



Coöperatieve Rabobank U.A.

2018 U.S. Resolution Plan Public Section

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I. Introduction

To promote financial stability, Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) and the related rule¹ (the “Title I Rule”) require each nonbank financial company supervised by the Board of Governors of the Federal Reserve System (the “FRB”) and each bank holding company with total consolidated assets of \$50 billion or more (each, a “Covered Company”) to periodically submit to the FRB and the Federal Deposit Insurance Corporation (“FDIC”) a plan for such company’s rapid and orderly resolution in the event of material financial distress (as defined in the Title I Rule, “Material Financial Distress”) or failure. Coöperatieve Rabobank U.A. (“CRUA”) is a foreign-based Covered Company under the Title I Rule.

CRUA received a letter dated January 29, 2018, from the FRB and FDIC that authorizes CRUA to reduce the informational content of its resolution plan submissions (“Reduced Plans”) due by December 31, 2018, and each of the following two dates by which the Covered Company is required to submit a resolution plan, subject to the “Conditions for Reduced Plans.” These conditions are:

1. Total U.S. Non-branch Assets Remain below \$50 Billion; and
2. Absence of a Material Event.

For the resolution plan due by December 31, 2018, the two conditions are satisfied, and as a result the 2018 U.S. resolution plan (the “Resolution Plan” or the “2018 Resolution Plan”) is a Reduced Plan.

This public section provides a high-level overview of the Resolution Plan. The Resolution Plan presents a strategy for the resolution of CRUA’s material U.S. operations in the unlikely event of Material Financial Distress at, or failure of, CRUA. The Resolution Plan was developed as a roadmap to facilitate the orderly resolution of CRUA’s material U.S. operations within a reasonable timeframe while preserving asset value.

For ease of description, CRUA with its subsidiaries (consolidated subsidiaries for financial reporting purposes) is referred to as Rabobank. Unless otherwise indicated, the financial information provided herein is as at December 31, 2017.

Overview of Rabobank

Rabobank is a bank by and for customers, a cooperative bank, and a socially-responsible bank. Our aim is to be the market leader across all financial markets in the Netherlands. We are also committed to being a leading bank in the field of food and agri worldwide.

Rabobank is an international financial services provider operating on the basis of cooperative principles. It offers retail banking, wholesale banking, private banking, leasing, and real estate services. As a cooperative bank, Rabobank puts customers’ interests first in its services. It serves approximately 8.7 million clients around the world. Rabobank is committed to making a substantial contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably.

¹ 12 C.F.R. Part 243 (Board) and 12 C.F.R. Part 381 (FDIC).



We put the interests and ambitions of our customers and members first. With nearly two million members, we are one of the largest cooperatives in the Netherlands. And our members are more than just customers. They have a voice in deciding the bank's strategic course.

Our commercially independent local Rabobanks form the most finely-meshed banking network in the Netherlands. They serve millions of Dutch retail and wholesale customers with a full range of financial services. We are the market leader in the Netherlands in a number of segments.

Our cooperative identity stems back to the late 19th century, when a group of farmers founded the first agricultural cooperative banks. Our strong agricultural roots mean that we have unparalleled knowledge in the food and agri industry. We are by far the largest bank in the Netherlands in this field and our ambition is to become the world's leading food and agri bank. Based on this ambition, we are dedicated to making a contribution to bringing about global food safety and security.

At December 31, 2017, Rabobank had €602.991 billion in assets, total capital of €51.923 billion, and a total capital ratio of 26.2%. Rabobank's 2017 net profit was €2.674 billion. At year-end 2017, Rabobank employed 37,170 internal employees and 6,640 external employees (in full time employee "FTE" equivalents).

Overview of Rabobank's U.S. Operations and Activities

Rabobank has diverse financial operations in the United States involving wholesale, rural, and retail clients. Rabobank conducts its wholesale activities in the United States through CRUA's New York branch ("New York Branch") and certain subsidiaries of Utrecht-America Holdings, Inc. ("UAH"), the top-tier U.S. holding company indirectly wholly owned by CRUA. Rabobank conducts its U.S. rural and retail activities primarily through certain subsidiaries of UAH and its equipment leasing activities through DLL U.S. Holding Company, L.P. and its subsidiaries. Collectively, consolidated UAH and New York Branch hold approximately 80% of the U.S. operating assets of Rabobank.

