

## BASE PROSPECTUS SUPPLEMENT

### ***Rabobank***

#### **Coöperatieve Rabobank U.A. (Rabobank)**

*(a cooperative (coöperatie) formed under the laws of the Netherlands with its statutory seat in Amsterdam)*

#### **Coöperatieve Rabobank U.A. (Rabobank) Australia Branch**

**(Australian Business Number 70 003 917 655)**

*(a cooperative (coöperatie) formed under the laws of the Netherlands with its statutory seat in Amsterdam)*

#### **EUR 160,000,000,000 Global Medium-Term Note Programme**

**Due from seven days to perpetuity**



This Base Prospectus supplement (the “**Base Prospectus Supplement**”) constitutes a base prospectus supplement for the purposes of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and regulations thereunder (together, “**Dutch securities laws**”) and is prepared in connection with the Global Medium-Term Note Programme (the “**Programme**”) under which Coöperatieve Rabobank U.A. (Rabobank) (“**Rabobank**” or “**Rabobank Nederland**”), may through its head office or through Coöperatieve Rabobank U.A. (Rabobank) Australia Branch (“**Rabobank Australia Branch**”), subject to compliance with all relevant laws, regulations and directives, from time to time, issue Global Medium-Term Notes (the “**Notes**”). References herein to the “**Issuer**” shall mean Rabobank or Rabobank Australia Branch.

This Base Prospectus Supplement is supplemental to, and should be read in conjunction with, the base prospectus dated 7 May 2015 and the base prospectus supplement dated 20 August 2015 (together with the base prospectus dated 7 May 2015, the “**Base Prospectus**”). Capitalised terms used but not otherwise defined in this Base Prospectus Supplement shall have the meanings ascribed thereto in the Base Prospectus. To the extent that there is any inconsistency between (a) any statement in this Base Prospectus Supplement or any statement incorporated by reference into the Base Prospectus by this Base Prospectus Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statements in (a) will prevail.

Save as disclosed in this Base Prospectus Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has arisen or been noted, as the case may be, since the publication of the Base Prospectus.

This Base Prospectus Supplement has been submitted to and approved by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) in its capacity as competent authority under the Prospectus Directive and Dutch securities laws.

In accordance with Article 5:23(6) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), investors who have agreed to purchase or subscribe for Notes issued under the Programme before the Base Prospectus Supplement is published have the right, exercisable before the end of the period of two business days beginning with the business day after the date on which this Base Prospectus Supplement was published, to withdraw their acceptances.

The date of this Base Prospectus Supplement is 4 January 2016.

## IMPORTANT INFORMATION

**Rabobank, having taken all reasonable care to ensure that such is the case, confirms that, to the best of its knowledge, the information contained in this Base Prospectus Supplement with respect to itself as well as with respect to itself and its subsidiaries and affiliates taken as a whole (the “Group” or the “Rabobank Group”) and the Notes or otherwise is in accordance with the facts and does not omit anything likely to affect the import of such information. Rabobank accepts responsibility accordingly.**

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus Supplement and the Base Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger. Neither the delivery of this Base Prospectus Supplement or the Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which the Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which the Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Base Prospectus Supplement nor the Base Prospectus constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The Arranger and the Dealers (excluding Rabobank (in its capacity as Dealer)) have not separately verified the information contained in this Base Prospectus Supplement or the Base Prospectus. None of the Dealers (excluding Rabobank (in its capacity as Dealer)) or the Arranger makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus Supplement or the Base Prospectus. Neither this Base Prospectus Supplement or the Base Prospectus nor any financial statements should be considered as a recommendation by the Issuer, the Dealers or the Arranger that any recipient of this Base Prospectus Supplement or the Base Prospectus or any financial statements should purchase the Notes. Prospective investors should have regard to the factors described under the section headed “Risk Factors” in the Base Prospectus. This Base Prospectus Supplement and the Base Prospectus do not describe all of the risks of an investment in the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus Supplement and the Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers (excluding Rabobank (in its capacity as Dealer)) nor the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus Supplement and the Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers (excluding Rabobank (in its capacity as Dealer)) or the Arranger.

