

Annual consolidated financial statements

of the Volksbanken Raiffeisenbanken
Cooperative Financial Network

Frankfurt, July 6, 2016



Volksbanken Raiffeisenbanken Cooperative Financial Network

finanzgruppe.de



Genossenschaftliche FinanzGruppe
Volksbanken Raiffeisenbanken

 DZ BANK

 WGZ BANK



Schwäbisch Hall



 Union
Investment



Volksbanken
Raiffeisenbanken

 WL BANK



MünchenerHyp

DG
HYP

 DZ PRIVATBANK



VR Leasing
Gruppe

e@sy
Credit®

At a glance

Profit before taxes

€ **9.8 bn**

Net interest income

€ **20 bn**

Net fee and
commission income

€ **5.8 bn**

Members

18.3 mn

(+258,341)



Proportion of
online banking

62.1%

(+2.1 percentage points)



Banks

1,021

(-26)



Branches

12,260

(-510)



Banking apps

4.9 mn

(+1.3 mn)



Consolidated income statement of the Cooperative Financial Network

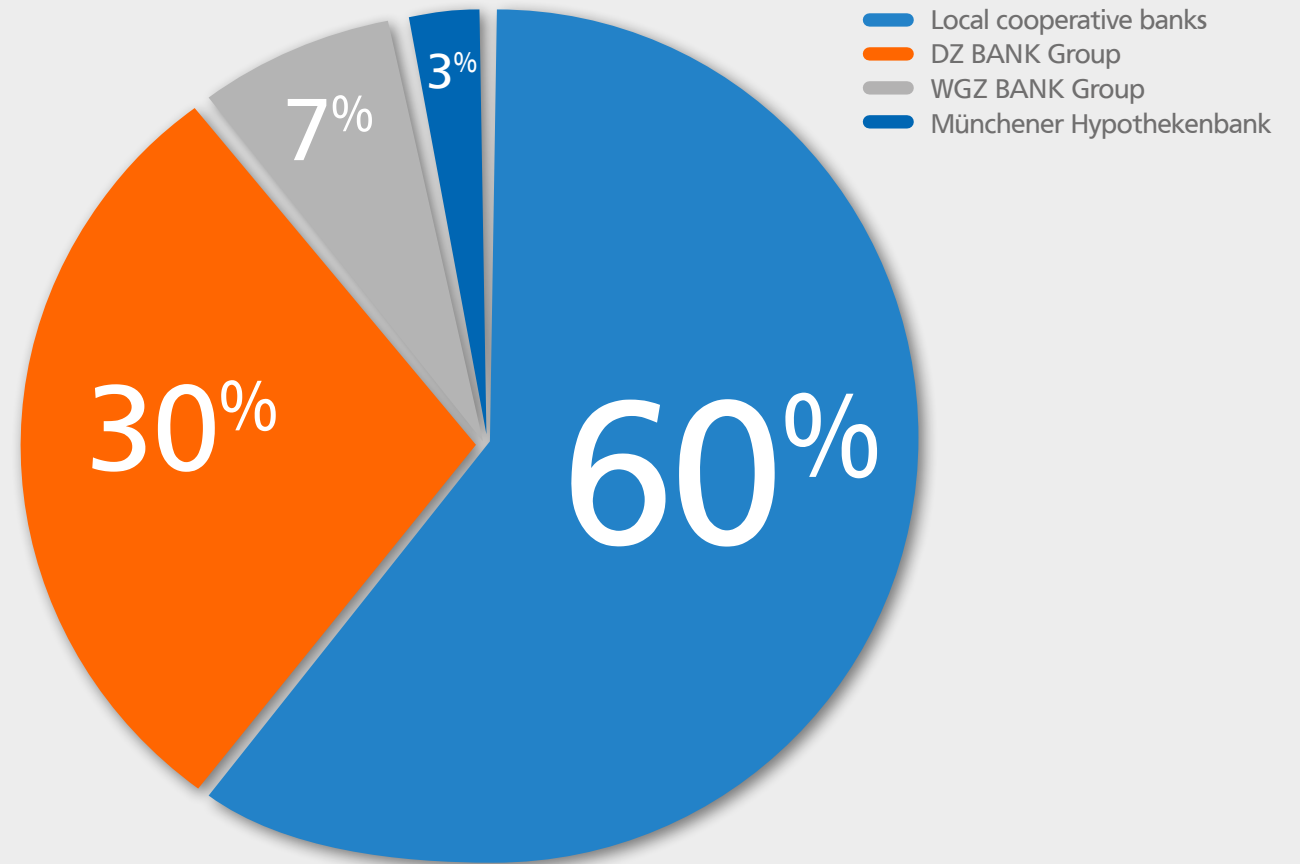
| Income statement | 2015 | | 2014 | | Change | |
|--|--------------|---------------|---------------|---------------|-----------------------|---------------|
| | (€ million) | (% of av. TA) | (€ million) | (% of av. TA) | (€ million) | (%) |
| Net interest income | 20,021 | 1.74% | 20,047 | 1.81% | -26 | -0.1% |
| Allowances for losses on loans and advances | -74 | -0.01% | -299 | -0.03% | 225 | -75.3% |
| Net fee and commission income | 5,798 | 0.50% | 5,467 | 0.49% | 331 | 6.1% |
| Gains and losses on trading activities | 607 | 0.05% | 752 | 0.07% | -145 | -19.3% |
| Gains and losses on investments | -561 | -0.05% | 148 | 0.01% | -709 | <-100% |
| Other gains and losses on valuation of financial instruments | 363 | 0.03% | 435 | 0.04% | -72 | -16.6% |
| Net income from insurance business | 993 | 0.09% | 1,281 | 0.12% | -288 | -22.5% |
| Other net operating expense | -126 | -0.01% | -281 | -0.03% | 155 | -55.2% |
| Administrative expenses | -17,234 | -1.50% | -16,895 | -1.52% | -339 | 2.0% |
| Profit before taxes | 9,787 | 0.85% | 10,655 | 0.96% | -868 | -8.1% |
| Income taxes | -2,820 | -0.25% | -2,848 | -0.26% | 28 | -1.0% |
| Net profit | 6,967 | 0.61% | 7,807 | 0.70% | -840 | -10.8% |
| Cost/income ratio | 63.6% | | 60.7% | | 2.9 percentage points | |