II. The Name of the Material Entity

Material entity ("Material Entity") is defined in the Title I Rule as "a subsidiary or foreign office of the covered company that is significant to the activities of a critical operation or core business line" (12 C.F.R. 243.2(1); 12 C.F.R. 381.2(1)). CRUA has no critical operations or core business lines in the United States, as these terms are defined in the Title I Rule. This Resolution Plan is focused on the orderly resolution of New York Branch as an extension of the covered company, CRUA, in the U.S. For the purposes of the Title I Rule, New York Branch is treated as if it were a Material Entity.

III. Description of Core Business Lines

The Title I Rule defines core business lines ("Core Business Lines") as "those business lines of the covered company, including associated operations, services, functions and support, that, in the view of the covered company, upon failure would result in a material loss of revenue, profit, or franchise value" to the Covered Company (12 C.F.R. 243.2(d); 12 C.F.R. 381.2(d)). CRUA has conducted a review of its U.S. business lines, considering both quantitative and qualitative factors, and has determined that it does not have any Core Business Lines in the United States.

IV. Summary Financial Information Regarding Assets, Liabilities, Capital, and Major Funding Sources

Balance Sheet

The consolidated statement of financial position at December 31, 2017, and December 31, 2016, is presented below. For further information, please see the Consolidated Financial Statements 2017.

Figure IV-1 Consolidated Statement of Financial Position

Consolidated Statement of Financial Position <i>In millions</i>	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	€ 66,861	€ 84,405
Loans and advances to banks	27,254	25,444
Financial assets held for trading	1,760	2,585
Financial assets designated at fair value	1,194	1,321
Derivatives	25,505	42,372
Loans and advances to customers	432,564	452,807
Available-for-sale financial assets	28,689	34,580
Investments in associates and joint ventures	2,521	2,417
Goodwill and other intangible assets	1,002	1,089
Property and equipment	4,587	4,590
Investment properties	193	293
Current tax assets	175	171
Deferred tax assets	1,733	2,360
Other assets	7,961	7,878
Non-current assets held for sale	992	281
Total assets	€ 602,991	€ 662,593
Liabilities		
Deposits from banks	€ 18,922	€ 22,006
Deposits from customers	340,682	347,712
Debt securities in issue	134,423	159,342
Financial liabilities held for trading	581	739
Financial liabilities designated at fair value	13,792	16,520
Derivatives	28,103	48,024
Other liabilities	8,271	8,432
Provisions	1,537	1,510
Current tax liabilities	248	305
Deferred tax liabilities	396	618
Subordinated liabilities	16,170	16,861
Liabilities held for sale	256	-
Total liabilities	€ 563,381	€ 622,069

Consolidated Statement of Financial Position (continued)	December 31,	December 31,
<i>In millions</i>	2017	2016
Equity		
Reserves and retained earnings	€ 25,376	€ 25,821
Equity instruments issued by Rabobank		
Rabobank Certificates.....	7,440	5,948
Capital Securities	5,759	7,636
	<u>13,199</u>	<u>13,584</u>
Non-controlling interests		
Equity instruments issued by subsidiaries		
Capital Securities.....	166	185
Trust Preferred Securities III to IV	394	409
Other non-controlling interests	475	525
	<u>€ 1,035</u>	<u>€ 1,119</u>
Total equity	39,610	40,524
Total equity and liabilities	€ 602,991	€ 662,593

Funding Sources

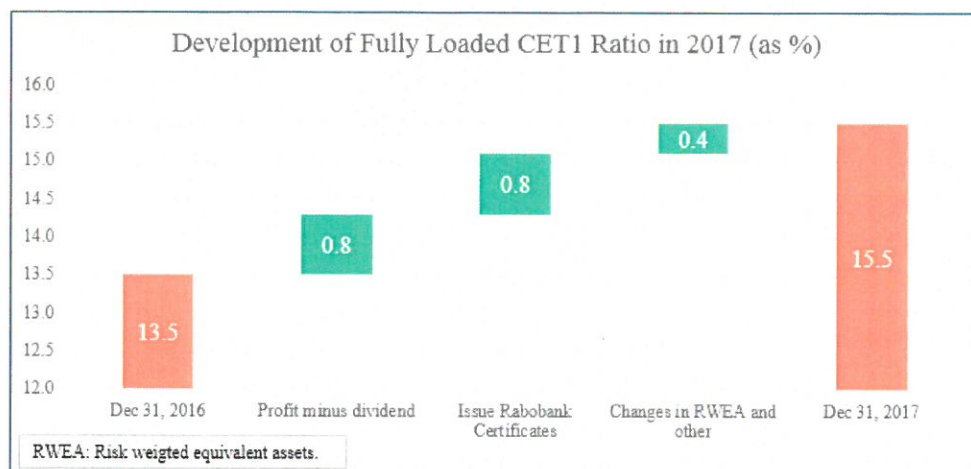
Rabobank obtains funding from diverse sources and in a range of currencies. Consistent with its retail Dutch heritage, Rabobank is primarily customer funded with €340.7 billion due to customers and €160.4 billion of wholesale funding at year-end 2017. The largest components of wholesale funding are €134.4 billion of debt securities in issue and €18.9 billion of deposits from banks.