With effect from 1 January 2016, Rabobank adopted a new governance structure. As of that date, Rabobank, as surviving entity, merged with all its members being the local Rabobanks, thus creating one cooperative, with one banking licence and one set of financial statements. In connection therewith, by virtue of this Base Prospectus Supplement, the Base Prospectus shall be amended as follows to reflect the changes resulting from this intra-group reorganisation:

- 1) All references throughout the Base Prospectus to “Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank)” shall be deemed to be “Coöperatieve Rabobank U.A. (Rabobank)” when used in respect of any period falling on or after 1 January 2016.
- 2) All references throughout the Base Prospectus to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank) Australia Branch” shall be deemed to be “Coöperatieve Rabobank U.A. (Rabobank) Australia Branch” when used in respect of any period falling on or after 1 January 2016.
- 3) All references throughout the Base Prospectus to independent local Rabobanks being members of Rabobank shall be construed as local Rabobanks being part of Coöperatieve Rabobank U.A. (Rabobank) when used in respect of any period falling on or after 1 January 2016.
- 4) All references throughout the Base Prospectus to customers being members of local Rabobanks shall be construed as customers being members of Coöperatieve Rabobank U.A. (Rabobank) when used in respect of any period falling on or after 1 January 2016.
- 5) In the chapter ‘Summary of the Programme relating to PD notes’, the following wording under item B.5 on page 10 shall be deleted:

*“Rabobank Group is comprised of the Issuer as central institution, its members, being the local Rabobanks in the Netherlands and its subsidiaries and participations in the Netherlands and abroad.”,*

and replaced with the following:

*“Rabobank Group is comprised of the Issuer and its subsidiaries and participations in the Netherlands and abroad.”.*

- 6) In the chapter ‘Summary of the Programme relating to PD notes’, the following wording under item B.14 on page 14 shall be deleted:

*“The Issuer is a cooperative with members. Its members are local cooperative Rabobanks who are represented in the Central Delegates Assembly and the General Meeting of Rabobank. The Central Delegates Assembly has a significant influence on the views adopted in Rabobank Group. The General Meeting of Rabobank is the body through which all local Rabobanks can exercise direct control. The General Meeting of Rabobank deals with important issues, such as adoption of financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations and the appointment of members of the Supervisory Board. The financial performance of the Issuer is dependent upon the performance of the independent local Rabobanks and the subsidiaries within Rabobank Group.”,*

and replaced with the following:

*“The Issuer is not dependent upon other entities within Rabobank Group.”.*

- 7) In the chapter ‘Documents Incorporated by Reference’ on page 60 of the Base Prospectus, the following wording under (a) shall be deleted:

*“(a) the articles of association of Rabobank, last amended on 24 September 2014;”,*

and replaced with the following:

*“(a) the articles of association of Rabobank, last amended on 31 December 2015;”.*

- 8) In the chapter ‘Description of Business of Rabobank Group’ the second paragraph under ‘General’ on page 160 of the Base Prospectus shall be deleted:

*“Rabobank Group’s cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank), the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With 547 branches and 2,305 cash-dispensing machines at 31 December 2014, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.7*

million retail customers and approximately 800,000 corporate clients, offering a comprehensive package of financial services.”,

and replaced with the following:

*“Rabobank Group’s cooperative core business comprises the local Rabobanks. Clients can become members of Coöperatieve Rabobank U.A. (Rabobank). With 547 branches and 2,305 cash-dispensing machines at 31 December 2014, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.7 million retail customers, and approximately 800,000 corporate clients, offering a comprehensive package of financial services.”.*

- 9) In the chapter ‘Description of Business of Rabobank Group’ the following paragraph entitled ‘Rabobank Central Delegates Assembly positive on proposal outlining new governance’ under ‘Recent Developments’ on page 165 of the Base Prospectus shall be deleted:

***“Rabobank Central Delegates Assembly positive on proposal outlining new governance***

*On 11 March 2015, Rabobank announced that the Central Delegates Assembly of Rabobank issued a positive advice on a proposal outlining the new governance structure for Rabobank. It is proposed that local Rabobanks will work together from a single cooperative with a combined banking licence. The proposal includes a decentralised organisation of local Rabobanks based on cooperative principles. A final decision is expected before the end of 2015.”.*

and replaced with the following:

***“Rabobank General Meeting approves new cooperative structure***

*On 9 December 2015, the General Meeting of Rabobank unanimously approved the changes to the governance of Rabobank. On 1 January 2016, the 106 local Rabobanks merged with the Issuer (with the Issuer as surviving entity), thus forming a single cooperative with one banking licence. The Issuer was subsequently renamed Coöperatieve Rabobank U.A. (Rabobank).”*

