Rabobank

Coöperatieve Rabobank U.A.

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

EUR 30,000,000,000 Tier 2 Notes Programme

Under the Tier 2 Notes Programme described in this Base Prospectus (the "**Programme**"), Coöperatieve Rabobank U.A. ("**Rabobank**" or "**Rabobank Nederland**" or the "**Issuer**") may, subject to compliance with all relevant laws, regulations and directives, from time to time, issue subordinated Tier 2 Notes (the "**Notes**").

The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 30,000,000,000 (or the equivalent in other currencies). The Programme is, and Notes issued under it may be, denominated in euro, which means the lawful currency of the member states of the European Union ("**Member States**") that have adopted the single currency pursuant to the Treaty on the Functioning of the European Union, as amended.

Application has been made to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or the "**AFM**") in its capacity as competent authority under Dutch securities laws (as defined below) to approve this Base Prospectus in connection with the issue of Notes which are either (i) admitted to trading on Euronext Amsterdam N.V.'s Euronext in Amsterdam ("**Euronext Amsterdam**"); (ii) admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Luxembourg Stock Exchange**"); or (iii) admitted to trading on another regulated market as defined under Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, such Notes hereinafter referred to as the "**PD Notes**".

This Base Prospectus is a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and regulations thereunder (together "**Dutch securities laws**") and has been approved by the AFM in its capacity as competent authority under Dutch securities laws, in accordance with the provisions of the Prospectus Directive and Dutch securities laws on 20 December 2016, in relation to PD Notes only.

The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any regulated market in the European Economic Area (where such Notes are, in addition, issued with a minimum denomination of at least EUR 100,000 (or its equivalent in any other currency) or otherwise fall within an exemption from the requirement to publish a prospectus under the Prospectus Directive, such Notes are hereinafter referred to as "**Exempt Notes**"). The AFM has neither approved nor reviewed information contained in this Base Prospectus in connection with the issue of any Exempt Notes.

The relevant final terms to this Base Prospectus (the "**Final Terms**") in respect of the issue of any Notes will specify whether such Notes will be listed on Euronext Amsterdam or the Luxembourg Stock Exchange (or any other stock exchange) or whether the Notes will be unlisted. References in this Base Prospectus to Notes being "**listed**" (and all related references) shall mean that such Notes have been admitted to trading on a regulated market.

Other than the Notes issued under the Australian Fiscal Agency Agreement (as defined herein) (the "**AMTNs**"), the Notes of each Tranche (as defined herein) in bearer form will initially be represented by a temporary global note in bearer form, without interest coupons (each, a "**temporary Global Note**"). If Global Notes in bearer form are stated in the Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, S.A. ("**Clearstream, Luxembourg**"). Notes in registered form will be represented by registered certificates (each, a "**Certificate**"), one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes (as defined below) of one Series, and may be represented by a Global Certificate (as defined below). Registered Notes issued in global form will be represented by registered global certificates ("**Global Certificates**"). If a Global Certificate is held under the New Safekeeping Structure (the "**NSS**") the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes in bearer form ("**Bearer Notes**") which are not issued in NGN form ("**CGNs**") and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche either with (a) a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**") or (b) such other clearing system as agreed between the Issuer and the relevant Dealer. Interests in temporary Global Notes will be exchangeable, in whole or in part, for interests in permanent global notes (each, a "**permanent Global Note**" and, together with the temporary Global Notes, the "**Global Notes**"), or, if so stated in the relevant Final Terms, definitive Notes ("**Definitive Notes**"), on or after the date falling 40 days after the completion of the distribution of such Tranche upon certification as to non-U.S. beneficial ownership. Interests in permanent Global Notes will be exchangeable for Definitive Notes in whole but not in part as described under "Summary of Provisions Relating to the Notes while in Global Form".

Notes (other than AMTNs) of each Tranche of each Series to be issued in registered form ("**Registered Notes**") will initially be represented by a permanent registered Global Certificate, without interest coupons, which may be deposited on the issue date (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with the Common Depositary on behalf of Euroclear and

Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

Beneficial interests in Global Certificates held by Euroclear and/or Clearstream, Luxembourg will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and/or Clearstream, Luxembourg and their participants. The provisions governing the exchange of interests in the Global Notes and in each Global Certificate are described in "Summary of Provisions Relating to the Notes while in Global Form".

Notes of each Tranche of each Series to be issued as AMTNs are issued in registered form and their issue will be reflected by inscription in the Australian Register (as defined herein) in evidence of which a global certificate (an "**AMTN Global Certificate**") will be issued and deposited with the Registrar to hold on behalf of the registered holders of the AMTNs (ABN 94 002 060 773) ("**Austraclear**"). The AMTNs have been accepted for clearance through the Austraclear System operated by Austraclear. An acceptance for clearance by Austraclear is not a recommendation or endorsement by Austraclear. For so long as the AMTNs are lodged in the Austraclear System, the registered holder of the AMTNs will be Austraclear.

No prospectus or other disclosure document (as defined in the Corporations Act 2001 of the Commonwealth of Australia (the "**Australian Corporations Act**")) in relation to the Notes has been or will be lodged with or registered by the Australian Securities and Investments Commission ("**ASIC**") as a disclosure document for the purposes of the Australian Corporations Act or with ASX Limited ("**ASX**").

Notes issued under the Programme are expected to be rated A by Fitch Ratings Limited ("**Fitch**"), A3 by Moody's Investors Service Ltd. ("**Moody's**") and BBB+ by Standard & Poor's Credit Market Services Europe Limited ("**Standard & Poor's**"). Each of Fitch, Moody's and Standard & Poor's is established in the European Union and is registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"). A list of credit rating agencies registered under the CRA Regulation is published by the European Securities and Markets Authority on its website. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency without prior notice. Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act, and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.

Tranches of Notes (as defined below) to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. Whether or not a rating in relation to any Tranche of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice.

Factors which may affect the ability of the Issuer to fulfil its obligations under the Programme and factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are set out on pages 7 to 31.

Arranger for the Programme
Credit Suisse

Dealers

BofA Merrill Lynch	**Citigroup**
Credit Suisse	**Goldman Sachs International**
HSBC	**J.P. Morgan**
Morgan Stanley	**Nomura**
Rabobank	**UBS Investment Bank**

The date of this Base Prospectus is 20 December 2016

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by Final Terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer. This Base Prospectus may not be used for any public offer of Notes (within the meaning of the Prospectus Directive).

This Base Prospectus has not been, and will not be, and no prospectus or other disclosure document in relation to the Notes has been or will be lodged with ASIC and this Base Prospectus is not, and does not purport to be, a document containing disclosure to investors for the purposes of Part 6D.2 or Part 7.9 of the Australian Corporations Act. It is not intended to be used in connection with any offer for which such disclosure is required and does not contain all the information that would be required by those provisions if they applied. It is not to be provided to any 'retail client' as defined in section 761G of the Australian Corporations Act.

No person has been authorised to give any information or to make any representation other than those contained in this 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 (as defined in "Overview of the Programme"). Neither the delivery of this 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 this 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 this 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.

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. Neither this Base Prospectus nor any other financial statements should be considered as a recommendation by the Issuer, the Dealers or the Arranger that any recipient of this Base Prospectus or any other financial statements should purchase the Notes. Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Base Prospectus. This Base Prospectus does 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 and its purchase of Notes should be based upon such investigation, as it deems necessary. None of the Dealers 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 nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any tranche of a Series of Notes (a "Tranche"), one or more relevant Dealers (in such capacity, the "Stabilising Manager(s)") (or persons acting on behalf of

any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or overallotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

This Base Prospectus does not 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 distribution of this Base Prospectus and any Final Terms and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and are being sold pursuant to an exemption from the registration requirements of such Act. The Notes include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered or sold or, in the case of Notes in bearer form, delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act ("Regulation S").

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S. For a description of certain restrictions on offers, sales, and transfers of Notes and on distribution of this Base Prospectus or any Final Terms or any other offering material relating to the Notes, see "Subscription and Sale".

The Issuer has been granted an authority to carry on a banking business in Australia pursuant to section 9 of the Banking Act 1959 of Australia ("Banking Act") and is an authorised deposit-taking institution ("ADI") within the meaning of the Banking Act. The Notes are not covered by the depositor protection provisions contained in Division 2 of Part II of the Banking Act. Section 11F of the Banking Act provides that if a foreign ADI, such as Rabobank (whether in or outside Australia), suspends payment or is unable to meet its obligations, the assets of the foreign ADI in Australia are to be available to meet the foreign ADI's liabilities in Australia in priority to all other liabilities of the foreign ADI. Further, section 86 of the Reserve Bank Act 1959 of Australia provides that debts due by an ADI to the Reserve Bank of Australia shall in a winding-up of the ADI have priority over all other debts of the ADI. Other laws in Australia, the Netherlands and other jurisdictions will also apply to the ranking of debts and other liabilities in a winding up of Rabobank. The Issuer does not make any representations as to whether the Notes, or any of them, would constitute liabilities in Australia, under such statutory provisions.

All figures in this Base Prospectus have not been audited, unless stated otherwise. These figures are internal figures of Rabobank or Rabobank Group.

Unless the context otherwise requires, references in this Base Prospectus to "Rabobank" and "Rabobank Nederland" are to Coöperatieve Rabobank U.A. References herein to the "Issuer" shall mean Rabobank or Rabobank Nederland.

Unless otherwise specified or the context otherwise requires, references to "U.S.$", "USD" and "U.S. Dollar" are to the lawful currency of the United States of America, to "AUD" and "Australian Dollar" are to the lawful currency of Australia, to "NZD" and "New Zealand Dollar" are

to the lawful currency of New Zealand, to "euro", "Euro", "EUR" and "€" are to the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on the Functioning of the European Union, to "Sterling" or "£" are to the lawful currency of the United Kingdom of Great Britain and Northern Ireland, to "¥", "JPY" and "yen" are to the lawful currency of Japan and to "Renminbi", "RMB" and "CNY" are to the lawful currency of the PRC.

In this Base Prospectus, references to "PRC" are to the People's Republic of China which, for the purpose of this Base Prospectus, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan. References to "Renminbi Notes" are to Notes denominated in CNY or Renminbi deliverable in Hong Kong, Singapore and Taiwan.

Your attention is drawn to the important information on pages 34 to 36.

TABLE OF CONTENTS

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies, which may or may not occur, and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below represent risks inherent in investing in Notes issued under the Programme, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

Words and expressions defined in "Terms and Conditions of the Notes" shall have the same meanings in these risk factors.

Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme

Business and general economic conditions

The profitability of the group (within the meaning of Section 2:24b of the Dutch Civil Code (the "**DCC**")) which is headed by Rabobank could be adversely affected by a worsening of general economic conditions in the Netherlands or globally. Banks are still facing persistent turmoil in financial markets following the European sovereign debt crisis that arose in the first half of 2010 and has continued since then. In 2015, the Dutch economy showed signs of a slight recovery. The still difficult economic circumstances have resulted in reduced borrowing and interest rates. Factors such as interest rates, exchange rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of Rabobank Group. Interest rates have declined in 2016. Persistent low interest rates have negatively affected and continue to negatively affect the net interest income of Rabobank Group. Also, a prolonged economic downturn, or significantly higher interest rates for customers, could adversely affect the credit quality of Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, a market downturn and worsening of the Dutch and global economy could reduce the value of Rabobank Group's assets and could cause Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees Rabobank Group earns for managing assets or the levels of assets under management. In addition, a market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from commissions and interest. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Factors affecting results of operations — General market conditions". Continuing volatility in the financial markets or a protracted economic downturn in the Rabobank Group's major markets or Rabobank Group's inability to accurately predict or respond to such developments could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations.

Credit risk

Credit risk is defined as the risk that a bank will suffer economic losses because a counterparty cannot fulfil its financial or other contractual obligations arising from a credit contract. A "credit" is each legal relationship on the basis of which Rabobank Group, in its role as financial services provider, can or will obtain a claim on a debtor by providing a product. In addition to loans and facilities (with or without commitment), credit as a generic term also includes, among other things, guarantees, letters of credit and derivatives. An economic downturn may result in an increase in credit risk and, consequently, loan losses that are above Rabobank Group's long-term average, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Country risk

With respect to country risk, a distinction can be made between transfer risk and collective debtor risk. Transfer risk relates to the possibility of foreign governments placing restrictions on funds transfers from debtors in that country to creditors abroad. Collective debtor risk relates to the situation in which a large number of debtors in a country cannot meet their commitments for the same reason (e.g. war, political and social unrest or natural disasters, but also government policy that does not succeed in creating macro-economic and financial stability).

Unpredictable and unexpected events which increase transfer risk or collective debtor risk could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Interest rate and inflation risk

Interest rate risk is the risk, outside the trading environment, of deviations in net interest income and/or the economic value of equity as a result of changes in market interest rates. Interest rate risk results mainly from mismatches between the periods for which interest rates are fixed for loans and funds entrusted. If interest rates increase, the rate for Rabobank Group's liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of Rabobank Group's assets, such as mortgages, which have longer interest rate fixation periods. Sudden and substantial changes in interest rates or very low or negative interest rates could have a material adverse effect on Rabobank Group's results of operations. Inflation and expected inflation can influence interest rates. An increase in inflation may: (i) decrease the value of certain fixed income instruments which Rabobank Group holds; (ii) result in surrenders (*afkoop*) of certain savings products with fixed rates below market rates by banking customers of Rabobank Group; (iii) require Rabobank Group to pay higher interest rates on the securities that it issues; and (iv) cause a general decline in financial markets.

Funding and liquidity risk

Liquidity risk is the risk that not all (re)payment commitments can be met. This could happen if clients or other professional counterparties suddenly withdraw more funding than expected, which cannot be met by Rabobank Group's cash resources, by selling or pledging assets or by borrowing funds from third parties. Important factors in preventing this are preserving the trust of customers for retail funding and maintaining access to financial markets for wholesale funding. If either of these was seriously threatened, this could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Market risk

The value of Rabobank Group's trading portfolio is affected by changes in market prices, such as interest rates, equities, currencies, certain commodities and derivatives. Any future worsening of the situation in the financial markets could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Currency risk

Rabobank Group is an internationally active financial services provider. As such, part of its capital is invested in foreign activities. This gives rise to currency risk, in the form of translation risk. In addition, the trading books are exposed to market risk, in that they can have positions that are affected by changes in the exchange rate of currencies. Sudden and substantial changes in the exchange rates of currencies could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Operational risk

As a risk type, operational risk has acquired its own distinct position in the banking world. It is defined by the Rabobank Group as "the risk of losses resulting from inadequate or failed internal processes, people or systems or by external events". Rabobank Group operates within the current regulatory framework as regards measuring and managing operational risk, including holding capital for this risk. Events of recent decades in modern international banking have shown that operational risks can lead to substantial losses. Examples of operational risk incidents are highly diverse: fraud or other illegal conduct, failure of an institution to have policies and procedures and controls in place to prevent, detect and report incidents of non-compliance with applicable laws or regulations, inadequate control processes to manage risks, ineffective implementation of internal controls, claims relating to inadequate products, inadequate documentation, losses due to poor occupational health and safety conditions, errors in transaction processing and system failures. Furthermore, organisational change to improve customer focus and performance may result in the creation of an operational risk, because Rabobank Group is currently undergoing a reorganisation, as well as undergoing a restructuring in respect of its control system. As a result of these changes, employees are leaving Rabobank Group. This may have a negative impact on existing work routines and projects and may consequently lead to operational incidents. The occurrence of any such incidents or additional cost of complying with new regulation could have a material adverse effect on Rabobank Group's reputation and could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Legal risk

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal and arbitration proceedings, whether private litigation or regulatory enforcement action, are brought against it. The outcome of such proceedings is inherently uncertain and could result in financial loss. Defending or responding to such proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful. Failure to manage these risks could have a negative impact on Rabobank Group's reputation and could have a material adverse effect on Rabobank Group's results of operations. In addition, banking entities generally, including the Rabobank Group, are experiencing heightened regulatory oversight and scrutiny, which may lead to additional regulatory investigations or enforcement actions. These and other regulatory initiatives may result in judgements, settlements, fines or penalties, or cause the Rabobank Group to restructure its operations and activities, any of which could have a negative impact on the Rabobank Group's reputation or impose additional operational costs, and could have a material adverse effect on the Rabobank Group's results of operations.