Rabobank is actively reducing its wholesale funding usage. Doing so will make the bank less sensitive to potential future financial market instability. In 2017, the amount of wholesale funding decreased by €28.5 billion to €160.4 billion, partly as a result of foreign exchange rate developments. Issued debt securities, both short- and long-term, are the main source of wholesale funding. Rabobank intends to further reduce the amount of wholesale funding going forward.

Capital

At the end of 2017, Rabobank had a common equity tier 1 (“CET1”) ratio of 15.8% (2016: 14.0%), a fully loaded CET1 ratio of 15.5% (2016: 13.5%), a tier 1 ratio of 18.8% (2016: 17.6%), and a total capital ratio of 26.2% (2016: 25.0%). Rabobank’s Strategic Framework 2016-2020 set a 2020 ambition level of (a) greater than 14% for the fully loaded CET1 ratio and (b) greater than 25% for the total capital ratio. Both of these 2020 ambitions were achieved at year-end 2017.

Figure IV-2 Development of CET1 Ratio in 2017



Rabobank aims to maintain a proper level of capital (referred to as solvency herein for consistency with Rabobank's annual report). For this purpose, a number of solvency ratios are utilized. The principal ratios are the CET1, the tier 1 ratio, the total capital ratio, and the equity capital ratio. Rabobank uses its own internal objectives that extend beyond the minimum requirements of the supervisors. It takes market expectations and developments in legislation and regulations into account. Rabobank manages its solvency position based on policy documents. The solvency position and the objectives are periodically reviewed by the Risk Management Committee and the Asset Liability Committee of the Managing Board and the Supervisory Board.

CET1, tier 1, and total capital balances, and the resulting capital ratios, at December 31, 2017, and December 31, 2016, are presented on the following page. For further information, please see the Consolidated Financial Statements 2017.

Figure IV-3 Regulatory Capital and Risk-weighted Assets

Regulatory Capital and Risk-weighted Assets <i>In millions</i>	December 31, 2017	December 31, 2016
Retained earnings.....	€ 26,777	€ 25,709
Expected dividends	(54)	(60)
Rabobank Certificates	7,440	5,948
Part of non-controlling interests treated as qualifying capital	26	25
Reserves	(1,401)	112
Deductions	(2,050)	(3,302)
Transition guidance.....	525	1,186
<i>Common equity tier 1 capital</i>	31,263	29,618
Capital Securities	2,728	2,728
Grandfathered instruments	3,590	5,462
Non-controlling interests	6	5
Deductions	(88)	(91)
Transition guidance.....	(295)	(643)
<i>Tier 1 capital</i>	37,204	37,079
Part of subordinated liabilities treated as qualifying capital	14,896	16,094
Non-controlling interests	7	7
Deductions	(89)	(99)
Transition guidance.....	(95)	(208)
<i>Qualifying capital</i>	51,923	52,873
Risk-weighted assets.....	198,269	211,226

Figure IV-4 Capital Ratios

Capital Ratios² <i>In percent</i>	December 31, 2017	December 31, 2016
CET1 ratio.....	15.8	14.0
Fully loaded CET1 ratio.....	15.5	13.5
Tier 1 ratio.....	18.8	17.6
Total capital ratio	26.2	25.0
Equity capital ratio ³	17.3	15.0

² The transitional CRR provisions have been reflected in the ratios set out in this table.

³ The equity capital ratio is calculated by comparing the items Retained earnings and Rabobank Certificates to risk-weighted assets.

V. Description of Derivative and Hedging Activities

Derivatives are used at Rabobank for the purpose of mitigating at least a portion of the risks arising from the bank's various operations. Examples of this include interest rate swaps used to hedge interest rate risks arising from the difference in maturities between assets and liabilities. Another example is cross-currency swaps, which are used to hedge the currency risk to which the bank is exposed after issuing debt instruments in foreign currencies. In addition to hedging purposes, derivatives are also contracted with the bank's customers where Rabobank is the counterparty.