- 10) The paragraph entitled ‘Renewing the governance structure and updating the Strategic Framework’ under ‘Strategy of Rabobank Group’ in the chapter ‘Description of Business of Rabobank Group’ on page 168 of the Base Prospectus shall be deleted in its entirety and be replaced with the wording set out in annex 1 to this Base Prospectus Supplement.
- 11) The chapter ‘Rabobank Group Structure’ on pages 172 to 174 of the Base Prospectus shall be deleted in its entirety and be replaced with the wording in the chapter ‘Rabobank Group Structure’ set out in annex 2 to this Base Prospectus Supplement.
- 12) Pages 215 to 218 of the Base Prospectus in the chapter ‘Governance of Rabobank Group’ shall be deleted in their entirety and be replaced with the wording set out in annex 3 to this Base Prospectus Supplement.

## Annex 1

On 9 December 2015, Rabobank announced its new strategic direction. As a customer-focused cooperative bank, Rabobank aims to be close to its customers, members and society. Through its cooperative mission, Rabobank aims to make a substantial contribution to welfare and prosperity in the Netherlands and as a Food & Agri bank to feeding the world sustainably. In anticipation of higher capital requirements (Basel III, TLAC and MREL), Rabobank envisages a potential balance sheet reduction of EUR 150 billion by 2020. Rabobank is aiming to achieve a CET1 ratio of between 14 per cent. and 17 per cent. and a total capital ratio of between 25 per cent. and 30 per cent. in each case by 2020. An improvement programme aims to achieve a gross result improvement of EUR 2.1 billion by 2020, to be achieved partly by cost savings and partly by increasing income. As a result, it is the aim to improve Rabobank's cost/income ratio towards the 50 per cent. level by 2020. To achieve this performance improvement, all business units will need to improve efficiency. In addition, during the period 2016-2018, Rabobank will reduce its workforce by 9,000 employees.

Also on 9 December 2015, the General Meeting voted in support of changes to the governance of Rabobank. From 1 January 2016, Rabobank operates as one cooperative, with one banking licence and one set of financial statements. The member councils of all 106 local Rabobanks approved this new structure on 2 December 2015.

The combination of changed governance and the new strategic direction are preparing Rabobank to act on three key priorities in the coming years: excellent customer service, a flexible and stronger balance sheet and an improvement in its financial results.

**Annex 2**  
**RABOBANK GROUP STRUCTURE**

The Rabobank Group is comprised of Coöperatieve Rabobank U.A. (Rabobank) and its subsidiaries and participations in the Netherlands and abroad. The Issuer uses the trade names Rabobank Nederland and Rabobank.

The central institution of Rabobank Group is Rabobank, with its executive office located at Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is: +31 (0)30 2160000. The statutory seat of Rabobank is Amsterdam, the Netherlands.

Rabobank is a licensed bank, in the legal form of a cooperative. The objective of a cooperative is to provide for certain material needs of its members by whom it is effectively owned and controlled.

Rabobank was formed as a result of the merger of the Coöperatieve Centrale Raiffeisenbank and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was incorporated with unlimited duration on 22 December 1970 and registered with the Trade Register of the Chamber of Commerce, under number 30046259. On 1 January 2016, a legal merger took place between Rabobank and all 106 local Rabobanks in the Netherlands, which were the members of Rabobank. Rabobank is the surviving entity.

The object of Rabobank, as stated in article 3 of its articles of association, is to promote the interests of its members, and to do so by:

- (a) conducting a banking business, providing other financial services, and, in that context, concluding agreements with its members;
- (b) participating in, otherwise assuming an interest in, and managing other enterprises of any nature whatsoever, and financing third parties, providing security in any way whatsoever or guaranteeing the obligations of third parties;
- (c) contributing to society, including promoting economic and social initiatives and developments; and
- (d) performing any activities which are incidental to or may be conducive to this object.

Rabobank is furthermore authorised by its articles of association to extend its activities to parties other than its members.

The Executive Board is responsible for the management of Rabobank and of Rabobank Group as a whole. Executive Board members are appointed by the Supervisory Board. The Supervisory Board is responsible for the supervision of the management by the Executive Board. Supervisory Board members are appointed by the General Members' Council of Rabobank. Further information regarding the governance of Rabobank Group is set out below under "Governance of Rabobank Group".

Rabobank operates not only from the Netherlands, but also from branches and representative offices all over the world. These branches and offices all form part of the legal entity Rabobank and focus on wholesale banking.