A negative outcome of any such potentially significant claims (including proceedings, collective-actions and settlements), action taken by supervisory authorities or other authorities, legislation, sector-wide measures, and other arrangements for the benefit of clients and third parties could have a negative impact on the Rabobank Group's reputation or impose additional operational costs, and could have a material adverse effect on the Rabobank Group's prospects, business, financial condition and results of operations. Rabobank Group is exposed to regulatory scrutiny and potentially significant claims, in relation to, among other things, the sale of interest rate derivatives to SME clients. For further information, see "Description of Business of Rabobank Group – Legal and arbitration proceedings" on pages 95 and 96 of this Base Prospectus. For relevant specific proceedings, reference is made to Rabobank Group's unaudited condensed consolidated interim financial information, including the notes thereto, for the six-month period ended 30 June 2016, incorporated by reference into this Base Prospectus.

Tax risk

Rabobank Group is subject to the tax laws of all countries in which it operates. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations or lead to regulatory enforcement action or may have a negative impact on Rabobank Group's reputation.

Systemic risk

Rabobank Group could be negatively affected by the weakness or the perceived weakness of other financial institutions, which could result in significant systemic liquidity problems, losses or defaults by other financial institutions and counterparties. Financial services institutions that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as 'systemic risk' and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges with whom Rabobank Group interacts on a daily basis. Concerns about the creditworthiness of sovereigns and financial institutions in Europe and the United States remain. The large sovereign debts or fiscal deficits of a number of European countries, including those of Greece, and the United States go hand in hand with concerns regarding the financial condition of financial institutions. Any of the above-mentioned consequences of systemic risk could have an adverse effect on Rabobank Group's ability to raise new funding, its business, financial condition and results of operations.

Effect of governmental policy and regulation

Rabobank Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union (also known as the "**EU**"), the United States and elsewhere. Areas where changes could have an impact include, but are not limited to: the monetary, interest rate, crisis management, asset quality review, recovery and resolution and other policies of central banks and regulatory authorities, changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which Rabobank Group operates, increased capital requirements and changes relating to capital treatment, changes and rules in competition and pricing environments, developments in the financial reporting environment, stress-testing exercises to which financial institutions are subject, implementation of conflicting or incompatible regulatory requirements in different jurisdictions relating to the same products or transactions, or unfavourable developments producing social instability or legal uncertainty which, in turn, may affect demand for Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

As of 1 October 2012, the Dutch government introduced a bank tax for all entities that are authorised to conduct banking activities in the Netherlands. The tax is based on the amount of the total liabilities on the balance sheet of the relevant bank as of the end of such bank's preceding financial year, with exemptions for equity, deposits that are covered by a guarantee scheme and for certain liabilities relating to insurance business. The levy on short-term funding liabilities is twice as high as the levy on long-term funding liabilities. Rabobank Group was charged a total of €172 million in bank tax and bank levies in 2015.

On 1 February 2013, the Dutch state nationalised the Dutch banking and insurance group SNS Reaal. To finance this operation, a special, one-off resolution levy of €1 billion was imposed on banks based in the Netherlands. Rabobank Group's share of the resolution levy was €321 million and had an adverse effect on Rabobank Group's results of operations in 2014. Since 2015, Rabobank Group has been required to make yearly contributions to the resolution fund. In 2015, the contribution to the Dutch National Resolution Fund amounted to €172 million. On 1 January 2016 the European Single Resolution Fund was set up. The European Single Resolution Fund, in large part, replaces the Dutch National Resolution Fund and Rabobank is required to make contributions to it. There can be no assurance that additional taxes or levies will not be imposed, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

In November 2015, a new way of financing the Dutch deposit guarantee scheme (the "**Dutch Deposit Guarantee Scheme**"), a pre-funded system that protects bank depositors from losses caused by a bank's inability to pay its debts when due, came into force. The target level of the scheme is 0.8 per cent. of total guaranteed deposits in the Netherlands. Each bank is required to pay a base premium per quarter of its total guaranteed deposits in the Netherlands. A risk add-on may be charged depending on the risk-weighting of the bank. Furthermore, the SRM (as defined below) (see the risk factor entitled "*Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes*") and other new European rules on deposit guarantee schemes will both have an impact on the Rabobank Group in the years to come. All these factors could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

In February 2013, the European Commission issued a proposal for a financial transactions tax. If the proposal is implemented in its current form, the financial transactions tax would generally be levied, in certain circumstances, on transactions involving certain financial instruments where at least one party is a financial institution and at least one party is established in a participating member state. These participating member states are Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (however, Estonia has since stated that it will not participate). If the proposal is implemented, Rabobank Group may be required to pay the financial transactions tax on certain transactions in financial instruments. The proposal requires further approval by the Council of the European Union, and will require consultation with other European Union institutions before it may be implemented by the participating member states. Currently the proposal is still under discussion, given broad opposition in a number of countries as well as outstanding legal issues. The Dutch Parliament has not adopted the proposal, but may do so in the future. The financial transactions tax, if implemented, could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Since 1 January 2013, the tax deductibility of mortgage loan interest payments for Dutch homeowners has been restricted; interest payments on new mortgage loans can only be deducted if the loan amortises within 30 years on a linear or annuity basis. Moreover, the maximum permissible amount of a residential mortgage has been reduced from 104 per cent. in 2014, to 103 per cent. in 2015, to 102 per cent. in 2016 of the value of the property. This maximum will be further reduced (by 1 percentage point each year) to 100 per cent. in 2018. In addition to these changes, further restrictions on tax deductibility of mortgage loan interest payments entered into force as of 1 January 2014. The tax rate against which the mortgage interest payments may be deducted is being gradually reduced beginning 1 January 2014. For taxpayers previously deducting mortgage interest at the highest income tax rate (52 per cent.), the interest deductibility will decrease annually at a rate of 0.5 percentage points, from 52 per cent. to 38 per cent. in 2042. The maximum personal mortgage loan eligible for guarantee by the Dutch Homeownership Guarantee Fund (*Stichting Waarborgfonds Eigen Woningen*), an institution that was founded by the Dutch government in 1993, through the National Mortgage Guarantee Scheme (Nationale Hypotheek Garantie) was reduced to €265,000 in 2014 and €245,000 in 2015. Changes in governmental policy or regulation with respect to the Dutch housing market could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

On 21 July 2010, the United States enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), which provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. Implementation of the Dodd-Frank Act requires detailed rulemaking by different U.S. regulators, including the Department of the Treasury, the Board of Governors of the Federal Reserve System (the "**Federal Reserve**"), the Securities and Exchange Commission (the "**SEC**"), the Federal Deposit Insurance Corporation (the "**FDIC**"), the Office of the Comptroller of the Currency (the "**OCC**"), the Commodity Futures Trading Commission (the "**CFTC**"). The Dodd-Frank Act and other post-financial crisis regulatory reforms in the United States have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement.

The Dodd-Frank Act provides for new or enhanced regulations regarding, among other things: (i) systemic risk oversight, (ii) bank capital and prudential standards, (iii) the resolution of failing systemically significant financial institutions, (iv) over-the-counter ("**OTC**") derivatives, (v) the ability of banking entities and their affiliates to engage as principal in proprietary trading activities or to sponsor or invest in or engage in certain transactions with hedge, private equity and other similar funds (the so-called "**Volcker Rule**") and (vi) consumer and investor protection. Implementation of the Dodd-Frank Act and related final regulations is ongoing and has resulted in significant costs and potential limitations on Rabobank Group's businesses and could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

On 10 December 2013, five U.S. federal financial regulatory agencies adopted final regulations to implement the Volcker Rule. The regulations impose limitations and significant costs across all of Rabobank Group's subsidiaries and affiliates and their activities in scope for the Volcker Rule. While the regulations contain a number of exceptions and exemptions that may permit Rabobank Group to maintain certain of its trading and fund businesses and operations, particularly those outside of the United States, aspects of those businesses have been modified to comply with the Volcker Rule. Further, Rabobank Group has spent significant resources to develop a Volcker Rule compliance program mandated by the final regulations, and may continue to spend resources as it deems necessary or appropriate, which may be significant, to develop or further develop the Volcker Rule compliance program. The conformance period for the Volcker Rule generally ended on 21 July 2015 for all proprietary trading activities and for all investments in and relationships with "covered funds" (as defined in the Volcker Rule) that were not in place prior to 31 December 2013. For certain investments in and relationships with "covered funds" that were in place prior to 31 December 2013 ("**legacy funds**"), the Volcker Rule conformance period has been extended by the Federal Reserve to 21 July 2017. With respect to the activities subject to the conformance period that ended on 21 July 2015, Rabobank Group has put in place processes under the relevant Volcker Rule compliance program reasonably designed to conform such activities to the Volcker Rule. With respect to any legacy fund activities subject to the extended conformance period, Rabobank Group must conform any such activities to the Volcker Rule and implement the related compliance program by the end of such conformance period.

The Federal Reserve issued a final rule on 18 February 2014 imposing "enhanced prudential standards" with respect to foreign banking organisations ("**FBOs**") such as Rabobank Group. The rule will impose, among other things, new liquidity, stress testing, risk management and reporting requirements on Rabobank Group's U.S. operations, which could result in significant costs to Rabobank Group. The final rule became effective with respect to Rabobank Group on 1 July 2016.

In addition, as part of the implementation of the enhanced prudential standards requirement under the Dodd-Frank Act, the Federal Reserve proposed a rule on 4 March 2016 that would implement single counterparty credit limits for large bank holding companies, large intermediate holding companies, and large FBOs with respect to their combined U.S. operations. The proposed rule would apply to the combined U.S. operations of Rabobank Group. The Federal Reserve has not finalised (but continues to consider) requirements relating to an "early remediation" framework under which the Federal Reserve would implement prescribed restrictions on and penalties against an FBO and its U.S. operations, if the FBO or its U.S. operations do not meet certain requirements.

In the United Kingdom, the Banking Reform Act 2013 received Royal Assent on 18 December 2013. It is a key part of the UK Government's plan to create a banking system that supports the economy, consumers and small businesses. It implements the recommendations of the Independent Commission on Banking, set up by the Government in 2010 to consider structural reform of the UK banking sector. Measures contained in the Banking Reform Act 2013 include the structural separation of the retail banking activities of banks in the United Kingdom from wholesale banking and investment banking activities by the use of a "ring fence". A similar recommendation was made at EU level in the final report (the "**Liikanen Report**"), published on 2 October 2012, of the High-level Expert Group on reforming the structure of the EU banking sector under the chair of Mr. Erkki Liikanen. In November 2012, the Dutch government established a committee, the 'Commissie Structuur Nederlandse banken', chaired by Mr. Herman Wijffels, to investigate the applicability of the Liikanen Report to the Dutch banking sector and the manner in which a defaulting bank might be split up and resolved. The committee delivered its final report on 28 June 2013 (the "**Wijffels Report**"). The Dutch Parliament still has to decide on how to implement the recommendations included in the Wijffels-Report. Adopting the full recommendations in the Wijffels Report could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Pursuant to Regulation EU 1024/2013 conferring specific tasks on the European Central Bank ("**ECB**") for the prudential supervision of credit institutions, the ECB assumed direct responsibility from national regulators for specific aspects of the supervision of approximately 120 major European credit institutions, including the Rabobank Group, with effect from 4 November 2014. Under this "Single Supervisory Mechanism", the ECB now has, in respect of the relevant banks, all the powers available to competent authorities under the CRD IV (as defined below) including (but not limited to) powers of early intervention if a bank breaches its regulatory requirements and powers to require a bank to increase its capital or to implement changes to its legal or corporate structures. All other tasks related to resolution remain with the relevant national authorities or the SRM (as defined below), as applicable (see "*Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes*" below). The ECB may also carry out supervisory stress tests to support the supervisory review. Such stress tests do not replace the stress tests carried out by the European Banking Authority (the "**EBA**") with a view to assessing the soundness of the banking sector in the European Union as a whole.

The impact of future regulatory requirements, including the Basel III Reforms (as defined below), the BRRD (as defined below), sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**" and such sections of the Code and the regulations thereunder being commonly referred to as FATCA), the framework recovery plan, the Banking Reform Act and the Dodd-Frank Act will have far-reaching implications and require implementation of new business processes and models and could have a material adverse effect on Rabobank Group's business, financial condition and results of operations. Compliance with the rules and regulations places ever greater demands on the Rabobank Group's management, employees and information technology.

Risks relating to IFRS 9

Rabobank Group's prospects, business, financial condition and results of operations could be affected by the new accounting standard IFRS 9 on financial instruments. On the one hand, the loan impairment allowance is expected to increase due to the IFRS 9 expected loss concept. On the other hand, a compensation of the internal ratings-based expected loss shortfall (a common equity tier 1 deduction item) is expected to decrease. The impact of IFRS 9 on the common equity tier 1 ratio ("**CET1 Ratio**") depends on, amongst other things, the time of application, the interest levels at that time and the point in time of the economic cycle. Therefore, IFRS 9 could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations.

Minimum requirement for own funds and eligible liabilities under BRRD

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that with effect from 1 January 2016, all institutions must meet a minimum requirement for own funds and eligible liabilities ("**MREL**"), expressed as a percentage of total liabilities and own funds and set by the relevant resolution authorities. On 23 May 2016, the European Commission adopted regulatory technical standards ("**RTS**") on the criteria for determining the MREL under the BRRD. The RTS were published in the EU Official Journal on 3 September 2016. The RTS provide for resolution authorities to allow institutions an appropriate transitional period to reach the applicable MREL requirements.