Types of Derivative Instruments Used by Rabobank

Forward currency and interest rate contracts are contractual obligations to receive or pay a net amount based on prevailing exchange or interest rates, or to purchase or sell foreign currency or a financial instrument on a future date at a fixed specified price in an organized financial market. Since collateral for forward contracts is provided in the form of cash, cash equivalents, or marketable securities, and changes in the value of forward contracts are settled daily, mainly via a central counterparty clearing house, the credit risk is low. The credit risk exposure for Rabobank is represented by the potential cost of replacing the swaps if the counterparties default. The risk is monitored continuously against current fair value, a portion of the notional amount of the contracts, and the liquidity in the markets. As part of the credit risk management process, Rabobank employs the same methods for evaluating counterparties as it does for evaluating its own lending activities.

Forward rate agreements are individually agreed forward interest rate contracts under which the difference between a contractually agreed interest rate and the market rate on a future date has to be settled in cash, based on a notional principal amount.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps entail an economic exchange of currencies or interest rates (such as a fixed rate for one or more variable rates), or a combination (i.e. a cross-currency interest rate swap). Except in certain currency swaps, no transfer of the principal amount takes place. Currency and interest rate options are contracts under which the seller (known as the writer) gives the buyer (known as the holder) the right, entailing no obligation, to purchase (in the case of a call option) or sell (in the case of a put option) a specific amount of foreign currency or a specific financial instrument on or before an agreed date or during an agreed period at a price set in advance. As consideration for accepting the currency or interest rate risk, the writer receives a payment (known as a premium) from the holder. Options are traded on exchanges or between Rabobank and clients ("OTC"). Rabobank is only exposed to credit risks as an option holder and only up to the carrying amount, which is equivalent to the fair value.

Credit default swaps ("CDSs") are instruments by means of which the seller of a CDS undertakes to pay an amount to the buyer. This amount is equal to the loss that would be incurred by holding an underlying reference asset if a specific credit event were to occur (i.e. the materialization of a risk). The buyer is under no obligation to hold the underlying reference asset. The buyer pays the seller a credit protection fee largely expressed in basis points, with the size of the fee depending on the credit spread of the reference asset.

Derivatives Issued or Held for Trading

The derivatives held or issued for trading are those used to hedge economic risks but which do not qualify as hedge accounting instruments and derivatives that corporate customers have contracted with

Rabobank to hedge interest rate and currency risks. The exposures from derivatives with corporate customers are normally hedged by entering into offsetting positions with one or more professional counterparties, within trading limits set.

The table below shows the notional amounts and the positive and negative fair values of Rabobank's derivative financial instruments held for trading at December 31, 2017. For further information, please see the Consolidated Financial Statements 2017.

Figure V-1 Derivatives Held for Trading

Derivatives Held for Trading <i>In millions</i>	Notional Amounts	Fair Values	
		Assets	Liabilities
Currency derivatives			
Unlisted tradeable contracts (OTC)			
Currency swaps	€ 336,792	€ 3,556	€ 4,021
Currency options – purchased and sold	3,694	29	48
Listed tradeable contracts	3,718	2	3
Currency futures	241	2	4
<i>Total currency derivatives</i>	€ 344,445	€ 3,589	€ 4,076
Interest rate derivatives			
Unlisted tradeable contracts (OTC)			
Interest rate swaps	€ 2,375,700	€ 14,800	€ 14,088
Interest rate options	77,409	2,593	2,758
<i>Total OTC contracts</i>	€ 2,453,109	€ 17,393	€ 16,846
Listed tradeable contracts			
Interest rate swaps	49,676	1	–
<i>Total interest rate derivatives</i>	€ 2,502,785	€ 17,394	€ 16,846
Credit derivatives			
Credit default swaps	€ 1,580	€ –	€ 4
Total return swaps	–	–	–
<i>Total credit derivatives</i>	€ 1,580	€ –	€ 4
Equity instruments/index derivatives			
Unlisted tradeable contracts (OTC)			
Options – purchased and sold	€ 63	€ 8	€ 7
<i>Total equity instruments/index derivatives</i>	€ 63	€ 8	€ 7
Other derivatives	€ 2,436	€ 118	€ 225
<i>Total derivative financial assets/liabilities held for trading</i>	€ 2,851,309	€ 21,109	€ 21,158

Derivatives Held as Hedges

Rabobank contracts various financial derivatives that serve to hedge economic risks, including interest rate and currency risks, which qualify as a fair value hedge, cash flow hedge or net investment hedge.

Fair Value Hedges

The main components of the fair value hedges at Rabobank are interest rate swaps and cross-currency interest rate swaps, which serve as protection against a potential change in the fair value of fixed-income financial assets and liabilities in both local and foreign currencies, such as mortgages, available for-sale debt securities, and issued debt securities.