Rabobank branches are located in Sydney, Antwerp, Toronto, Grand Cayman, Beijing, Shanghai, Dublin, Frankfurt, Madrid, Paris, Mumbai, Milan, Labuan, Wellington, New York, Singapore, Hong Kong and London.

Rabobank representative offices are located in Mexico City, Buenos Aires, Moscow, Istanbul, Kuala Lumpur, Tokyo, Atlanta, Chicago, Dallas, San Francisco, Nairobi and St. Louis.

Through their mutual financial association, various legal entities within Rabobank Group, including Rabobank, make up a single organisation. These legal entities have a mutual relationship of liability as referred to in Section 3:111 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*). This

relationship is formalised in an internal cross-guarantee system. This cross-guarantee system stipulates that, if a qualifying institution should have a shortage of funds to meet its obligations towards creditors, the other qualifying institutions are required to supplement that institution's funds in order to allow it to fulfil these obligations.

The members of Rabobank, who are customers of Rabobank, are organised based on, among other things, geographical criteria into about 100 Departments (*Afdelingen*). The members of Rabobank are represented in the General Members' Council (*Algemene Ledenraad*) by one representative per Department. This General Member's Council has specific powers regarding material decisions of the executive board (*inter alia* legal merger and legal demerger, amendment of the articles of association, material investments and divestments, Rabobanks' strategic framework and main points of the budget). Each member of the General Member's Council has a number of votes according to an apportionment formula, which reflects the percentage relationship between the local Rabobanks as determined according to the articles of association of Rabobank on the basis of balance sheet totals, equity capital and commercial results of a local Rabobank.

At 30 June 2015, there were approximately 2.0 million members. The members of Rabobank are its customers but they do not make capital contributions to Rabobank and they are not entitled to the equity of Rabobank. Such members are not liable for any obligations of Rabobank.

### **Subsidiaries**

Rabobank also conducts business through separate legal entities, not only in the Netherlands but also worldwide. Rabobank is the (ultimate) shareholder of about 1,000 subsidiaries and participations.

Rabobank Group companies focus on retail banking (Rabobank Australia, Rabobank, N.A., vendor leasing (DLL) and real estate services (Rabo Vastgoedgroep and FGH Bank).

Rabobank has assumed liability for debts arising from legal transactions for 27 of its Dutch subsidiaries under article 2:403 of the Dutch Civil Code.

## Annex 3

### GOVERNANCE OF RABOBANK GROUP

#### **Corporate governance**

In recent years, the corporate governance of organisations has been of particular public interest. On account of its cooperative organisation, Rabobank's corporate governance is characterised by a robust system of checks and balances.

Although the Dutch Corporate Governance Code does not apply to the cooperative as a legal form of enterprise, Rabobank's corporate governance is broadly consistent with this code. Rabobank also observes the Banking Code, which was adopted in 2009 by the Netherlands Bankers' Association and came into force on 1 January 2010 and was amended in 2014.

#### **Executive Board**

The Executive Board (*raad van bestuur*) of Rabobank is responsible for the management of Rabobank and, indirectly, its affiliated entities. This includes responsibility for defining and achieving the targets of Rabobank, for determining its strategic policy and associated risk profile, for its financial results, and for the corporate social responsibility aspects that are relevant to the business. In addition, the Executive Board is in charge of Rabobank Group's compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. In performing its duties, the Executive Board acts in accordance with the interests of Rabobank and its affiliated entities, also taking into account the interests of relevant groups of stakeholders. The Executive Board is accountable for all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank and the General Members' Council of Rabobank. The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. Reappointments likewise are for a four-year term. Members may be dismissed and suspended by the Supervisory Board. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are adopted by the General Members' Council. The Supervisory Board then determines the remuneration of the members of the Executive Board and is accountable for decisions in this regard to the Committee on Confidential Matters of the General Members' Council. Finally, the Supervisory Board periodically assesses and follows up on the Executive Board's performance.

#### **Supervisory Board**

The Supervisory Board performs the supervisory role within Rabobank. This means that the Supervisory Board supervises the policy pursued by the Executive Board and the general conduct of affairs of Rabobank and its affiliated entities. As part thereof, the Supervisory Board monitors the compliance with the law, the Articles of Association and other relevant rules and regulations. In practice, this means that the achievement of Rabobank Group's objectives, the strategy, business risks, the design and operation of the internal risk management and control systems, the financial reporting process and compliance with laws and regulations are discussed at length and tested regularly. In addition, the Supervisory Board has an advisory role in respect of the Executive Board.