Unlike the FSB's TLAC (as defined below) principles, the RTS do not set a minimum EU-wide level of MREL, and the MREL requirement applies to all credit institutions, not just to those identified as being of a particular size or of systemic importance. Each resolution authority is required to make a separate determination of the appropriate MREL requirement for each institution within its jurisdiction.

The MREL requirement for each institution will be set on the basis of a number of key elements, including a loss absorption amount (which will generally as a minimum equate to the institution's capital requirements under CRD IV and CRR, including applicable buffers), and, in the case of larger institutions, a recapitalisation amount, the amount of recapitalisation needed to implement the preferred resolution strategy identified in the resolution planning process (including to sustain sufficient market confidence in the institution). Other factors to be taken into consideration by resolution authorities when setting the MREL requirement include the extent to which an institution's liabilities are, or are reasonably likely to be, excluded from contributing to loss absorption or recapitalisation; the risk profile and systemic importance of the institution; and the contribution to any resolution that may be made by deposit guarantee schemes and resolution financing arrangements.

Items eligible for inclusion in MREL include an institution's Tier 1 and Tier 2 capital (within the meaning of CRR), along with certain eligible liabilities, meaning liabilities which, *inter alia*, are issued and fully paid up, have a maturity of at least one year (or do not give the investor a right to repayment within one year), do not arise from derivatives, and are not excluded from bail-in.

Whilst there are a number of similarities between the MREL requirements and the FSB's TLAC principles, there are also certain differences, including the express requirement that TLAC be subordinated to liabilities excluded from counting as TLAC including, among other things, insured deposits (which is not necessarily the case for all MREL eligible liabilities), and the timescales for implementation. In its final draft for the RTS, the EBA stated that it expects the RTS to be "broadly compatible" with the FSB's TLAC principles. While acknowledging some differences, the EBA considered "these differences do not prevent resolution authorities from implementing the MREL for G-SIBs (as defined below) consistently with the international framework". Further convergence in the detailed requirements of the two regimes is expected, as also proposed by the EBA in its final report on the implementation and design of the MREL framework of 14 December 2016 and by the European Commission in its Proposals (as defined below). However, it is still uncertain to what extent the regimes will converge and what the final requirements will look like.

The required level of MREL for Rabobank Group has yet to be set by the Single Resolution Board ("**SRB**"). On the basis of the RTS, it is possible that Rabobank Group may have to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframes. As part of the Proposals discussed below, systemically important banks in a member state, like Rabobank, will be subject to a firm-specific MREL regime under which they will be required to issue a sufficient amount of own funds and eligible liabilities to absorb expected losses in resolution and to recapitalise the institution or the surviving part thereof. Moreover, the MREL framework may be subject to substantial change over the coming years, amongst others, as a result of the changes envisaged in the Proposals. As a result, it is not possible to give any assurances as to the ultimate scope, nature, timing, disclosure and consequences of breach of any resulting obligations, or the impact that they will have on Rabobank once implemented. If Rabobank Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations which would have a material adverse effect on Rabobank Group's business, financial position and results of operations. The above requirements (and any actual, or perceived likelihood of any, breach of them) may also affect the market value of the Notes. See also "—Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes".

Risks relating to the FSB's proposals regarding TLAC

On 9 November 2015, the Financial Stability Board (the "**FSB**") published its final principles regarding the total loss-absorbing capacity (or "**TLAC**") of global systemically important banks ("**G-SIBs**"). In order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss, resolution authorities may subject a failing bank to a resolution regime and may apply certain resolution tools. These resolution tools include the bail-in tool: the power to write down and/or convert into equity a bank's capital instruments or liabilities for the purpose of absorbing the bank's losses and recapitalising the bank. Application of the bail-in tool requires the availability of sufficient loss absorbing capacity: capital instruments and liabilities eligible for write-down and/or conversion into equity. The FSB's TLAC principles seek to ensure that G-SIBs will have sufficient loss absorbing capacity and include a specific term sheet for TLAC which attempts to define an internationally agreed standard.

The FSB's TLAC principles require all G-SIBs to maintain a minimum (Pillar 1) level of TLAC-eligible instruments of at least 16 per cent. of the resolution group's risk-weighted assets with effect from 1 January 2019 and at least 18 per cent. with effect from 1 January 2022. Minimum TLAC must also be at least 6 per cent. of the Basel III leverage ratio exposures with effect from 1 January 2019, and at least 6.75 per cent. with effect from 1 January 2022. The principles also require G-SIBs to pre-position such loss-absorbing capacity amongst material subsidiaries on an intra-group basis. The term sheet also provides the possibility for resolution authorities to impose an additional bank-specific (Pillar 2) TLAC requirement over and above the common (Pillar 1) minimum. Capital instruments counting towards the capital requirements pursuant to the Regulation 575/2013 of the European Parliament and the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the "**CRR**") may also count towards the TLAC requirement. However, the FSB term sheet does not allow the double-counting of capital towards both the TLAC requirement and the CRD IV (as defined below) capital buffers, *i.e.,* it requires that the TLAC requirement should be satisfied before any surplus common equity tier 1 capital ("**Common Equity Tier 1 Capital**") is available to satisfy CRD IV capital buffers.

Work is currently ongoing in the EU to implement the TLAC standard into EU legislation. In particular, the European Commission has proposed to incorporate TLAC into the capital requirements framework, as an extension to the own funds requirements and as part of the Proposals, as discussed and defined below (see "—Minimum regulatory capital and liquidity requirements" below). Although TLAC only applies to G-SIBs, in the Proposals the European Commission has proposed that other systemically important banks in a member state, like Rabobank, be subject to a firm-specific MREL regime under which they could be required to issue a sufficient amount of own funds and eligible liabilities to absorb expected losses in resolution and to recapitalise the institution or the surviving part thereof.

Based on the most recently updated FSB list of G-SIBs published in November 2016, Rabobank is not a G-SIB. However, there can be no assurance that Rabobank will not become a G-SIB in the future or that relevant EU or Dutch regulators may not in the future impose comparable requirements on Rabobank or apply the requirements for MREL (see "—Minimum requirement for own funds and eligible liabilities under BRRD" above) in a manner which is consistent with the TLAC requirements applicable for G-SIBs, which could have a material adverse effect on Rabobank Group's business, financial condition and results of operations. Recommendations largely to that effect are included in the EBA's final report on MREL of 14 December 2016.

The TLAC principles provide that TLAC may comprise Tier 1 and Tier 2 capital (within the meaning of CRR) along with other TLAC-eligible liabilities which can be effectively written down or converted into equity during the resolution of the G-SIB. All TLAC is in principle required to be subordinated to "excluded liabilities", which includes insured deposits and any other liabilities that cannot be effectively written down or converted into equity by the relevant resolution authority.

Minimum regulatory capital and liquidity requirements

Under CRD IV, institutions are required to hold a minimum amount of regulatory capital equal to 8 per cent. of the aggregate total risk exposure amount of the Rabobank Group ("**Risk Weighted Assets**") (of which at least 4.5 per cent. must be Common Equity Tier 1 Capital). In addition to these so-called minimum or "Pillar 1" "own funds" requirements, CRD IV (for example, at Article 128 and following) also introduces capital buffer requirements that are in addition to the minimum "own funds" requirements and are required to be met with Common Equity Tier 1 Capital. It provides for five capital buffers: (i) the capital conservation buffer, (ii) the institution-specific countercyclical capital buffer, (iii) the global systemically important institutions buffer (the "**G-SII Buffer**"), (iv) the other systemically important institutions buffer (the "**O-SII Buffer**") and (v) the systemic risk buffer. When an institution is subject to one of the G-SII Buffer or the O-SII Buffer as well as the systemic risk buffer, either (i) the higher of these buffers applies or (ii) these buffers are cumulative, depending on the location of the exposures which the systemic risk buffer addresses. Subject to transitional provisions, the capital conservation buffer (2.5 per cent. when fully phased-in) and systemic risk buffer (3.0 per cent. when fully phased-in) apply to Rabobank Group and some or all of the other buffers may be applicable to Rabobank Group from time to time, as determined by the ECB, the Dutch Central Bank ("**DNB**") or any other competent authority at such time.

In addition to the "Pillar 1" and capital buffer requirements described above, CRD IV (for example, at Article 104(1)(a)) contemplates that competent authorities may require additional "Pillar 2" capital to be maintained by an institution relating to elements of risks which are not fully captured by the minimum "own funds" requirements ("**additional own funds requirements**") or to address macro-prudential requirements.

The EBA published guidelines on 19 December 2014 addressed to national supervisors on common procedures and methodologies for the supervisory review and evaluation process ("**SREP**"), which contained guidelines proposing a common approach to determining the amount and composition of additional own funds requirements and which were implemented with effect from 1 January 2016. Under these guidelines, national supervisors should set a composition requirement for the additional own funds requirements to cover certain risks of at least 56 per cent. Common Equity Tier 1 Capital and at least 75 per cent. Tier 1 Capital. The guidelines also contemplate that national supervisors should not set additional own funds requirements in respect of risks which are already covered by capital buffer requirements and/or additional macro-prudential requirements.

The interpretation of Article 104(1)(a) of the CRD IV Directive (as defined below) remains unresolved, in particular as to how any "Pillar 2" additional own funds requirements imposed thereunder should be considered to comprise part of an institution's additional own funds requirements. Such uncertainty can be expected to subsist while the relevant authorities in the EU and in the Netherlands continue to develop their approach to the application of the relevant rules. In this regard, the EBA published an opinion on 16 December 2015 calling on the European Commission to review Article 141 of the CRD IV Directive to ensure greater consistency in its operation and to ensure that Common Equity Tier 1 Capital held to meet the 'combined buffer requirement' (as defined in CRD IV) must be in excess of that held to meet Pillar 1 and Pillar 2 requirements. In line with the approach recommended in this EBA opinion, the ECB published a presentation on its SREP methodology on 19 February 2016 in which it outlined that only Common Equity Tier 1 Capital in excess of that used to meet an institution's Pillar 1 and Pillar 2 Common Equity Tier 1 Capital requirements and combined buffer requirements will be taken into account for determining an institution's 'maximum distributable amount' (as defined in CRD IV). In March 2016, it was widely reported that, in the context of its wider review of the CRR and CRD IV, an expert group of the European Commission was considering, among other things, clarifications to the operation of automatic restrictions on earnings distributions such that if an institution meets the sum of its Pillar 1 capital requirements, Pillar 2 capital requirements and combined buffer requirements but does not meet its Pillar 2 capital guidance, it shall not be subject to such automatic restriction. Until this uncertainty is resolved, there can be no assurance that any formal legislative or other clarification of these issues will be made. Further, the stress test results published by the EBA in July 2016 are being used by regulators as part of the 2017 SREP for European banks. In July 2016, the ECB confirmed that SREP will for the first time comprise two elements: Pillar 2 requirements (which are binding and breach of which can have direct legal consequences for banks) ("**P2R**") and Pillar 2 guidance (with which banks are expected to comply but breach of which does not automatically trigger any legal action) ("**P2G**"). Accordingly, in the capital stack of a bank, the P2G is in addition to (and "sits above") that bank's Pillar 1 capital requirement, its P2R and its combined buffer requirement. It follows that if a bank does not meet its P2G, supervisors may specify supervisory measures but it is only if it fails to maintain its combined buffer requirement that the mandatory restrictions on discretionary payments (including payments on its CET1 and additional tier 1 instruments) based on its maximum distributable amount will apply. These changes are also reflected in the Proposals. However, there can be no assurance as to the relationship between the "Pillar 2" additional owns funds requirements and the restrictions on discretionary payments and as to how and when effect will be given to the EBA's minimum guidelines and/or the Proposals in the Netherlands, including as to the consequences for an institution of its capital levels falling below the minimum, buffer and additional requirements referred to above.

On 2 December 2016, Rabobank published its 2017 ECB capital requirements, determined pursuant to the SREP. The ECB decision requires that Rabobank maintains a total SREP capital requirement of 9.75 per cent. on a consolidated and unconsolidated basis. The requirement consists of an 8 per cent. minimum own funds requirement and a 1.75 per cent. P2R. The total CET1 capital minimum requirement is 6.25 per cent., consisting of the minimum Pillar 1 requirement (4.5 per cent.) and the P2R (1.75 per cent.). In addition, Rabobank is required to comply with the phasing in combined buffer requirements consisting of a capital conservation buffer (1.25 per cent.) and a systemic risk buffer that needs to be applied on top of these CET1 requirements imposed by the Dutch Central Bank of 1.5 per cent. in 2017. The systemic risk buffer is expected to be phased in up to a level of 3 per cent. on a fully loaded basis in 2019. This translates into an aggregate 9 per cent. CET1 capital requirement for 2017. The ECB decision also requires that Rabobank maintains a CET1 Ratio of 7.5 per cent. on an unconsolidated basis. This 7.5 per cent. capital requirement is comprised of the minimum Pillar 1 requirement (4.5 per cent.), the P2R (1.75 per cent.) and the capital conservation buffer (1.25 per cent.). Rabobank currently intends to maintain an internal management buffer (as described further below) comprising Common Equity Tier 1 Capital over the combined buffer requirement applicable to Rabobank Group. As part of its Strategic Framework 2016-2020, in anticipation of the expected impact of new rules on capital requirements, Rabobank aims to increase its CET1 Ratio to a minimum of 14 per cent., by the end of 2020, but there can be no assurance that this target ratio will be achieved. This target could be revised as a result of (regulatory) developments. As at 30 June 2016, the "phased-in" (meaning the CET1 ratio under the current stage of phase-in capital requirements under the CRR) CET1 Ratio of Rabobank Group was 13.4 per cent. (the fully loaded CET1 Ratio of Rabobank Group as at 30 June 2016 was 12.4 per cent.). There can be no assurance, however, that Rabobank will continue to maintain such internal management buffer or that any such buffer would be sufficient to protect against a breach of the combined buffer requirement resulting in restrictions on payments on its CET1 and additional tier 1 instruments.

Rabobank Group is subject to the risk, inherent in all regulated financial businesses, of having insufficient capital resources to meet its minimum regulatory capital requirements, any additional own funds requirements or any capital buffer requirements. Capital requirements may increase if economic conditions or negative trends in the financial markets worsen. Any failure of Rabobank Group to maintain its “Pillar 1” minimum regulatory capital ratios, any “Pillar 2” additional own funds requirements or any capital buffer requirements could result in administrative actions or sanctions, which in turn could have a material adverse impact on Rabobank Group’s results of operations. A shortage of available capital may restrict Rabobank Group’s opportunities.

Under the Basel III regime (“**Basel III**”), capital and liquidity requirements have increased. On 17 December 2009, the Basel Committee on Banking Supervision (the “**Basel Committee**”) proposed a number of fundamental reforms to the regulatory capital framework in its consultative document entitled “Strengthening the resilience of the banking sector”. On 16 December 2010 and on 13 January 2011, the Basel Committee issued its final guidance on a number of fundamental reforms to the regulatory capital framework (such reforms being commonly referred to as the “**Basel III Reforms**”), including new capital requirements, higher capital ratios, more stringent eligibility requirements for capital instruments, a new leverage ratio and liquidity requirements, which are intended to reinforce capital standards and to establish minimum liquidity standards for financial institutions, including building societies.