Rabobank tests the hedge effectiveness on the basis of statistical regression analysis models, both prospectively and retrospectively. At year-end 2016, the hedge relations were highly effective within the range set by IAS 39.

The IFRS ineffectiveness for the year ended December 31, 2017, was €57 million (2016: €118 million). The result on the hedging instrument amounted to -€946 million (2016: -€850 million), with the result from the hedged position, allocable to the hedged risk, amounting to -€889 million (2016: €968 million).

Cash Flow Hedges

Rabobank's cash flow hedges consist mainly of cross-currency interest rate swaps, which serve to protect against a potential change in cash flows from financial assets in foreign currencies with floating interest rates.

Rabobank tests the hedge effectiveness on the basis of statistical regression analysis models, both prospectively and retrospectively. At year-end 2017 and 2016, the hedge relations were highly effective within the range set by IAS 39.

In 2017, Rabobank accounted for an amount of -€594 million (2016: -€87 million) after taxation in other comprehensive income as effective changes in the fair value of derivatives in cash flow hedges. In 2017, an amount of €622 million (2016: €56 million) after taxation of cash flow hedge reserves was reclassified to the income statement. On December 31, 2017, the cash flow hedge reserves as part of equity totaled -€42 million (2016: -€70 million) after taxation. This amount fluctuates along with the fair value of the derivatives in the cash flow hedges and is accounted for in the income statement over the term of the hedged positions as trading result. The cash flow hedge reserve relates to a large number of derivatives and hedged positions with different terms. The maximum term is 23 years, with the largest concentrations exceeding five years. The IFRS ineffectiveness for the year ended December 31, 2017, was €178 million (2016: €148 million).

Net Investment Hedges

Rabobank uses forward foreign exchange contracts to hedge a portion of the currency translation risk of net investments in foreign operations. On December 31, 2017, forward contracts with a nominal amount of €1,834 million (2016: €1,230 million) were designated as net investment hedges. These resulted in exchange gains and losses of -€88 million for the year (2016: -€6 million), which are deferred in equity. A total of €22 million was made in withdrawals from equity during the reporting year (2016: €24 million) as a result of the disposal of a hedged equity instrument. For the year ended December 31, 2017, Rabobank reported no ineffectiveness resulting from the net investment hedges.

The table below shows the notional amounts and the positive and negative fair values of Rabobank's derivative financial instruments held as hedges at December 31, 2017. For further information, please see the Consolidated Financial Statements 2017.

Figure V-2 Derivatives Held as Hedges

Derivatives Held as Hedges <i>In millions</i>	Notional Amounts	Fair Values	
		Assets	Liabilities
Derivatives designated as fair value hedges			
Currency swaps and cross-currency interest rate swaps	€ 51,904	€ 1,563	€ 5
Interest rate swaps	58,129	2,565	5,669
Derivatives designated as cash flow hedges			
Currency swaps and cross-currency interest rate swaps	€ 4,777	€ 299	€ 1,271
Derivatives classified as net investment hedges			
Currency futures contracts	1,834	(31)	–
Total derivative financial assets/liabilities held as hedges	€ 116,644	€ 4,396	€ 6,945

VI. Membership in Material Payment, Clearing and Settlement Systems

Rabobank participates in a number of financial market utilities (“FMUs”). This section addresses those FMUs that are material to the operations of New York Branch.

The only material and direct FMU memberships of New York Branch are its memberships in Society for Worldwide Interbank Financial Telecommunication (“SWIFT”) and Fixed Income Clearing Corporation-the Government Securities Division (“FICC-GSD”). New York Branch uses SWIFT to communicate with other banks with respect to cash payments and other activities and uses FICC-GSD for clearing trades in U.S. government securities.

Although New York Branch makes use of several other FMUs, it does so through agent relationships established through third-party banks.

VII. Description of Foreign Operations

Rabobank is committed to making a difference as a cooperative, customer-driven bank in the Netherlands and around the world. We aim to be a courageous, socially responsible bank, championing customer issues that have a major societal impact. And we want to be the Netherlands' most customer-driven bank and leading in food and agri. Rabobank's mission, vision, component banking activities, and strategic cornerstones are presented below.

Mission

Our mission is: Growing a better world together. This is what we stand for and what we aim to achieve through boldness, ingenuity, and decisiveness.

