. The Sustainability department shares responsibility with Finance & Control for collecting sustainability data. Other non-financial information of Rabobank Group divisions and local Rabobanks is obtained by our automated central management information system. Data that is not recorded in the central system is collected through qualitative and quantitative questionnaires (which are based on internal business principles, policies, and external guidelines approved by Rabobank Group) or received from external parties. The coordinator of the respective Group division/local Rabobank is responsible for collecting and reporting the non-financial information. Finance & Control and the Sustainability department perform plausibility checks after submission and ensure that appropriate actions are taken to optimize the data quality. For more information on the methodologies

and definitions used for indicators included in this review, please see the Rabobank Annual Report 2019.

Preparation of the Integrated Annual Review

The production process of this Review is as follows: the Managing Board appoints an Annual Report Steering Group, which appoints an Annual Report Working Group. The Steering Group and the Working Group share responsibility for the Integrated Annual Review. The following disciplines are represented in both the Steering Group and the Working Group: Managing Board Secretariat, Finance & Control, HR, Investor Relations & Rating Agencies, Sustainability, Integrated Risk Management, and Communications and Corporate Affairs. The Steering Group agrees on the different tasks, roles, and responsibilities relating to the production of the Integrated Annual Review. Before any work commences on gathering information and writing the Integrated Annual Review, the chair of the Steering Group and the Managing Board decide on the report's structure and key messages. The Working Group transforms these guidelines into drafts, which are subsequently reviewed by a committee of members

from the Working Group, the Steering Group, and other key employees. The draft texts of the Review are discussed twice in the respective meetings of the Managing Board, the Supervisory Board, and the Audit Committee.

Reliability

Our external auditor has not performed an assurance engagement on this Review. An internal review process is also in place to ensure a good balance between positive and negative aspects.

Reporting in Accordance with the <IR> Framework

The <IR> framework has guiding principles and content elements. The tables below show how our Review is prepared in accordance with this framework.

Guiding principles

Our approach

Reference

Strategic focus & future orientation	This review is centered on our ability to create value by execution of our strategy.	<ul style="list-style-type: none"> • Our strategy • Outlook
Connectivity of information	The information in this review is connected by the value creation model. There is a clear connection between the operating environment, our strategy, the material topics and our performance.	<ul style="list-style-type: none"> • Value creation model
Stakeholder relationships	We want to create value for our stakeholders. This review addresses how we interact with our stakeholders and how their views impact our strategy.	<ul style="list-style-type: none"> • Creating value for our stakeholders
Materiality	This review focuses on the topics that have most impact on our ability to create value.	<ul style="list-style-type: none"> • Our strategy
Conciseness	By focusing on our strategy and material topics and addressing other items in other forms of communication, we are able to keep this review concise to those areas that most impact our business and performance.	<ul style="list-style-type: none"> • About this review
Reliability & completeness	There is an internal review process established to ensure a good balance between positive and negative aspects.	<ul style="list-style-type: none"> • About this review
Consistency and comparability	We highlight which scope and boundaries are taken into consideration when presenting information in this Review. We ensure consistency and comparability by including comparative figures.	<ul style="list-style-type: none"> • Our performance • About this review

Content elements

Our approach

Reference

Organizational overview & external environment	The most relevant external factors affecting our business model are described.	<ul style="list-style-type: none"> • About us • Trends & developments
Governance	We describe how our governance structure supports our ability to create value.	<ul style="list-style-type: none"> • Our Governance
Business model	Our business model is included in our value creation model and reflects which inputs we use for our key activities and the outputs and outcomes of these activities.	<ul style="list-style-type: none"> • Value creation model
Risks and opportunities	We describe the risks and opportunities which have an influence on our ability to create value.	<ul style="list-style-type: none"> • Opportunities and risks
Strategy and resource allocation	We describe our strategy and targets set to show how we intend to realize our strategy.	<ul style="list-style-type: none"> • Our strategy • Value Creation Model
Performance	The Review contains a description on how we achieved our strategic objectives and which effect our performance has on the capitals.	<ul style="list-style-type: none"> • Value Creation Model • Our performance
Outlook	We describe challenges and uncertainties we might face in the future in pursuing our strategy.	<ul style="list-style-type: none"> • Trends & developments • Outlook (check)
Basis of preparation and presentation	We describe our reporting approach including how the contents of the Review were determined.	<ul style="list-style-type: none"> • About this Review