The Basel III Reforms have been implemented in the European Economic Area (the “**EEA**”) through the CRR and the Directive of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (the “**CRD IV Directive**”, and together with the CRR, “**CRD IV**”), which were adopted in June 2013. The CRR entered into force on 1 January 2014 and the CRD IV Directive became effective in the Netherlands on 1 August 2014 when the provisions of the CRD IV were implemented by legislation amending the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (“**FMSA**”) and subordinate legislation, although particular requirements will be phased in over a period of time, to be fully effective by various dates up to 31 December 2021. The EBA has proposed, and will continue to propose detailed rules through binding technical standards for many areas including, *inter alia*, liquidity requirements and certain aspects of capital requirements.

It is possible that the ECB or the EBA or both may implement the Basel III Reforms and CRD IV in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks. In December 2014, the Basel Committee announced its intention to revisit the system of capital floors for internal models for credit risk. The revised capital floor framework would be relevant for the revised standardised approaches for credit risk, market risk and operational risk. The current floor for internal models (in the EU framework) is required under Article 500 of CRR and is set at 80 per cent. of the requirement of own funds as calculated under the Basel I framework (“**Basel I**”). Thus, the floor does not impact the calculation of risk-weighted assets, but acting as a kind of "adjustment factor", determines what capital is required to be held, which differs from the Basel I approach.

As a result of the 2014 consultation, the Basel Committee favours a capital floor related to the standardised approaches (which are currently being revised). On 10 December 2015, the Basel Committee issued a second consultation document entitled ‘Revisions to the Standardised Approach for Credit Risk’, and in March 2016 the Basel Committee published its proposed revisions to the IR-based approach for credit risk. For some asset classes, like wholesale, there will be limitations to use of the IR-based (advanced) approach and for retail assets classes Probability of Default and Loss Given Default input floors will be introduced.

On 11 January 2016, the Group of Central Bank Governors and Heads of Supervision (“**GHOS**”) at the Basel Committee agreed that the GHOS will review the Basel Committee's proposals on the risk weighted framework and the design and calibration of capital floors at or around the end of 2016. As described in the Strategic Framework 2016-2020 the risk weighting of assets and the subsequent required absolute amount of capital are expected to increase significantly.

Separately, on 11 January 2016, the Basel Committee announced that it will conduct a quantitative impact assessment during 2016. As a result of this assessment, the Basel Committee will focus on not significantly increasing overall capital requirements. It is expected that the Basel Committee’s quantitative impact assessment will therefore play a crucial role in determining the nature of the proposals.

On 11 September 2016, the GHOS reaffirmed that the Basel Committee should focus on not significantly increasing overall capital requirements.

On 23 November 2016, the European Commission published legislative proposals for amendments to the CRR, the CRD IV Directive, the BRRD, the SRM Regulation (as defined below) and a proposed new directive to facilitate the creation of a new asset class of “non-preferred” senior debt (the “**Proposals**”). The Proposals cover multiple areas, including the Pillar 2 framework, the leverage ratio, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of “non-preferred” senior debt, the MREL framework and the integration of the TLAC standard into EU legislation as mentioned above. The Proposals are to be considered by the European Parliament and the Council of the European Union and therefore remain subject to change; they are expected to enter into force no earlier than 2019 (or 2017 in the case of the proposal for a new asset class of “non-preferred” senior debt). The final new package of legislation may not include all elements of the Proposals and new or amended elements may be introduced throughout the course of the legislative process. Until the Proposals are in final form, it is uncertain how the Proposals will affect Rabobank or holders of the Notes.

Rabobank, N.A. is subject to U.S. capital adequacy standards. Further, under section 171 of the Dodd-Frank Act (the “**Collins Amendment**”), Utrecht-America Holdings, Inc., which holds Rabobank, N.A. and many of Rabobank Group’s U.S. non-bank subsidiaries, became subject to U.S. capital adequacy standards as of 21 July 2015. Those standards require Rabobank Group to maintain capital at the level of Utrecht-America Holdings, Inc. in accordance with U.S. regulatory capital requirements rather than relying on capital maintained at Rabobank Group’s top-level parent company. Compliance with the Collins Amendment limits Rabobank Group’s ability to deploy capital most efficiently in accordance with its subsidiaries’ business needs, and potentially increases the costs of Rabobank Group’s operations and may result in capital deficiencies elsewhere in Rabobank Group.

If the regulatory capital requirements, liquidity restrictions or ratios applied to Rabobank Group are increased in the future (including any amendments arising as a result of the Proposals or otherwise), any failure of Rabobank Group to maintain such increased capital and liquidity ratios may result in administrative actions or sanctions, which may have a material adverse effect on Rabobank Group’s business, financial condition and results of operations.

For further information regarding the Basel III Reforms and CRD IV, including their implementation in the Netherlands, please see the section entitled “Regulation of Rabobank Group”.

Credit ratings

Rabobank Group’s access to the unsecured funding markets is dependent on its credit ratings.

A downgrading, an announcement of a potential downgrade in its credit ratings or a withdrawal of its credit rating, as a result of a change in a rating agency’s view of Rabobank Group, industry outlook, sovereign rating, rating methodology or otherwise, could adversely affect Rabobank Group’s access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements all of which could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations.

Competition

All aspects of Rabobank Group's business are highly competitive. Rabobank Group's ability to compete effectively depends on many factors, including its ability to maintain its reputation, the quality of its services and advice, its intellectual capital, product innovation, execution ability, pricing, sales efforts and the talent of its employees. Any failure by Rabobank Group to maintain its competitive position could have a material adverse effect on Rabobank Group's prospects, business, financial condition and results of operations.

Geopolitical developments

Concerns about geopolitical developments (such as the United Kingdom's expected exit from the European Union, the United States' upcoming presidential election, or tensions surrounding North Korea or Iran's nuclear programmes), social unrest (such as the continuing turmoil in Ukraine which resulted in EU sanctions against Russia, and continuing turmoil in Syria), political crises (such as the Greek debt crisis), commodity supply shocks and natural disasters, among other things, can affect the global financial markets. Since the beginning of the 21st century, accounting and corporate governance scandals and financial crises have significantly undermined investor confidence from time to time. The occurrence of any such developments and events could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events

Terrorist acts, other acts of war or hostility, civil unrest, geopolitical, pandemic or other such events and responses to those acts or events may create economic and political uncertainties, which could have a negative impact on Dutch and international economic conditions generally, and more specifically on the business and results of Rabobank Group in ways that cannot necessarily be predicted. The occurrence of any such events could have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Key employees

Rabobank Group's success depends to a great extent on the ability and experience of its senior management and other key employees. The loss of the services of certain key employees, particularly to competitors, could have a material adverse effect on Rabobank Group's business, financial condition and results of operations. The failure to attract or retain a sufficient number of appropriate employees could significantly impede Rabobank Group's financial plans, growth and other objectives and have a material adverse effect on Rabobank Group's business, financial condition and results of operations.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential Investor's Currency (as defined in "Risks related to the market generally — Exchange rate risks and exchange controls");

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

The Notes are subordinated obligations

The Issuer's obligation to make payments under the Notes and Coupons are subordinated. In particular, subject to exceptions provided by mandatory applicable law, the Issuer's payment obligations under the Notes and Coupons shall, in the case of (a) the bankruptcy of the Issuer, (b) a Moratorium or (c) dissolution (*ontbinding*) as a result of the insolvency of the Issuer, rank:

(i) subordinated and junior to Senior Creditors of the Issuer;

(ii) *pari passu* with any other present or future indebtedness of the Issuer which constitutes or is eligible to constitute Tier 2 Capital or which ranks by or under its own terms or otherwise *pari passu* with the Notes and Coupons; and

(iii) senior to any other present or future obligation of the Issuer which constitutes or is eligible to constitute Tier 1 Capital or which otherwise ranks by or under its own terms or otherwise, subordinate or junior to the Notes and Coupons.

By virtue of this subordination, payments to the Holders or Couponholders will, in the case of the bankruptcy or dissolution as a result of the insolvency of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Senior Creditors have been satisfied in full. In addition, any right of set-off by the Holder or Couponholder in respect of any amount owed to such Holder or Couponholder by the Issuer under or in connection with such Note shall be excluded. See also the risk factors entitled "*Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes*" and "*Minimum requirement for own funds and eligible liabilities under BRRD"*.

No limitation on issuing pari passu and senior securities; subordination

The Notes do not limit the Issuer's ability or the ability of any entity in the Rabobank Group to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Notes.

The issue of any such securities may reduce the amount recoverable by Holders or Couponholders in the case of (a) the bankruptcy of the Issuer, (b) a Moratorium or (c) dissolution (*ontbinding*) as a result of the insolvency of the Issuer. Accordingly, on (a) the bankruptcy of the Issuer, (b) a Moratorium or (c) dissolution (*ontbinding*) as a result of the insolvency of the Issuer, and after payment of the claims of Senior Creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Holders or Couponholders.

Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes

On the basis of the European Bank Recovery and Resolution Directive ("**BRRD**") and the Single Resolution Mechanism ("**SRM**"), a framework for the recovery and resolution of banks has been established which includes an extensive set of tools and powers available to the ECB, as Rabobank Group's competent authority, and the SRB, as Rabobank Group's resolution authority, allowing them to intervene sufficiently early and quickly in case Rabobank Group is unsound or failing so as to ensure the continuity of its critical financial and economic functions, while minimising the impact of the failure on the economy and the financial system. While, as Rabobank Group's resolution authority, the SRB is ultimately in charge of the decision to initiate Rabobank Group's resolution, operationally the decision will be implemented in cooperation with the DNB in its capacity as national resolution authority.

Recovery and resolution plans and powers to address impediments to resolvability

Rabobank Group has drawn up a recovery plan. This plan provides for a wide range of measures that could be taken by Rabobank Group for restoring its financial condition in case it significantly deteriorates. The plan is subject to review by the ECB and must be updated annually or after changes in the legal or organisational structure, business or financial situation that could have a material effect on the plan. Keeping the recovery plan up to date requires monetary and management resources. Recovery measures could include the strengthening of Rabobank Group's capital by issuing capital instruments in a situation of financial stress.

The SRB, in cooperation with the DNB, is in the process of drawing up a resolution plan for Rabobank Group providing for resolution actions it may take if Rabobank Group is failing or is likely to fail. In drawing up Rabobank Group's resolution plan, the SRB will identify any material impediments to the resolvability. Where necessary, the SRB may require the removal of such impediments. This may lead to mandatory legal restructuring of Rabobank Group, which could lead to high transaction costs, or could make Rabobank Group's business operations or its funding mix to become less optimally composed or more expensive.

Rabobank Group is subject to a requirement at all times to meet a MREL expressed as a percentage of the total liabilities and own funds of Rabobank Group. The required level of MREL for Rabobank Group has yet to be set by the SRB. The SRB may require Rabobank Group to issue additional or other liabilities to meet the required MREL levels. This may result in higher capital and funding costs for Rabobank Group, and as a result materially and adversely affect Rabobank Group's profits and its ability to make payments. In addition, on 9 November 2015 the FSB issued final principles for TLAC for G-SIBs. TLAC is currently not applicable to Rabobank Group, however the final principles might indirectly extend to the required MREL levels or the eligibility of MREL instruments as to be determined by the SRB. Moreover, the rules on MREL are currently in the process of revision and may be significantly amended. See further the risk factors entitled "*Minimum requirement for own funds and eligible liabilities under BRRD*", *"Risks relating to the FSB's proposals regarding TLAC"* and *"Minimum regulatory capital and liquidity requirements"*.

Early intervention measures

If Rabobank Group would infringe or, due to a rapidly deteriorating financial condition, would be likely to infringe capital or liquidity requirements in the near future, the ECB will have the power to impose early intervention measures on Rabobank Group. A rapidly deteriorating financial condition could, for example, occur in case of a deterioration of Rabobank Group's liquidity situation, increasing level of leverage, non-performing loans or concentration of exposures. Intervention measures include the power to require changes to the legal or operational structure of Rabobank Group, or its business strategy, and the power to require the Executive Board to convene a meeting of the General Members' Council of Rabobank, failing which the ECB can directly convene such meeting, in both cases with the power of the ECB to set the agenda and require certain decisions to be considered for adoption. The decisions to be considered for adoption may materially and adversely affect the position of holders of the Notes.

Pre-resolution measures

If Rabobank or Rabobank Group were to reach a point of non-viability but not (yet) meet the conditions for resolution, the SRB in close cooperation with the national resolution authority can take pre-resolution measures. These measures include the power to write down capital instruments, including the Notes, or convert them into Common Equity Tier 1 Capital instruments. A write-down or conversion of the Notes could materially and adversely affect the ownership rights of holders of the Notes. The taking of any such action or any perceived increased likelihood that such action will be taken may adversely affect the market value of the Notes.

Resolution measures

If Rabobank meets the conditions for resolution, the SRB may take resolution measures. Conditions for resolution are: (i) the ECB or the SRB determines that Rabobank is failing or is likely to fail, (ii) having regard to the circumstances, there is no reasonable prospect that any alternative private sector or supervisory action would, within a reasonable timeframe, prevent the failure of Rabobank, and (iii) the resolution measure is necessary in the public interest. Rabobank would be considered to be failing or likely to fail inter alia if it infringes capital or liquidity requirements, Rabobank's liabilities exceed its assets, or Rabobank is unable to pay its debts and liabilities as they fall due, or there are objective elements to support a determination that this will be the case in the near future.

Resolution tools of the SRB include a sale of a business or part of a business, a bridge institution tool, an asset separation tool and a bail-in tool that would enable the write-down and conversion of debt into equity to strengthen the financial condition of the failing bank and allow it to continue as a going concern subject to appropriate restructuring. If the SRB were to take a resolution measure against Rabobank Group, it will have the power to take full control over Rabobank Group. As a result of a resolution measure being taken, holders of the Notes could lose ownership over the Notes or could become holders of the Notes of an empty entity or a bad bank or their holdings could be severely diluted. The taking of any such action or any perceived increased likelihood that such action will be taken may adversely affect the market value of their Notes.

When applying the resolution tools and exercising the resolution powers, including the preparation and implementation thereof, the SRB is not subject to (i) requirements to obtain approval or consent from any person either public or private, including but not limited to the holders of the Notes or from any creditors, and (ii) procedural requirements to notify any person including any requirement to publish any notice or prospectus or to file or register any document with any other authority, and including also any notification requirement set out in the terms and conditions governing the Notes, that would otherwise apply by virtue of applicable law, contract, or otherwise. In particular, the SRB can exercise its powers irrespective of any restriction on, or requirement for consent for, transfer of the financial instruments, rights, assets or liabilities in question that might otherwise apply.