Vision

We are committed to making a difference as a cooperative, customer-driven bank in the Netherlands and leading in food and agri around the world. To achieve this, we have two strategic focus areas: Banking for the Netherlands and Banking for Food. We want to make a substantial contribution to welfare and prosperity in the Netherlands and to feeding the world sustainably. The visions outlined in Banking for the Netherlands and Banking for Food define our focus and provide a joint understanding of what it means to be a client-focused cooperative. Sustainability forms an integral part of both these visions.

Banking for the Netherlands

We feel a strong connection with our customers and members. We prosper when our customers prosper. As a cooperative bank, we want to make a clear contribution to meeting the challenges the Netherlands will face in the years ahead.

Our approach to this can be categorized under four headings: food, self-sufficiency, entrepreneurship, and local living environment. Our presence at the heart of local society, combined with our financial capabilities, network, and knowledge, enables us to address relevant local and regional topics and so contribute to sustainable welfare and prosperity in the Netherlands of tomorrow.

Banking for Food

Food security concerns us all. In 2050, the world population will have increased by 2 billion people to nearly 10 billion, many of whom will have twice as much income to spend. To meet the resulting increased demand for food, global food production will have to increase by at least 60%, while at the same time arable land and natural resources are already nearing their limits. The food and agri value chain will have to produce more with less to ensure long-term sustainability and economic viability. We want to make a sustainable contribution to the global food and agri sector by helping increase the availability of food and access to food, promoting healthy nutrition, and enhancing the stability of the food industry. In our strategy, we emphasize access to finance, networks, and knowledge, and connect producers, consumers, government bodies, and the public in the wider food issues.

Strategic Cornerstones

With our knowledge, networks, and finance, we strive to enable customers to make autonomous decisions and to act with flexibility and independence. We want customers to feel confident, be themselves, and feel they belong. Our strategy is founded on four cornerstones: excellent client focus,

meaningful cooperative, rock-solid bank, and empowered employees. These four cornerstones permeate all of our actions, priorities, key performance indicators (KPIs), values, and behaviors.

Legal and Operating Structure

Rabobank comprises CRUA, as the top entity, together with its subsidiaries in the Netherlands and abroad. Rabobank operates in 40 countries. Its operations include domestic retail banking, Wholesale, Rural & Retail (“WRR”), leasing, and real estate. In the Netherlands, its focus is on maintaining Rabobank’s position in the Dutch market and, internationally, on food and agriculture. Rabobank believes that its entities have strong interrelationships due to Rabobank’s cooperative structure.

Rabobank’s cooperative core business is carried out by the local Rabobanks. With 446 branches and 1,967 cash-dispensing machines at December 31, 2017, the local Rabobanks form a dense banking network in the Netherlands. Together, the local Rabobanks serve approximately 6.4 million retail clients and approximately 750,000 corporate clients, offering a comprehensive package of financial services.

Historically, prior to its global expansion, Rabobank engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank has also offered a wide variety of commercial banking and other financial services, not only in the Netherlands, but also internationally. As part of an ongoing program, Rabobank has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to become a provider of a full range of financial products and services, both in the Netherlands and internationally. Today, Rabobank provides an integrated range of financial services comprising primarily domestic retail banking, WRR, leasing, real estate, and the distribution of insurance products to a wide range of both individual and corporate customers. Each of these Rabobank provided services is described below.

Domestic Retail Banking

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. (“Obvion”), and Rabohypotheekbank N.V. (“Rabohypotheekbank”). In the Netherlands, Rabobank is a significant mortgage bank, savings bank, and insurance agent. Based on internal estimates, Rabobank believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers.

Obvion

Obvion is a provider of mortgages and a number of service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers.

Rabohypotheekbank

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and was owned 100 percent by CRUA as at December 31, 2017.

Wholesale, Rural & Retail

WRR focuses its activities on the food and agri sector and has an international network of branches with offices and subsidiaries in various countries, including the United States. Rabobank also operates RaboDirect internet savings banks. The Wholesale banking division serves the largest domestic and

international companies (Corporates, Financial Institutions, Traders, and Private Equity). Rural banking is focused on offering financial solutions for the specific needs of leading farmers and their communities in a selected number of key food and agri countries. The total number of internal and external employees in WRR stood at 7,909 FTEs at year-end 2017.

Leasing

Within Rabobank, DLL International B.V. (“DLL”) is the entity responsible for Rabobank’s leasing business, supporting manufacturers and distributors selling products and services worldwide with vendor finance. DLL, active in more than 30 countries, is a global provider of asset-based financial solutions in the agriculture, food, healthcare, clean technology, transportation, construction, industrial, and office technology industries. DLL is committed to delivering integrated financial solutions that support the complete asset life cycle.