Distribution of total assets in the Cooperative Financial Network

Consolidated total assets

€ **1,163 bn**

+2.4%



Consolidated balance sheet of the Cooperative Financial Network

| Assets | Dec. 31, 2015 | | Dec. 31, 2014 | | Change | |
|--|------------------|---------------|------------------|---------------|---------------|-------------|
| | (€ million) | (% of TA) | (€ million) | (% of TA) | (€ million) | (%) |
| Cash and cash equivalents | 20,536 | 1.8% | 15,656 | 1.4% | 4,880 | 31.2% |
| Loans and advances to banks | 32,988 | 2.8% | 38,293 | 3.4% | -5,305 | -13.9% |
| Loans and advances to customers | 700,608 | 60.3% | 670,683 | 59.1% | 29,925 | 4.5% |
| Allowances for losses on loans and advances | -7,631 | -0.7% | -8,519 | -0.8% | 888 | -10.4% |
| Financial assets held for trading | 53,570 | 4.6% | 61,181 | 5.4% | -7,611 | -12.4% |
| Investments | 249,960 | 21.5% | 249,219 | 21.9% | 741 | 0.3% |
| Investments held by insurance companies | 82,766 | 7.1% | 77,545 | 6.8% | 5,221 | 6.7% |
| Property, plant and equipment, and investment property | 11,168 | 1.0% | 11,429 | 1.0% | -261 | -2.3% |
| Other assets | 18,544 | 1.6% | 20,273 | 1.8% | -1,719 | -8.5% |
| TOTAL ASSETS | 1,162,519 | 100.0% | 1,135,760 | 100.0% | 26,759 | 2.4% |

Consolidated balance sheet of the Cooperative Financial Network

| Equity and liabilities | Dec. 31, 2015 | | Dec. 31, 2014 | | Change | |
|--|------------------|---------------|------------------|---------------|---------------|-------------|
| | (€ million) | (% of TA) | (€ million) | (% of TA) | (€ million) | (%) |
| Deposits from banks | 99,505 | 8.5% | 103,526 | 9.1% | -4,021 | -3.9% |
| Deposits from customers | 739,218 | 63.6% | 713,485 | 62.8% | 25,733 | 3.6% |
| Debt certificates issued including bonds | 70,248 | 6.0% | 66,981 | 5.9% | 3,267 | 4.9% |
| Financial liabilities held for trading | 45,397 | 4.0% | 52,760 | 4.7% | -7,363 | -14.0% |
| Provisions | 12,563 | 1.1% | 13,661 | 1.2% | -1,098 | -8.0% |
| Insurance liabilities | 78,929 | 6.8% | 74,670 | 6.6% | 4,259 | 5.7% |
| Other liabilities | 18,285 | 1.6% | 19,440 | 1.7% | -1,155 | -5.9% |
| Subordinated capital | 5,367 | 0.4% | 4,736 | 0.4% | 631 | 13.3% |
| Equity | 93,007 | 8.0% | 86,501 | 7.6% | 6,506 | 7.5% |
| TOTAL EQUITY AND LIABILITIES | 1,162,519 | 100.0% | 1,135,760 | 100.0% | 26,759 | 2.4% |

Equity and capital ratios of the Cooperative Financial Network

Equity

€ **93 bn**

+6.5 bn €
+7.5%

| Capital ratios | Dec. 31, 2015 | Dec. 31, 2014 | Change (percentage points) |
|--|---------------|---------------|-------------------------------|
| Common equity Tier 1 capital ratio | 12.3% | 11.2% | +1.1% |
| Tier 1 capital ratio | 12.4% | 11.5% | +0.9% |
| Common equity Tier 1 capital ratio incl. sec. 340f HGB reserve | 14.6% | 13.6% | +1.0% |
| Tier 1 capital ratio incl. sec. 340f HGB reserve | 14.8% | 13.8% | +1.0% |
| Total capital ratio | 15.8% | 15.1% | +0.7% |
| Leverage ratio incl. sec. 340f HGB reserve (fully loaded) | 6.9% | n.a. | |

Risk position

Allowances for losses
on loans and advances at

€ **0.1 bn**

Loan to deposit ratio
stable at

95%

Expenses for allowances for losses
on loans and advances
cumulative over the last 5 years at just

€ **2.9 bn**

Cooperative Financial
Network's credit ratings:

**Fitch Ratings,
Standard & Poor's**

for capital market and individual ratings