The Single Resolution Fund

If a resolution action is taken, Rabobank Group will be eligible for contribution by the Single Resolution Fund. Rabobank Group's resolution will only be eligible for contribution if the holders of relevant capital instruments and other eligible liabilities have made a contribution (by means of a write-down, conversion or otherwise) to loss absorption and recapitalisation equal to an amount not less than 8 per cent. of Rabobank Group's total liabilities (including own funds and measured at the time of the resolution action). This means that Rabobank Group must maintain sufficient own funds and liabilities eligible for write-down and conversion in order to have access to the Single Resolution Fund in case of a resolution. This increases the likelihood that the SRB will set a high level of MREL for Rabobank Group, which may have an impact on Rabobank Group's capital and funding costs. Use of resolution funds is also subject to EU state aid rules and requires approval by the European Commission. Such approval generally also entails the implementation of adequate burden-sharing including absorption of losses in the first instance by holders of CET1 and additional tier 1 instruments (including holders of Notes).

Application of the Intervention Act

Pursuant to the Dutch Intervention Act (*Wet bijzondere maatregelen financiële ondernemingen*) (the "**Intervention Act**"), the DNB has the power to take measures in respect of banks if it perceives a dangerous development regarding the entity's own funds, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or promptly reversed.

In addition, under the Intervention Act the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets, liabilities or securities issued by or with the consent of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister of Finance's opinion, the stability of the financial system is in serious and immediate danger as a result of the situation in which the entity finds itself. In taking these measures, provisions in relevant Dutch legislation and the entity's articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with the DNB in advance and the Dutch Prime Minister must agree with the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset may be entitled to compensation for damage that directly and necessarily results from the expropriation. However, there can be no assurance that such compensation will cover all losses of the relevant beneficiary. Holders of the Notes may be affected by any such measure taken by the Ministry of Finance to expropriate the Notes and suspend or terminate their listing.

The application of the Intervention Act may affect the ownership rights of holders of the Notes. The taking of any such action or any perceived increased likelihood that such action will be taken may adversely affect the market value of the Notes.

Risks related to the structure of a particular issue of Notes

Redemption at maturity

The Notes mature on the Maturity Date specified in the relevant Final Terms. Holders have no ability to require the Issuer to redeem their Notes unless an Event of Default occurs. Repayment to Holders following an Event of Default will only be effected after the Issuer has obtained the prior written permission of the Competent Authority (to the extent that such permission is required at such time pursuant to the Capital Regulations). The Events of Default, and Holders' rights following an Event of Default, are set out in Condition 10.

Notes subject to optional redemption by the Issuer prior to maturity

The Final Terms of a Series of Notes may specify that at any time upon the occurrence of a Tax Law Change, as a result of which (i) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts with respect to payments on the Notes; or (ii) interest payable on the Notes when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes, or a Capital Event or on an Optional Redemption Date, the Notes may be redeemed at the option of the Issuer at their principal amount, as more particularly described in the Conditions. Such an optional redemption feature is likely to limit the market value of the Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period, in particular where there is an actual or perceived increase in the likelihood that the Issuer will be able to elect to redeem Notes in such redemption period.

In accordance with the CRR, Condition 6 provides that, subject to certain other conditions (as more particularly set out in Condition 6(b) being satisfied, the Competent Authority may only approve any redemption of Notes following the occurrence of a Tax Law Change or a Capital Event prior to the fifth anniversary of the Issue Date of the most recent Tranche of Notes in a Series, if the following conditions are met:

(A) in the case of any such redemption upon the occurrence of a Capital Event, the Competent Authority considers the relevant change to be sufficiently certain and the Issuer demonstrates to the satisfaction of the Competent Authority that such change was not reasonably foreseeable at the Issue Date of the most recent Tranche of Notes in a Series; or

(B) in the case of any subject redemption upon the occurrence a Tax Law Change, the Issuer demonstrates to the satisfaction of the Competent Authority that such Tax Law Change is material and was not reasonably foreseeable at the Issue Date of the most recent Tranche of Notes in a Series.

Subject to certain other conditions (as more particularly set out in Condition 6(b)) being satisfied, the Issuer may exercise its option to redeem the Notes in such circumstances on each Optional Redemption Date falling on or after the fifth anniversary of the Issue Date of the most recent Tranche of Notes in a Series (or as a result of a Capital Event or a Tax Law Change that occurred before the fifth anniversary of the Issue Date of the most recent Tranche of Notes in a Series) without complying with the above conditions.

In addition, in accordance with Article 29(3) of Regulation (EU) No 241/2014 the Issuer has the ability to make a market in the Notes at any time, subject to the prior approval of the Competent Authority, which may affect the market value of the Notes.

Fixed Rate Notes

The Issuer may issue Fixed Rate Notes. Such Notes will bear interest at a fixed rate of interest, which, unless otherwise specified in the relevant Final Terms, remains constant during the life of the Notes. Any investors holding these Notes will be subject to the risk that any subsequent increases in market interest rates may adversely affect the real return on the Notes (and the value of the Notes).

Even where the terms of the Notes provide that the rate of interest periodically increases, an investor holding such Notes is subject to the risk that such increases in the rate of interest do not keep pace with any increases in market interest rates, with the consequence that the real return on the Notes (and the value of the Notes) will fall.

Where the terms of the Notes provide that the rate of interest periodically decreases, investors are subject to the risk that the revised rate of interest will be below then current market interest rates and, even where market interest rates are falling, the reduction in the rate of interest on the Notes may be greater than any reduction in market interest rates, with the consequence that the real return on the Notes (and the value of the Notes) will fall.

Floating Rate Notes

The Issuer may issue Floating Rate Notes. Such Notes will bear interest at a floating rate of interest, which will be subject to market fluctuations in interest rates. In addition, the floating rate of interest at any time may be lower than the rates on other Notes.

Fixed Rate Reset Notes

The Issuer may issue Fixed Rate Reset Notes. The relevant Final Terms will specify an initial interest period, together with the Rate of Interest that applies to such period (the "**Initial Interest Rate**"), and a reset interest rate applicable to one or more subsequent Reset Periods, in respect of which interest is calculated by reference to a mid-swap rate or to a benchmark gilt rate, as adjusted for any applicable margin (the "**Reset Rate**"). The basis of interest will be reset to the Reset Rate in accordance with Condition 5(b) and on the date(s) specified in the relevant Final Terms.

When the basis of interest changes to the Reset Rate, such Reset Rate may be less favourable than the Initial Interest Rate and/or the Rate of Interest that applies immediately prior to the relevant Reset Date. Therefore, any such reset of the Rate of Interest may adversely affect the yield of such Notes and their market value.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and/or vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions may be amended by the Issuer (i) for the purpose of curing any ambiguity or for curing, correcting or supplementing any defective provision contained therein or (ii) in any manner which the Issuer may deem necessary or desirable and which shall not adversely affect the interests of the holders of the Notes and Coupons. Any amendment to the Conditions is subject to the Issuer obtaining the prior written permission of the Competent Authority therefor (provided at the relevant time such permission is required to be given).

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**") (see "Taxation — EU Savings Directive" below), an EU Member State is required to provide to the tax authorities of other EU Member States details of payments of interest and other similar income paid by a person established within its jurisdiction to (or secured by such a person for the benefit of) an individual resident, or to (or secured for) certain other types of entities established, in that other EU Member State, except that Austria instead imposes a withholding system for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period it elects otherwise. A number of third countries and territories including Switzerland have adopted similar measures to the Savings Directive.

The Council of the European Union has adopted a Directive (the "**Amending Directive**") which would, if implemented, amend and broaden the scope of the requirements of the Savings Directive described above.

However, the Council of the European Union has adopted a Directive repealing the Savings Directive effective 1 January 2016 (1 January 2017 in the case of Austria) (in each case subject to transitional arrangements). The recitals to the Directive also provide that EU Member States will not be required to implement the Amending Directive.

Prior to the repeal of the Savings Directive becoming effective, if a payment were to be made or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. However, investors should be aware that any custodians or intermediaries through which they hold their interest in the Notes may nonetheless be obliged to withhold or deduct tax pursuant to such laws unless the investor meets certain conditions, including providing any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive.

Investors who are in any doubt as to their position should consult their professional advisers.

Change of law

The conditions of the Notes are based on Dutch law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch, European or any other applicable laws, regulations or administrative practices (including, but not limited to, any such laws, regulations or practices relating to the tax treatment of the Notes) after the date of this Base Prospectus. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss-absorption tools which may affect the rights of holders of securities issued by the Issuer, including the Notes. Such tools may include the ability to write off sums otherwise payable on such securities at a time when the Issuer is no longer considered viable by its regulator or upon the occurrence of another trigger (see the risk factors entitled "*Minimum requirement for own funds and eligible liabilities under BRRD*" and "*Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes*" above for further details).

Statutory protections for creditors of Rabobank's branches

Pursuant to its other funding programmes, Rabobank may issue other debt securities through its branches in other jurisdictions, including Australia, New York and New Zealand. Investors in any such Notes or other debt securities issued by Rabobank's branches may benefit from statutory protections in such jurisdictions, which include the ability of local regulators and authorities to ring fence, or take possession of, Rabobank's assets located in such jurisdiction for the benefit of the creditors of those branches in circumstances where Rabobank is placed in liquidation or there is reason to doubt Rabobank's ability to pay its creditors in full. Accordingly, in any bankruptcy, winding-up or liquidation of Rabobank in the Netherlands, creditors of Notes issued by Rabobank may not have access to any such assets until the claims of the creditors of Rabobank's branches have been satisfied.

Minimum Specified Denomination

In relation to any issue of bearer Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. Any such holding of Notes that is less than the minimum Specified Denomination may be illiquid and difficult to trade. In such a case, a Noteholder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in its account with the relevant clearing system at the relevant time may not receive a definitive bearer Note in respect of such holding (should Definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a minimum Specified Denomination.

If Definitive Notes are issued, Noteholders should be aware that Definitive Notes that have a denomination which is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Further, in respect of any debt securities (including the Notes) which are listed on Euronext Amsterdam and which have denominations consisting of a minimum specified denomination plus one or more higher integral multiples of another smaller amount, Euronext Amsterdam blocks transactions in any such securities below such minimum specified denomination. In addition, because of Euronext Amsterdam's current settlement mechanism, a trade order in such notes could result in the settlement of the transaction at Euronext Amsterdam below the minimum specified denomination (despite the order having been placed at or above the minimum specified denomination). Consequently, and as long as such trading mechanism remains in place, if the Notes have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, parties that trade on Euronext Amsterdam could, as a result of any such trades, hold positions that cannot be divested on Euronext Amsterdam unless if, as a consequence of another trade or trades in such Notes, such investor acquires a position at or above the minimum Specified Denomination.

Risk related to Notes denominated in Renminbi

Notes denominated in Renminbi ("**Renminbi Notes**") may be issued under the Programme, Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible. There are significant restrictions on remittance of Renminbi into and outside the PRC which may adversely affect the liquidity of Renminbi Notes

Renminbi is not freely convertible at present. The government of the PRC (the "**PRC Government**") continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite significant reduction in control by it in recent years over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

Remittance of Renminbi by foreign investors into the PRC for the purposes of capital account items, such as capital contributions, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into the PRC for settlement of capital account items are developing gradually.

In respect of the Renminbi foreign direct investments ("**FDI**"), the People's Bank of China ("**PBoC**") promulgated the Administrative Measures on Renminbi Settlement of Foreign Direct Investment (the "**PBoC FDI Measures**") on 13 October 2011 as part of the PBoC's detailed Renminbi FDI accounts administration system. The system covers almost all aspects in relation to FDI, including capital injections, payments for the acquisition of PRC domestic enterprises, repatriation of dividends and other distributions, as well as Renminbi denominated cross-border loans. On 14 June 2012PBoC issued a circular setting out the operational guidelines for FDI. Under the PBoC FDI Measures, special approval for FDI and shareholder loans from PBoC, which was previously required, is no longer necessary. In some cases however, post-event filing with PBoC is still necessary.

On 3 December 2013, the Ministry of Commerce of the PRC (''**MOFCOM**'') promulgated the Circular on Issues in relation to Cross-border Renminbi Foreign Direct Investment (the ''**MOFCOM Circular**''), which became effective on 1 January 2014, to further facilitate FDI by simplifying and streamlining the applicable regulatory framework. Pursuant to the MOFCOM Circular, the appropriate office of MOFCOM and/or its local counterparts will grant written approval for each FDI and specify ''Renminbi Foreign Direct Investment'' and the amount of capital contribution in the approval. Unlike previous MOFCOM regulations on FDI, the MOFCOM Circular removes the approval requirement for foreign investors who intend to change the currency of its existing capital contribution from a foreign currency to Renminbi. In addition, the MOFCOM Circular also clearly prohibits the FDI funds from being used for any investment in securities and financial derivatives (except for investment in the PRC listed companies as strategic investors) or for entrustment loans in the PRC.

As the PBoC FDI Measures and the MOFCOM Circular are relatively new circulars, they will be subject to interpretation and application by the relevant authorities in the PRC.

There is no assurance that the PRC Government will continue to gradually liberalise control over cross-border remittance of Renminbi in the future, that any pilot schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC. In the event that funds cannot be repatriated outside the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes

As a result of the restrictions by the PRC government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC central government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The PBoC has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On July 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "**Settlement Agreement**") between the PBoC and Bank of China (Hong Kong) Limited (the "**RMB Clearing Bank**") to further expand the scope of Renminbi business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open Renminbi accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert Renminbi; and there will no longer be any restriction on the transfer of Renminbi funds between different accounts in Hong Kong. In addition, the PBoC has now established Renminbi clearing and settlement systems with financial institutions in other major global financial centres (each also a "**RMB Clearing Bank**"), including London, Frankfurt and Singapore to further internationalise the Renminbi.

There are restrictions imposed by PBoC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The Renminbi Clearing Banks only have access to onshore liquidity support from PBoC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In such cases, the participating banks will need to source Renminbi from outside the PRC to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Issuer's Renminbi Notes. To the extent the Issuer is required to source Renminbi in the offshore market to service Renminbi Notes, there is no assurance that the Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks and the Issuer may delay making payments of interest and principal, or make such payments in another currency in certain circumstances

The value of the Renminbi against the U.S. dollar and other foreign currencies fluctuates and is affected by changes in the PRC, by international political and economic conditions and by many other factors. All payments of interest and principal will be made with respect to the RMB Notes in Renminbi. As a result, the value of these Renminbi payments in U.S. dollars or other foreign currencies may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the U.S. dollar or other foreign currencies, the value of investment in U.S. dollars or other applicable foreign currencies will decline. In August 2015, the PBoC changed the way it calculated the mid-point price of Renminbi against the US dollar, requiring the market-makers who submit for the PBoC's reference rates to consider the previous day's closing spot rate, foreign exchange demand and supply as well as changes in major currency rates. This change, and other changes such as widening the trading band that may be implemented, may increase volatility in the value of the Renminbi against foreign currencies. In addition, there may be tax consequences for investors as a result of any foreign currency gains resulting from any investment in Renminbi Notes.