Real Estate

The real estate segment is comprised of Bouwfonds Property Development (“BDP”) and Rabo Real Estate Group (comprising Bouwfonds IM and a financial holding company). Responsible for developing residential real estate areas, BPD focuses on residential areas, multifunctional projects, and public facilities. As a real asset investment management division, Bouwfonds IM aims to deliver sustainable value by investing capital raised from its clients through investment funds and by actively managing these portfolios.

Insurance

At December 31, 2017, CRUA held a 29 percent interest in Achmea B.V. (“Achmea”). CRUA does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in its consolidated financial statements. Achmea is a major insurance company in the Netherlands, where it serves a broad customer base of private individuals, as well as government agencies and corporates. Achmea occupies a relatively minor position outside the Netherlands, operating in four other European countries and Australia. Rabobank and Achmea work closely together in the area of insurance.

VIII. Material Supervisory Authorities

CRUA is a bank organized under the laws of the Netherlands. The principal Dutch law on supervision applicable to CRUA is the Financial Supervision Act (*Wet op het financieel toezicht*) (the “Supervision Act”). Pursuant to the Supervision Act, CRUA is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or the “AFM”), and the Dutch Ministry of Finance (*Ministerie van Financiën*).

The European Central Bank (“ECB”), under the Single Supervisory Mechanism (“SSM”), is responsible for the supervision of all credit institutions in the Eurozone. The objective of the SSM is to safeguard the security and stability of the European banking system. In cooperation with national authorities, the ECB carries out the direct prudential supervision of large credit institutions in the Eurozone, including Rabobank.

CRUA and other Rabobank entities are also subject to other European Union legislations, which have a significant impact on the regulation of Rabobank’s banking, asset management, and broker-dealer businesses in the European Union, and the regulations of the countries in which Rabobank does business.

Dutch and EU resolution framework and authorities

At a national level, the Dutch legislator adopted banking legislation dealing with ailing banks, the Special Measures Financial Institutions Act (*Wet bijzondere maatregelen financiële ondernemingen*) (the “Intervention Act”). The Intervention Act, enacted before the adoption of the EU Bank Recovery and Resolution Directive 2014/59/EU (the “BRRD”) for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms, contains similar legislation to the rules outlined in BRRD. The Intervention Act is still in effect and serves, according to the Dutch Legislator, as a national ‘backstop’ framework to the BRRD, “only to be used in case of exceptional circumstances”. Pursuant to the Intervention Act, substantial powers were granted to the DNB and the Dutch Minister of Finance enabling them to deal with, inter alia, ailing Dutch banks prior to insolvency.

The BRRD, which is an EU directive implemented into Dutch law, includes provisions to give regulators resolution powers. The BRRD sets out a common European recovery and resolution framework. In connection with the BRRD, the Single Resolution Mechanism Regulation (Regulation (EU) No 806/2014, the “SRM Regulation”) complements the BRRD and establishes uniform rules and a uniform procedure for resolution in the framework of a single resolution mechanism and a single bank resolution fund (the “Single Resolution Mechanism” or “SRM”). The SRM Regulation establishes a single resolution board (consisting of representatives from the ECB, the European Commission and the relevant national authorities) (the “SRB”) that will manage the failing of any bank in the Euro area and in other EU member states participating in the European Banking Union. The SRB is the “Resolution Authority” for significant banks in the European Banking Union, including Rabobank. Under the SRM Regulation, the SRB became fully operational and has powers to collect information and cooperate with the national resolution authorities for the elaboration of resolution planning. The SRB is also granted the same resolution tools as those set out in the BRRD. As Rabobank’s resolution authority, the SRB is ultimately in charge of the decision to initiate Rabobank’s resolution, operationally the decision will be implemented in cooperation with the DNB in its capacity as the Dutch national resolution authority.

United States

In the United States, Rabobank’s regulators include the FRB, New York State Department of Financial Services (“NYDFS”), Securities and Exchange Commission, Office of the Comptroller of the Currency, FDIC, Commodities and Futures Trading Commission, and Consumer Financial Protection Bureau.