The Supervisory Board has six committees: the Audit Committee, the Risk Committee, the Cooperative Issues Committee, the Appointments Committee, the Remuneration Committee and the Appeals Committee. These committees perform preparatory and advisory work for the Supervisory Board.

The Supervisory Board evaluates whether enough consideration is given to the interests of all stakeholders of Rabobank and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Member's Council of Rabobank on the recommendation of the Supervisory Board. However, the Executive Board, Rabobank's Works Council and the General Members' Council of Rabobank are each entitled to nominate individuals for consideration by the Supervisory Board. Two thirds of the number of members of the Supervisory Board must be members of Rabobank. The independence and the expertise of the individual members, among other factors, are important considerations for nomination and appointments of Supervisory Board members. Any semblance of a conflict of interests must be avoided. The profile for the members of the Supervisory Board sets standards for its size and composition, taking into account the nature of the enterprises carried on by Rabobank and its activities, and for the expertise, backgrounds and diversity of the Supervisory Board members. The Supervisory Board determines the profile of the Supervisory Board, to be approved by the General Members' Council. The Supervisory Board's desired composition and the competencies represented in it are specific areas of attention, within the profile's framework, when nominating candidates for appointment or reappointment.

Having obtained the advice of the Committee on Confidential Matters of the General Members' Council, the General Members' Council sets the remuneration of the members of the Supervisory Board. The Supervisory Board, headed by its Chairman, continually assesses its own performance, both as a collective body and in terms of its separate committees and individual members. Initiatives are developed regularly to keep Supervisory Board members abreast of developments or to increase their knowledge in various areas.

## **Member influence**

As a cooperative, Rabobank has members, not ordinary shareholders like other types of companies do. The members of Rabobank, who are customers of Rabobank, are organised based on, among other things, geographical criteria into about 100 Departments (*Afdelingen*). The members of Rabobank have an important role in the working of Rabobank's governance. The influence and say of the members of Rabobank are manifested through their representation in the General Members' Council of Rabobank. At local level members have influence through a local members' council and supervisory body at the level of each Department.

## **General Members' Council**

The members of Rabobank are represented in the General Members' Council (*Algemene Ledenraad*) by one representative per Department, being the chairman of the supervisory body of each Department. The General Members' Council meets at least twice a year.

The General Members' Council of Rabobank deals with important issues, such as the adoption of the financial statements, approval and endorsement of management and supervision, amendments to the articles of association and regulations, legal merger/demerger, material investments/divestments and acquisitions/disposals and the appointment of members of the Supervisory Board. The General Members' Council also is, for instance, authorised to determine the Rabobank's strategic frameworks, through which it determines the Group's strategic direction the main points of Rabobank's annual plan and budget.

The Urgency Affairs Committee may exercise all powers and responsibilities held by the General Members' Council in urgent, price-sensitive or confidential matters.

### **Employee influence within Rabobank Group**

Rabobank attaches great value to consultations with the various employee representative bodies. Employee influence within Rabobank Group has been enabled at various levels. Issues concerning the business of Rabobank are handled by Rabobank's Works Council. Subsidiaries such as DLL, Orbay and Rabo Real Estate Group each have their own Works Councils with consultative powers on matters concerning these enterprises. In addition, each local Rabobank has its own Works Council to discuss matters concerning that particular local Rabobank.

The Group Works Council of Member Banks ("**GOR AB**") is a cooperative-structure based employee representative body that represents the interests of the employees of the local Rabobanks on issues that concern all the local Rabobanks or a majority thereof. In the case of a proposed decision, as defined in the Dutch Works Councils Act, that affects the majority of the local Rabobanks, it is submitted for approval or advice to the GOR AB. In the case of a proposed decision that does not affect the majority of all local Rabobanks, the GOR AB does not interfere with the position of the Works Councils of the local Rabobanks.

The change of legal structure on 1 January 2016 does not cause an immediate change the Works Council structure. For the time being, the current structure will remain in place. It is Rabobank's intention to have a new Works Council structure in place during the course of 2016.

Rabobank Group also has an employee representative body at a European level, the European Working Group ("**EWG**"), in which employees of Rabobank offices from the EU member states are represented. The EWG regularly holds discussions with the Executive Board about developments within Rabobank Group. This does not affect the role of the national employee representative bodies.