In addition, although the Issuer's primary obligation is to make all payments of interest and principal or other amounts with respect to the Renminbi Notes in Renminbi, in certain circumstances, and if so specified, the terms of the Notes allow the Issuer to delay any such payment and/or make payment in another specified currency, all as provided for in more detail in the Notes (see Condition 11(i)). As a result, the value of these Renminbi payments may vary with the prevailing exchange rates in the marketplace.

Payments in respect of the Renminbi Notes will only be made to investors in the manner specified in the Renminbi Notes

All payments to investors in respect of the Renminbi Notes will be made solely (i) when Renminbi Notes are represented by a Global Note or a Global Certificate held with the common depositary or common safekeeper, as the case may be, for Clearstream, Luxembourg and Euroclear by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations, or (ii) for so long as the Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with the prevailing rules and regulations. The Issuer cannot be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at all or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies, or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Notes issued under the Programme may or may not be listed on a stock exchange or regulated market. In cases where Notes are not listed, pricing information may be more difficult to obtain, and the liquidity and market prices of such Notes may be adversely affected.

If additional Notes are subsequently issued, the supply of such Notes in the market will increase and may cause the price at which the relevant Notes trade in the secondary market to decline significantly.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes. If the Notes are denominated in a currency other than the currency of the country in which the Noteholder is resident, the Noteholder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The Noteholder may also be exposed to a foreign exchange risk if the reference obligation is denominated, or based on prices, in a currency other than the currency in which the relevant Note is denominated. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal at all.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. In addition, any reduction in, or withdrawal of, the credit ratings of the Notes or deterioration in the capital market's perception of Rabobank Group's financial resilience following any such downgrade or withdrawal, could adversely affect the trading price of the Notes.

The credit ratings assigned to the Notes issued under the Programme are a reflection of Rabobank's credit status and, in no way, are a reflection of the potential impact of other factors discussed in this Base Prospectus, or any other factors, on the market value of the Notes. A rating reflects only the views of the relevant rating agency and is not a recommendation to buy, sell or hold the Notes. Accordingly, prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) Notes are legal investments for it, (ii) Notes can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus is to be read in conjunction with the relevant Final Terms and the following documents which have been previously published or are published simultaneously with this Base Prospectus and that have been approved by the AFM or filed with it and shall be incorporated in, and form part of, this Base Prospectus:

(a) the articles of association of Rabobank, last amended on 31 December 2015, effective from 1 January 2016;

(b) the unaudited condensed consolidated interim financial information of Rabobank Group for the six months ended 30 June 2016 and for the six months ended 30 June 2015 (in each case, together with the independent auditor's review report thereon and the explanatory notes thereto);

(c) the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2013, 2014 and 2015 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto);

(d) the audited unconsolidated financial statements of Coöperatieve Rabobank U.A. for the year ended 31 December 2015 (together with the independent auditor's report thereon and explanatory notes thereto);

(e) the audited unconsolidated financial statements of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. for the years ended 31 December 2013 and 2014 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto);

(f) pages 314 up to (and including) 318 of Rabobank Group's annual report for the year ended 31 December 2015 ("Risk management organisation", "Risk management framework", "Risk Management" and "(Regulatory) Developments"); and

(g) pages 2, 3 ("Key figures"), 40 ("Risk strategy", "Risk culture" and "Risk appetite"), 50 ("Liquidity risk") and 51 ("Liquidity position") of Rabobank Group's interim report for the six-month period ended 30 June 2016,

save that any statement contained in this Base Prospectus or in any of the documents incorporated by reference in, and forming part of, this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any document which is subsequently incorporated by reference herein by way of a supplement prepared in accordance with Article 16 of the Prospectus Directive modifies or supersedes such statement.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus is delivered, a copy of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above, in which case the modified or superseding version of such document will be provided. Such documents may be obtained (i) from the Issuer at its registered office set out at the end of this Base Prospectus, (ii) by telephoning the Issuer on +31 (0)30 2160000 or (iii) from the Issuer's website at www.rabobank.com/en/investors/funding/funding-programmes/index.html. In addition, such documents will be available, without charge, from the principal office of Rabobank (as Euronext Amsterdam Listing Agent) in the Netherlands for Notes listed on Euronext Amsterdam and from the principal office of the Arranger in England and of the Paying Agent in Luxembourg.

Except as set forth above, the contents of websites referenced in this Base Prospectus do not form any part of this Base Prospectus.

SUPPLEMENTARY PROSPECTUS

The Issuer has given an undertaking to the Dealers that, if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting an assessment by investors of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the rights attaching to the Notes, the Issuer shall prepare and publish an amendment or supplement to this Base Prospectus or a replacement prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

From time to time, the credit rating agencies may revise their ratings of the Issuer or the Issuer's securities or the outlooks on these ratings. Unless required by applicable law, the Issuer may not prepare a supplement to this Base Prospectus or publish a new prospectus for use in connection with any subsequent offer of the Notes in the event that one or more of these credit rating agencies revise their rating or their outlook on the ratings of the Issuer or the Issuer's securities.

IMPORTANT INFORMATION

Responsibility statement

Rabobank (the "**Responsible Person**") accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge and belief of the Responsible Person (which has taken all reasonable care to ensure that such is the case), the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Where information has been sourced from a third party, this information has been accurately reproduced and, as far as the Responsible Person is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Presentation of financial information

The audited consolidated financial statements for the years ended 31 December 2013, 31 December 2014 and 31 December 2015 ("**Audited Consolidated Financial Statements**") incorporated by reference in this Base Prospectus have been prepared in accordance with International Financial Reporting Standards as adopted by the EU pursuant to EU Regulation No 1606/2002 (IFRS) and comply with Part 9 of Book 2 of the DCC. The unaudited condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2016 and for the six-month period ended 30 June 2015 (the "**Unaudited Condensed Consolidated Interim Financial Information**") has been prepared in accordance with IAS 34 'Interim financial reporting', as adopted by the European Union.

The figures for the six-month periods ended 30 June 2016 and 30 June 2015, and for the restated figures for the year ended 31 December 2015, have been derived from the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016. The restated figures for the year ended 31 December 2014 have been derived from the audited consolidated financial statements for the year ended 31 December 2015, and the restated figures for the year ended 31 December 2013 have been derived from the audited consolidated financial statements for the year ended 31 December 2014.

Unaudited information

The financial data in the (sub) paragraphs in this Base Prospectus marked with an asterisk (*) has not been directly extracted from the Audited Consolidated Financial Statements but instead is derived from the Unaudited Condensed Consolidated Interim Financial Information, the interim or annual reports or the accounting records of Rabobank.

Change in accounting policies and presentation

As a result of changes in accounting policies and presentation, and as a result of an adjustment in the opening balance of equity, certain figures at and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 have been restated. See "Management's Discussion and Analysis of Financial Condition and Results of Operations ─Change in accounting policies and presentation" for more information. The restated numbers for the year ended 31 December 2015 have not been audited.

Key performance indicators and non-IFRS measures

This Base Prospectus presents certain financial measures that are not measures defined under IFRS, including operating results. These non-IFRS financial measures are not measures of financial performance under IFRS and should not be considered as a replacement for any IFRS financial measure. In addition, such measures, as defined by Rabobank Group, may not be comparable to other similarly titled measures used by other companies, because the above-mentioned non-IFRS financial measures are not defined under IFRS, other companies may calculate them in a different manner than Rabobank Group which limits their usefulness as comparative measures. Rabobank Group believes that these non-IFRS measures are important to understand Rabobank Group's performance and capital position.

This Base Prospectus also presents certain financial measures that are not measures defined under EU IFRS, including regulatory capital, risk weighted assets and underlying results. As of 2014, capital metrics and risk exposures are reported under the Basel III framework. Comparative figures for 2013 are reported according to Basel II. Where applicable, pro forma figures are provided for comparative purposes. Some sections in the Prospectus contain information according to CRR (Pillar 3). These sections are labelled as "Pillar 3" in their headings.

Rounding and negative amounts

Certain figures contained in this Base Prospectus, including financial information, have been rounded. Accordingly, in certain instances the sum of the numbers in the text or a column or a row in tables contained in this Base Prospectus may not conform exactly to the total figure given for that column or row.

In tables, negative amounts are shown between brackets. Otherwise, negative amounts are shown by "-" or "negative" before the amount.

Forward-looking statements

This Base Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Base Prospectus, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Issuer's products), are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future.

Important factors that could cause the Issuer's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, changes or downturns in the Dutch economy or the economies in other countries in which the Issuer conducts business, the impact of fluctuations in foreign exchange rates and interest rates and the impact of future regulatory requirements. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors".

These forward-looking statements speak only as of the date of this Base Prospectus. Other than as required by law or the rules and regulations of the relevant stock exchange, the Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Special considerations

The Issuer, including its branches and any group company, is acting solely in the capacity of an arm's length contractual counterparty and not as a purchaser's financial adviser or fiduciary in any transaction unless the Issuer has agreed to do so in writing.

A prospective purchaser may not rely on the Issuer, the Dealers or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above and none of the Issuer nor the Dealers nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the relevant Final Terms. Words and expressions defined in the "Terms and Conditions of the Notes" shall have the same meanings in this overview. The Issuer may agree with any Dealer that Notes may be issued in a form other than that contemplated in the "Terms and Conditions of the Notes" in which event (in the case of PD Notes only) a supplement to this Base Prospectus or new Base Prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Notes.

Issuer:	Coöperatieve Rabobank U.A.
Description:	Tier 2 Notes Programme
Date:	20 December 2016
Size:	Up to EUR 30,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Use of proceeds:	The net proceeds from the issues of the Notes will be used by the Issuer in connection with its banking business, unless otherwise specified in the relevant Final Terms with respect to a specific Tranche of Notes.
Arranger:	Credit Suisse Securities (Europe) Limited
Dealers:	Citigroup Global Markets Limited Coöperatieve Rabobank U.A. (in its capacity as Dealer) Credit Suisse Securities (Europe) Limited Goldman Sachs International HSBC Bank plc J.P. Morgan Securities plc Merrill Lynch International Morgan Stanley & Co. International plc Nomura International plc UBS Limited The Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Fiscal Agent and Australian Fiscal Agent:	Deutsche Bank AG, London Branch (in respect of Notes other than AMTNs) Citigroup Pty Limited (ABN 88 004 325 080) in respect of AMTNs only)
Registrar and Australian Registrar	Deutsche Bank Luxembourg S.A. (in respect of Notes other than AMTNs) Citigroup Pty Limited (ABN 88 004 325 080) (in respect of AMTNs only)
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in Series having one or more issue dates and on

terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in Tranches on the same or different issue dates. The specifics of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first interest payment date and nominal amount, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Final Terms.

Issue Price: Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.

Form of Notes: The Notes (other than the AMTNs) may be issued in bearer form only or in registered form only. Each Tranche of Bearer Notes will initially be represented by a temporary Global Note, without interest coupons, which will be deposited on the issue date with (i) a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg in the case of a temporary Global Note which is in CGN form and (ii) a Common Safekeeper for Euroclear and Clearstream, Luxembourg or otherwise delivered as agreed between the Issuer and the relevant Dealer in the case of a temporary Global Note which is in NGN form. No interest will be payable in respect of a temporary Global Note, except as described under "Summary of Provisions Relating to the Notes while in Global Form". Interests in a temporary Global Note will be exchangeable for interests in a permanent Global Note or, if so stated in the relevant Final Terms, for Definitive Notes, after the date falling 40 days after the completion of the distribution of the Tranche as certified in writing by the relevant Dealer upon certification as to non-U.S. beneficial ownership. Interests in a permanent Global Note will be exchangeable for Definitive Notes in bearer form as described under "Summary of Provisions Relating to the Notes while in Global Form".

Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series and may be represented by a Global Certificate, without interest coupons, which may be deposited on the issue date (i) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, with (a) (in respect of Global Certificates which are not held under the NSS) a Common Depositary on behalf of Euroclear and Clearstream, Luxembourg or (b) (in respect of Global Certificates which are held under the NSS), a Common Safekeeper for Euroclear and Clearstream, Luxembourg or (ii) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer.

Beneficial interests in Global Certificates held by Euroclear, Clearstream and/or Luxembourg will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear, Clearstream and/or Luxembourg and their participants.

AMTNs will be issued in registered form only, and their issue will be reflected by inscription in the Australian Register in evidence of which an

AMTN Global Certificate will be issued and held by the Australian Register on behalf the Holders registered in the Australian Register, each of which will be registered in the name of Austraclear for so long as the AMTNs are lodged in the Austraclear System.

For so long as AMTNs are lodged in the Austraclear System, beneficial interests in such AMTNs will be shown on, and transfers thereof will be effected only through, records maintained by Austraclear and its participants.

The provisions governing the exchange of interests in a Global Note for another Global Note and Definitive Notes and the exchange of interests in each Global Certificate for individual Certificates are described in "Summary of Provisions Relating to the Notes while in Global Form".

Each Series of SIS Notes will be represented by a permanent Global Note (the "**Swiss Permanent Global Note**").

Clearing Systems:

In respect of Notes other than AMTNs and SIS Notes, Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer. SIS Notes will be cleared through SIX SIS Ltd.

Each series of AMTNs will be registered in the name of Austraclear and entered in the Austraclear System.

Initial Delivery of Notes:

On or before the issue date for each Tranche (other than a Tranche of AMTNs), if the relevant Global Note representing Bearer Notes is an NGN or the relevant Global Certificate is held under the NSS, the Global Note or Global Certificate will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the Issue Date for each Tranche, if the relevant Global Note representing Bearer Notes is a CGN or the Global Certificate representing Registered Notes is not held under the NSS, such Global Note or Global Certificate shall be deposited with a Common Depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates relating to Exempt Notes may also be deposited with any other clearing system or may be delivered outside any clearing system, provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

In the case of the AMTNs, on or before the issue date for each Tranche of AMTNs, an AMTN Global Certificate will be issued and delivered to the Australian Registrar to be held by it on behalf of Austraclear as the registered holder of the AMTNs.

In the case of SIS Notes, the Swiss Permanent Global Note shall be deposited by the Issuing and Principal Swiss Paying Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Swiss Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the SIS Notes will constitute intermediated securities (*Bucheffekten*) in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Currencies: Subject to compliance with all relevant laws, regulations and directives, Notes (other than AMTNs) may be issued in any currency agreed between the Issuer and the relevant Dealers.

AMTNs will be issued in AUD.

Maturities: Subject to compliance with all relevant laws, regulations and directives, and unless otherwise permitted by then current laws, regulations and directives, Notes will have a minimum maturity of five years.

Denomination: Notes will be in such denominations as may be specified in the relevant Final Terms.

Fixed Rate Notes: Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

Fixed Rate Reset Notes: Fixed Rate Reset Notes will bear interest calculated by reference to a fixed rate of interest for an initial period and thereafter by reference to a fixed rate of interest recalculated on certain dates and by reference to a mid-swap rate or to a benchmark gilt rate, as adjusted for any applicable margin, in each case as may be specified in the Final Terms, such interest being payable in arrear on the date or dates in each year specified in the Final Terms.