IX. Principal Officers

At November 1, 2018, the following persons are the members of CRUA's Supervisory Board and Managing Board:

CRUA Supervisory Board

Name	Role
Mr. R. Teerlink (Ron)	Chairman
Ms. M. Trompetter (Marjan)	Vice Chairman
Ms. I.P. Asscher-Vonk (Irene)	Member
Mr. L.N. Degle (Leo)	Member
Mr. A.A.J.M. Kamp (Arian)	Member
Mr. J.J. Nooitgedagt (Jan)	Member
Ms. P.H.M. Hofsté (Petri)	Member
Mr. P.H.J.M. Visée (Pascal)	Member

CRUA Managing Board⁴

Name	Role / Responsibility
Mr. Wiebe Draijer*	Chairman
Mr. Bas Brouwers*	Chief Financial Officer
Ms. Petra van Hoeken*	Chief Risk Officer
Ms. Kirsten Konst*	Commercial Banking in the Netherlands and Regional Directors
Mr. Bart Leurs	Chief Digital Transformation Officer
Ms. Mariëlle Lichtenberg	Retail and Private Banking in the Netherlands
Mr. Berry Martin*	Rural & Retail International
Mr. Jan van Nieuwenhuizen*	Dutch and International Wholesale Banking and Commercial Real Estate
Mr. Ieko Sevinga	Chief Information and Operations Officer
Ms. Janine Vos	Chief Human Resources Officer

X. Resolution Planning Corporate Governance and Processes

Resolution Plan under EU's SRM Regulation and BRRD

In accordance with the EU's SRM Regulation and BRRD, Rabobank's resolution plan, (the "SRM Resolution Plan") is prepared, maintained, and updated by Internal Resolution Teams of the Resolution Authority, in cooperation with the national resolution authority, the Dutch Central Bank. The Resolution Authority determines the resolution strategy for Rabobank. Rabobank has provided the

⁴ The Managing Board (groepsdirectie) consists of statutory members under Dutch law (marked with *) and non-statutory members. The statutory members also form Rabobank's Executive Board (raad van bestuur). Where we refer to the Managing Board and its duties and responsibilities, this will include the Executive Board and its duties and responsibilities.

Resolution Authority with information and the Resolution Authority is in the iterative process of preparing an operational SRM Resolution Plan.

U.S. Resolution Plan

In the United States, this Resolution Plan has been overseen by senior officers of New York Branch. Rabobank has a Global Recovery and Resolution Planning Framework (the “Global RRP Framework”) in place. The Global RRP Framework incorporates policies and procedures regarding the preparation, update, maintenance, and approval for group and individual plans. This Resolution Plan, which includes a resolution strategy for New York Branch, is integrated into the governance structure of New York Branch and the preparation and review of this Resolution Plan has been conducted in line with the Global RRP Framework.

This Resolution Plan was approved by Rabobank’s Resolution Program Board, acting under the authority of the Managing Board, prior to its submission.

XI. Description of Material Management Information Systems

Rabobank utilizes Management Information Systems (“MIS”) to obtain data on the key metrics and information needed to manage Rabobank under a “best practices” approach. The systems aggregate, analyse, and present information related to risk management, including credit, liquidity, operational and market risk management, accounting, financial and regulatory reporting, and internal management reporting and analysis.

MIS is managed by the Information Technology and Operations Department of Rabobank, which is responsible for all systems hardware and software used by Rabobank. Software has been developed internally and purchased from third-party vendors. Many of the third-party systems are supplemented with internally developed software to integrate the system into the infrastructure of Rabobank and/or to enhance the functionality of the software.

MIS is used locally, globally, at the product and business line level, and by senior management. Reports are generated daily, monthly, and at other frequencies. The systems reside on mainframes, servers, and other hardware within the scope of Rabobank’s Business Continuity Planning activities. Internal users are staff of Rabobank’s local and global business units, while external users are clients, investors, regulators, and other stakeholders.

XII. High-Level Description of Resolution Strategy

The resolution strategy for CRUA’s material U.S. operations centers on New York Branch. The Resolution Plan takes into account that Material Financial Distress at, or failure of, CRUA occurs under economic conditions consistent with the severely adverse scenario published by the FRB and assumes that, upon a failure of CRUA caused by an idiosyncratic event, the Superintendent of the NYDFS takes possession of the businesses and properties of New York Branch, appoints a receiver for New York Branch, and initiates the liquidation of New York Branch. The Superintendent is expected to “ring fence” all of New York Branch’s assets and all other assets of CRUA located in New York State in accordance with the New York Banking Law and apply these assets to repay the third-party liabilities of New York Branch. The key elements of the resolution of New York Branch are driven by the requirements of the NYDFS receivership procedures for the orderly liquidation of a banking entity determined to be insolvent. The resolution strategy takes into account the potential insolvencies of



certain affiliates of CRUA, including certain affiliates incorporated in or managed out of the United States, which may take place in the event of CRUA's failure.