Floating Rate Notes: Floating Rate Notes will bear interest determined separately for each Series as follows: (a) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. (the "**ISDA Rate**") or (b) by reference to LIBOR, EURIBOR, STIBOR, NIBOR, CNH HIBOR, JPY LIBOR, BBSW or BKBM (or, in the case of Exempt Notes only, such other Reference Rate as may be specified in the relevant Final Terms) as adjusted for any applicable margin or (c) for AMTNs only, by reference to the Bank Bill Rate as determined in accordance with the Conditions or (d) in the case of Exempt Notes only, using any other method of determination as may be specified in the relevant Final Terms. Interest periods will be specified in the relevant Final Terms.

In the case of Notes where the Rate of Interest is determined based upon an ISDA Rate, where the relevant Floating Rate Option is not available or cannot be determined in the manner provided in the 2006 ISDA Definitions, the Floating Rate Option shall be determined by reference to, amongst others, an alternative Floating Rate Option, an alternative screen page, quotes from a specified number of reference banks and/or as otherwise commercially agreed between the relevant parties, in each case in accordance with the detailed procedures set out in the 2006 ISDA Definitions.

Floating Rate Notes may also have a maximum interest rate and/or a minimum interest rate.

Optional Redemption: If Call Option is specified in the relevant Final Terms, and subject to certain conditions, as more particularly set out in Condition 6(b), the Issuer may elect to redeem all, but not some only, of the Notes on any Optional Redemption Date at the Optional Redemption Amount specified in the relevant Final Terms, together with interest accrued to the date fixed for redemption, as more particularly set out in Condition 6(c).

Redemption for Tax Reasons: If as a result of a Tax Law Change that causes a change in the tax treatment of the Notes:

(i) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts with respect to payments on the Notes; or

(ii) interest payable on the Notes when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes,

then the Issuer may, at its option, at any time redeem all, but not some only, of the Notes at their Early Redemption Amount, as more particularly set out in Condition 6(d).

Redemption for Regulatory Reasons: If (i) Regulatory Call is specified in the relevant Final Terms and (ii) a Capital Event has occurred and is continuing, then the Issuer may, at its option, at any time redeem all, but not some only, of the Notes at their Early Redemption Amount, as more particularly set out in Condition 6(e).

Status of Notes: Subject to exceptions provided by mandatory applicable law, the payment obligations under the Notes and Coupons constitute unsecured obligations of the Issuer and shall, in the case of (a) the bankruptcy of the Issuer, (b) a Moratorium or (c) dissolution (*ontbinding*) as a result of the insolvency of the Issuer, rank:

(i) subordinated and junior to Senior Creditors of the Issuer;

(ii) *pari passu* with any other present or future indebtedness of the Issuer which constitutes or is eligible to constitute Tier 2 Capital or which ranks by or under its own terms or otherwise *pari passu* with the Notes and Coupons; and

(iii) senior to any other present or future obligation of the Issuer which constitutes or is eligible to constitute Tier 1 Capital or which otherwise ranks by or under its own terms or otherwise, subordinate or junior to the Notes and Coupons.

By virtue of such subordination, payments to Holders or Couponholders will, in the case of the bankruptcy or dissolution as a result of the insolvency of the Issuer or in the event of a Moratorium, only be made after all payment obligations of Senior Creditors have been satisfied in full.

Rating: Notes issued under the Programme are expected to be rated A by Fitch, A3 by Moody's and BBB+ by Standard & Poor's. Tranches of Notes to be issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating assigned to the Notes already issued. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without prior notice. Credit ratings are for distribution only to a person (a) who is not a "retail client" within the meaning of section 761G of the Australian Corporations Act and is also a sophisticated investor, professional investor or other investor in respect of whom disclosure is not required under Parts 6D.2 or 7.9 of the Australian Corporations Act,

	and (b) who is otherwise permitted to receive credit ratings in accordance with applicable law in any jurisdiction in which the person may be located.
Withholding Tax:	All payments of interest and (unless otherwise specified in the relevant Final Terms) principal in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of withholding taxes of the Netherlands, as the case may be, subject to the exceptions and limitations as described in the "Terms and Conditions of the Notes — Taxation".
Governing Law:	The laws of the Netherlands.
Listing:	Euronext Amsterdam, the Official List of the Luxembourg Stock Exchange, or as otherwise specified in the relevant Final Terms. As specified in the relevant Final Terms, a Series of Exempt Notes may be unlisted. Each Series of SIS Notes will be listed on SIX Swiss Exchange Ltd.
Risk Factors:	The purchase of Notes may involve substantial risks and is suitable only for investors who have the knowledge and experience in financial and business matters necessary to enable them to evaluate the risks and the merits of an investment in the Notes. A description of the material risks relating to the Notes and to the Issuer is contained under the heading "Risk Factors".
Selling Restrictions:	Australia, Hong Kong, Japan, the Netherlands, New Zealand, Norway, Singapore, Sweden, United Kingdom and United States. See "Subscription and Sale". For the purposes of Regulation S, Category 2 selling restrictions shall apply. In the case of Bearer Notes offered to non-U.S. persons, such Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D**") unless (i) the relevant Final Terms states that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) ("**TEFRA C**") or (ii) the Notes are issued other than in compliance with TEFRA D or TEFRA C but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

*The following, other than the paragraphs in italics, is the text of the terms and conditions that, subject to completion and, in the case of Exempt Notes (as defined herein) only, amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes, in definitive form (if any) issued in exchange for the Global Note(s) representing each Series or the AMTNs. The final terms for this Note are set out in Part A of the Final Terms attached to or endorsed on this Note (or on the Certificate relating to this Note in the case of a Registered Note or an AMTN) which supplements these terms and conditions (the "**Conditions**") and, in the case of an Exempt Note, may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Conditions, replace or modify the Conditions for the purposes of this Note. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the Definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes (other than the AMTNs) are issued pursuant to an Agency Agreement (as amended or supplemented at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**") dated 20 December 2016, between Coöperatieve Rabobank U.A. ("**Rabobank**" or the "**Issuer**"), Deutsche Bank AG, London Branch as fiscal agent and the other agents named in it and with the benefit of a Covenant (as amended or supplemented at the Issue Date, the "**Covenant**") dated 20 December 2016 executed by the Issuer and the fiscal agent in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agent and the calculation agent(s) for the time being (if any) are referred to below, respectively, as the "**Fiscal Agent**", the "**Principal Paying Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Registrar**", the "**Transfer Agent**" and the "**Calculation Agent(s)**", and "**Agent**" shall mean any one of them. With respect to any Series of SIS Notes (as defined herein), the Issuer will appoint an issuing and principal paying agent and one or more paying agents having specified offices in Switzerland with respect to each Series (the "**Issuing and Principal Swiss Paying Agent**" and the "**Swiss Paying Agent(s)**", respectively) pursuant to a supplemental agency agreement. In connection therewith, references in these Conditions to the Fiscal Agent shall be deemed to be references to the Issuing and Principal Swiss Paying Agent. The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

The AMTNs are issued in registered form and their issue will be reflected by inscription in the Australian Register (as defined herein) in evidence of which one or more AMTN Global Certificates (as defined herein) will be issued to the Holders registered in the Australian Register (and held on the Holder's behalf by Citigroup Pty Limited (ABN 88 004 325 080) ("**Citi**") as registrar ("**Australian Registrar**", which expression shall include any successor registrar). The AMTNs are issued pursuant to an Australian Agency Agreement (as amended or supplemented at the date of issue of the AMTNs (the "**Issue Date**"), the "**Australian Agency Agreement**") dated 20 December 2016, between the Issuer, Citi as Australian Registrar, fiscal agent and calculation agent (the "**Australian Fiscal Agent**" and the "**Australian Calculation Agent**"), and AMTNs will be issued with the benefit of the Covenant. In relation to AMTNs (and save as otherwise provided therein), a reference in these Conditions to the Fiscal Agent or the Paying Agent shall be deemed to be a reference to the Australian Fiscal Agent, a reference to the Calculation Agent shall be deemed a reference to the Australian Calculation Agent, and a reference to the Registrar or Register shall be deemed to be a reference to the Australian Registrar or Australian Register (as applicable). The Holders of AMTNs, are deemed to have notice of all of the provisions of the Australian Agency Agreement applicable to them.

Copies of the Agency Agreement and the Covenant are available for inspection during normal business hours at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agent. Copies of the Australian Agency Agreement are available for inspection during normal business hours at the specified office of the Australian Registrar.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, first Interest Payment Dates, nominal amounts and/or Issue Prices.

1 Definitions

(a) In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below. In addition, further defined terms are set out within the relevant Condition in which such terms are used.

"**Additional Amounts**" has the meaning given to it in Condition 8.

"**Administrative Action**" means any judicial decision, official administrative pronouncement, published or private ruling, regulatory procedure, notice or announcement (including any notice or announcement of intent to adopt such procedures or regulations) affecting taxation.

"**AMTN**" means a Note denominated in Australian dollars and issued pursuant to the Australian Agency Agreement and in accordance with Condition 2.

"**Austraclear**" means Austraclear Limited (ABN 94 002 060 773) as operator of the Austraclear System, or its successor.

"**Austraclear Regulations**" means the Operating Rules of Austraclear from time to time including the Austraclear Procedures, Determinations and Practice Notes (in each case as such terms are defined in the Austraclear Regulations).

"**Austraclear System**" means the system operated by Austraclear in accordance with the Austraclear Regulations.

"**Australian Calculation Agent**" means Citigroup Pty Limited (ABN 88 004 325 080) as calculation agent (or such other Australian Calculation Agent(s) as may be appointed under the Australian Agency Agreement from time to time either generally or in relation to a specific issue or Series of Notes);

"**Australian Corporations Act**" means the Corporations Act 2001 of the Commonwealth of Australia.

"**Australian dollar**", "**AUD**" or "**A$**" means the Australian dollar, the currency of the Commonwealth of Australia.

"**Australian Register**" has the meaning given to it in Condition 2.

"**Authorised Signatories**" means any two of the members of the Executive Board.

"**Bearer Notes**" shall have the meaning given to it in Condition 2.

"**Broken Amount**" means, in respect of any Interest Payment Date, the amount specified in the relevant Final Terms.

"**Business Centre(s)**" shall have the meaning specified in the relevant Final Terms.

"**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the financial centres specified in the Final Terms; and

(B) any of (i) in relation to any sum payable in a Specified Currency other than euro or Renminbi, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre(s) of the country of the relevant Specified Currency (if other than any financial centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Wellington, respectively) or (ii) in relation to any sum payable in euro, a TARGET Business Day or (iii) in relation to any sum payable in Renminbi, a day (other than a Saturday, a Sunday or a public holiday) on which commercial banks and foreign exchange markets in Hong Kong are open for business and settlement of payments in Renminbi in Hong Kong.

"**Calculation Agent**" means (i) in respect of Notes other than AMTNs, Deutsche Bank AG, London Branch (ii) in respect of AMTNs, Citigroup Pty Limited (ABN 88 004 325 080) (the "**Australian Calculation Agent**") or (iii) if different, as specified in the relevant Final Terms). Any references to a Calculation Agent in respect of AMTNs shall be deemed to refer to the Australian Calculation Agent.

"**Calculation Amount**" shall have the meaning specified in the relevant Final Terms.

A "**Capital Event**" is deemed to have occurred if the Issuer demonstrates to the satisfaction of the Competent Authority that as a result of a change on or after the relevant Issue Date of the most recent Tranche of Notes in a Series in the regulatory classification of the Notes under the Capital Regulations, the Notes have been or will be excluded from own funds or reclassified as a lower quality form of own funds (that is, no longer Tier 2 Capital), in each case in whole, or if so specified in the relevant Final Terms, in part.

"**Capital Regulations**" means any requirements of Dutch law or contained in the regulations, requirements, guidelines and policies of the Competent Authority, or of the European Parliament and the European Council, then in effect in the Netherlands relating to capital adequacy and applicable to the Issuer and the Rabobank Group, including but not limited to the CRD IV Directive and the CRD IV Regulation.

"**Certificates**" shall have the meaning given to it in Condition 2.

"**Clearing System Business Day**" means, in respect of a clearing system, any day on which such clearing system is open for the acceptance and execution of settlement instructions.

"**Competent Authority**" means the European Central Bank, the Dutch Central Bank (*De Nederlandsche Bank N.V.*), or such other body or authority having primary supervisory authority with respect to the Issuer and the Rabobank Group.

"**CRD IV Directive**" means the Directive (2013/36/EU) of the European Parliament and of the Council on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time and, as the context permits, any provision of Dutch law, including the Dutch Financial Markets Supervision Act (*Wet op het financieel toezicht*) transposing or implementing such Directive.

"**CRD IV Regulation**" means the Regulation (EU No. 575/2013) of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of:

(A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/365 (Sterling)**" is specified in the relevant Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

(iv) if "**NL/365**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period dividend by 365 (or, if 29 February falls within the Calculation Period, one day less than the actual number of days in the Calculation Period divided by 365);

(v) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360;

(vi) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case, D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case, D_1 will be 30;

(vii) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case, D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case, D_2 will be 30;

(viii) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{M_1}$" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{M_2}$" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"$\mathbf{D_1}$" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case, D_1 will be 30; and

"$\mathbf{D_2}$" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case, D_2 will be 30; and

(ix) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of:

(x) the number of days in such Determination Period; and

(y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(x) if "**RBA Bond Basis**" or "**Australian Bond Basis**" is specified in the relevant final terms, means one divided by the number of Interest Payment Dates in a year (or where the Calculation Period does not constitute an Interest Period, the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of:

(a) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366; and

(b) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)).

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date.

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date.

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on the functioning of the European Union.

"**Event of Default**" means the Issuer becomes bankrupt (*failliet)* or an order is made or an effective resolution is passed for the winding-up or liquidation of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of Holders) or a declaration in respect of the Issuer is made under Section 3:163(1)(b) of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time which qualifies as a winding-up of the business of the Issuer (*liquidatie van het bedrijf van de bank*).

"**Executive Board**" means the executive board of the Issuer.

"**Exempt Notes**" means unlisted Notes and/or Notes not admitted to trading on any regulated market in the European Economic Area, where such Notes are, in addition, issued with a minimum denomination of at least EUR 100,000 (or its equivalent in any other currency) or otherwise fall within an exemption from the requirement to publish a prospectus under the Directive 2003/71/EC (as amended).

"**Fixed Coupon Amount**" shall have the meaning specified in the relevant Final Terms.

"**Fixed Interest Rate**" means a Rate of Interest calculated in accordance with Condition 5(a).

"**Fixed Rate Note**" means a Note in respect of which the amount of interest payable is calculated by reference to Condition 5(a).

"**Fixed Rate Reset Note**" means a Note in respect of which the amount of interest payable is calculated by reference to Condition 5(b).

"**Floating Interest Rate**" means a Rate of Interest calculated in accordance with Condition 5(c).

"**Floating Rate Note**" means a Note in respect of which the amount of interest payable is calculated by reference to Condition 5(c)(iii).

"**Floating Rate Option**" has the meaning given in the ISDA Definitions.

"**Holder**" shall have the meaning given to it in Condition 2.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes or Fixed Rate Reset Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part, provided that if the Specified Currency is Renminbi, the Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards); and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Commencement Date**" means the Issue Date unless otherwise specified in the relevant Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified in the relevant Final Terms or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi, other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR, (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling, euro nor Renminbi, (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR).

"**Interest Payment Date**" means the date on which interest for the relevant period falls due, as specified in the relevant Final Terms.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms.

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., as amended as at the Issue Date of the first tranche of Notes unless otherwise specified in the relevant Final Terms.

"**ISDA Rate**" has the meaning given in Condition 5(c)(iii)(A).

"**Issue Price**" shall have the meaning specified in the relevant Final Terms.

"**Margin**" means the margin specified in the relevant Final Terms.

"**Maturity Date**" has the meaning specified in the relevant Final Terms.

"**Moratorium**" means a situation in which an "emergency regulation" (*noodregeling*) as contemplated in Chapter 3.5.5.1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, is applicable to the Issuer.

"**Note**" means a Bearer Note, a Registered Note or an AMTN, as applicable.

"**Noteholder**" shall have the meaning given to it in Condition 2.

"**Rabobank Group**" means the Issuer together with its consolidated subsidiaries.

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Final Terms.

"**Record Date**" shall have the meaning given to it in Condition 7(b)(ii).

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in the case of a determination of STIBOR, the principal London office of four major banks in the Stockholm inter-bank market, in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in the case of determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Renminbi in the Hong Kong inter-bank market, in the case of a determination of JPY LIBOR, the principal Tokyo office of four major banks in the Tokyo inter-bank market, in the case of a determination of BBSW, the principal Sydney office of four major banks in the Sydney inter-bank market and in the case of a determination of BKBM, the principal Wellington office of four major banks in the New Zealand inter-bank market, in each case, selected by the Calculation Agent or as specified in the relevant Final Terms.

"**Reference Rate**" means LIBOR, EURIBOR, STIBOR, NIBOR, CNH HIBOR, JPY LIBOR, BBSW or BKBM, or, in the case of Exempt Notes only, such other rate specified as such in the relevant Final Terms.

"**Register**" shall have the meaning given to it in Condition 2.

"**Registered Notes**" shall have the meaning given to it in Condition 2.

"**Relevant Date**" shall have the meaning given to it in Condition 8.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms (or such successor or replacement page, section, caption, column or other part of a service which may be used for the purposes of displaying an interest rate, as determined by the Calculation Agent).

"**Renminbi**" means the lawful currency of the People's Republic of China.

"**Reuters Monitor Money Rates Service**" means the money rates monitor of the Reuters service.

"**Screen Rate Determination**" means the manner in which the Rate of Interest is to be determined by reference to Condition 5(c)(iii)(B).

"**Securities Act**" means the United States Securities Act of 1933.

"**Senior Creditors**" means present or future (a) unsubordinated creditors of the Issuer and (b) creditors of the Issuer whose claims are or are expressed to be subordinated to the claims of other creditors of the Issuer (other than those whose claims are in respect of obligations which constitute, or would but for any applicable limitation on the amount of such capital, constitute, Tier 1 Capital or Tier 2 Capital or whose claims rank or are expressed to rank pari passu with, or junior to, the claims of Holders in respect of the Notes).

"**SIS Notes**" means any Series of Notes which is denominated in Swiss francs and is deposited with SIX SIS AG, Olten, Switzerland (or such other depository as is specified in the relevant Final Terms) and listed on SIX Swiss Exchange Ltd.

"**Specified Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated.

"**Specified Interest Payment Date**" means a date specified as an Interest Payment Date in the relevant Final Terms, being a date on which interest for the relevant period falls due.

"**Tax Law Change**" means (i) any amendment to, or clarification of, or change in, the laws or treaties (or any regulations promulgated thereunder) of the Netherlands or any political subdivision or taxing authority thereof or therein affecting taxation, (ii) any Administrative Action or (iii) any amendment to, clarification of, or change in the official position of such Administrative Action or any pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each case, by any legislative body, court, governmental authority or regulatory body, irrespective of the manner in which such amendment, clarification or change is made known, which amendment, clarification or change is effective, or which pronouncement or decision is announced, on or after the Issue Date of the most recent Tranche of Notes in a Series.

"**TARGET**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

"**TARGET Business Day**" means a day on which TARGET is open for business.

"**Tier 1 Capital**" has the meaning ascribed thereto (or to any equivalent terms) in the Capital Regulations from time to time.

"**Tier 2 Capital**" has the meaning ascribed thereto (or to any equivalent terms) in the Capital Regulations from time to time.

"**unit**" shall have the meaning given to it in Condition 5(e)(v).

(b) References to capitalised terms not defined in Condition 1(a) above are to those terms as defined in the first paragraph of the preamble to these Conditions or in the relevant Final Terms.

2 Form, Denomination and Title

The Notes (other than the AMTNs) are issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"), in each case, in the Specified Denomination(s) shown in the relevant Final Terms. In these Conditions, a reference to Bearer Notes or Registered Notes does not include AMTNs.

This Note may be a Fixed Rate Note, Fixed Rate Reset Note or a Floating Rate Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

If this Note is an Exempt Note, this Note may also be a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 3(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes, Coupons and Talons appertaining thereto shall pass by delivery and title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"), unless applicable law provides otherwise or provides for additional formalities for transfer of title. Insofar as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note or the person in whose name a Registered Note or an AMTN is registered (as the case may be), and "**Holder**" (in relation to a Note, Coupon or Talon) means the bearer of any Bearer Note, Coupon or Talon or the person in whose name a Registered Note or an AMTN is registered (as the case may be).

In the case of AMTNs, the following provisions shall prevail over the foregoing provisions of this Condition 2 in the event of any inconsistency.

The AMTNs are issued in registered form and their issue will be reflected by inscription in the Australian Register, in evidence of which one or more Certificates will be issued to the Holders in whose name the AMTNs are registered in the Australian Register.

Each AMTN is a debt obligation of the Issuer, and save as provided in Condition 3(c), each Certificate issued in respect of AMTNs shall represent the entire holding of AMTNs by the same Holder. No other certificate or evidence of title (including notes in definitive form) shall be issued by or on behalf of the Issuer to evidence title to an AMTN unless the Issuer determines that any such other certificate or evidence of title should be made available or that it is required to do so under any applicable law or regulation. Certificates issued in respect of AMTNs are evidence of entitlement only.

Title to the AMTNs passes by registration of the transfer in the register that the Issuer shall procure to be kept by the Australian Registrar in accordance with the provisions of the Australian Agency Agreement (the "**Australian Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the Holder of any AMTN shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on the Certificate representing it or the theft or loss of such AMTN Global Certificate and no person shall be liable for so treating the Holder.

Upon a person acquiring title to an AMTN by virtue of becoming registered as the owner of that AMTN, all rights and entitlements arising in respect of that AMTN vest absolutely in the registered owner of the AMTN, so that no person who has previously been registered as the owner of the AMTN nor any other person has or is entitled to assert against the Issuer, the Australian Fiscal Agent, the Australian Calculation Agent or the Australian Registrar or the registered owner of the AMTN for the time being and from time to time any rights, benefits or entitlements in respect of the AMTN.

Each inscription in the Australian Register in respect of an AMTN is:

(i) sufficient and conclusive evidence to all persons and for all purposes that the person whose name is so inscribed is the registered owner of the AMTN;

(ii) evidenced for the benefit of the relevant Holder by the Certificate; and

(iii) evidence that the person whose name is so inscribed, as evidenced by the Certificate, is entitled to the benefit of an unconditional and irrevocable undertaking by the Issuer that the Issuer will make all payments of principal and interest (if any) in respect of the Note in accordance with these Conditions. To the extent of any inconsistency between an inscription in the Australian Register and a Certificate, the inscription in the Australian Register shall prevail absent fraud or manifest error.

Except as ordered by a court of competent jurisdiction or as required by law, the making of, or the giving effect to, a manifest error in an inscription into the Australian Register will not avoid the constitution, issue or transfer of an AMTN. The Issuer will procure that the Australian Registrar must correct any manifest error of which it becomes aware and as soon as practicable record in/enter on the Australian Register any transfer of AMTNs notified to it.

3 Transfers of Registered Notes

(a) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate (or such other form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer and the Fiscal Agent), duly completed and executed, together with any other evidence as the Registrar or Transfer Agent may reasonably require. Insofar as applicable law requires notification to the debtor for a valid transfer of title to the Registered Notes, the registration of the transfer by the Registrar shall constitute evidence of this notification. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(b) Additional provisions relating to the transfer of AMTNs

(i) AMTNs may be transferred in whole but not in part. Unless lodged in the Austraclear System, AMTNs will be transferred by duly completed and (if applicable) stamped transfer and acceptance forms in the form specified by, and obtainable from, the Australian Registrar or by any other manner approved by the Issuer and the Australian Registrar. Each transfer and acceptance form must be signed by the transferor and transferee and be accompanied by such evidence (if any) as the Australian Registrar may require to prove the title of the transferor or the transferor's right to transfer the AMTNs and that the form has been properly executed by both the transferor and transferee. Any such transfer will be subject to such reasonable regulations as the Issuer and the Australian Registrar may from time to time prescribe (the initial such regulations being set out in the schedules to the Australian Agency Agreement).

(ii) AMTNs entered in the Austraclear System will be transferable only in accordance with the Austraclear Regulations. While an AMTN is lodged in the Austraclear System, neither the Issuer nor the Australian Registrar will recognise any such interest other than the interest of Austraclear as the Holder of the AMTN.

(iii) The transferor of an AMTN remains the Holder of that AMTN until the name of the transferee is entered in the Australian Register in respect of that AMTN.

(iv) A transfer of AMTNs to an unincorporated association is not permitted.

(v) A person becoming entitled to an AMTN as a consequence of the death or bankruptcy of a Holder or of a vesting order or a person administering the estate of a Holder may, upon producing such evidence as to that entitlement or status as the Australian Registrar considers sufficient, transfer the AMTN or, if so entitled, become registered as the Holder of the AMTN.

(vi) Where the transferor executes a transfer of less than all AMTNs registered in its name, and the specific AMTNs to be transferred are not identified, the Australian Registrar may register the transfer in respect of such of the AMTNs registered in the name of the transferor as the Australian Registrar thinks fit, provided the aggregate principal amount of the AMTNs registered as having been transferred equals the aggregate principal amount of the AMTNs expressed to be transferred in the transfer.

(vii) AMTNs may only be transferred if:

(A) in the case of AMTNs to be transferred in, or into, Australia, the offer or invitation giving rise to the transfer:

  (i) is for a minimum amount payable of at least AUD 500,000 (or its equivalent in an alternative currency and, in either case, disregarding moneys lent by the Issuer or its associates to the subscriber) or the offer or invitation (including any resulting issue) does not otherwise require disclosure to investors under Parts 6D.2 or 7.9 of the Corporations Act; and

  (ii) does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Corporations Act; and

(B) at all times, the transfer complies with all applicable laws and directives of the jurisdiction where the transfer takes place.

(c) ***Delivery of new Certificates***

Each new Certificate to be issued pursuant to Condition 3(a) or Condition 3(b) shall be available for delivery within three business days of receipt of the form of transfer. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or the Registrar (as the case may be) to whom delivery or surrender of such form of transfer shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement or, in respect of AMTNs, the Australian Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 3(c), "**business day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) ***Exchange free of charge***

Exchange and transfer of Notes and Certificates on registration or transfer shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

(e) ***Closed periods***

No Noteholder may require the transfer of a Registered Note or AMTN to be registered (i) during the period of 15 days ending on the due date for redemption of that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6, (iii) after any such Note has been called for redemption, or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 7(b)(ii) for Registered Notes and as defined in Condition 7(c)(ii) for AMTNs).

4 Status and Subordination

(a) ***Status***

The Notes and Coupons constitute direct, unsecured and subordinated obligations of the Issuer and shall at all times rank pari passu and without any preference among themselves. The rights and claims of the Holders and Couponholders are subordinated as described in Condition 4(b).

(b) ***Subordination***

Subject to exceptions provided by mandatory applicable law, the payment obligations under the Notes and Coupons constitute unsecured obligations of the Issuer and shall, in the case of (a) the bankruptcy of the Issuer, (b) a Moratorium or (c) dissolution (*ontbinding*) as a result of the insolvency of the Issuer, rank:

(i) subordinated and junior to Senior Creditors of the Issuer;

(ii) pari passu with any other present or future indebtedness of the Issuer which constitutes or is eligible to constitute Tier 2 Capital or which ranks by or under its own terms or otherwise pari passu with the Notes and Coupons; and

(iii) senior to any other present or future obligation of the Issuer which constitutes or is eligible to constitute Tier 1 Capital or which otherwise ranks by or under its own terms or otherwise, subordinate or junior to the Notes and Coupons.

By virtue of such subordination, payments to the Holders or Couponholders will, in the case of the bankruptcy or dissolution as a result of the insolvency of the Issuer or in the event of a Moratorium, only be made after all payment obligations of Senior Creditors have been satisfied in full. In addition, any right of set-off by the Holder or Couponholder in respect of any amount owed to such Holder or Couponholder by the Issuer under or in connection with such Note or Coupon shall be excluded.

In respect of this Condition 4, reference is made to statutory loss absorption as more fully described in the risk factors entitled "Change of law" and "Minimum requirement for own funds and eligible liabilities under BRRD" in the prospectus relating to the Notes.

5 Interest and other calculations

(a) ***Rate of Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date, provided that if the Specified Currency is Renminbi and any Interest Payment Date falls on a day which is not a

Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. The Rate of Interest applicable to an Interest Period may be greater or less than the Rate of Interest applicable to the preceding Interest Period as may be specified in the relevant Final Terms. The amount of interest payable shall be determined in accordance with Condition 5(f).

Except as specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if so specified in the relevant Final Terms, the Broken Amount.

(b) ***Rate of Interest on Fixed Rate Reset Notes***

Each Fixed Rate Reset Note bears interest on its outstanding nominal amount:

(i) from and including the Interest Commencement Date up to but excluding the First Reset Date at the Initial Rate of Interest;

(ii) in the First Reset Period, at the First Reset Rate of Interest; and

(iii) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 5.

Save as otherwise provided herein, the provisions applicable to Fixed Rate Notes shall apply to Fixed Rate Reset Notes.

In these Conditions:

"**Anniversary Date(s)**" means each date specified as such in the Final Terms;

"**Benchmark Gilt**" means, in respect of a Reset Period, such United Kingdom government security having a maturity date on or about the last day of such Reset Period as the Calculation Agent, with the advice of the Reset Reference Banks, may determine to be appropriate;

"**Benchmark Gilt Rate**" means, in respect of a Reset Period, the gross redemption yield (as calculated by the Calculation Agent in accordance with generally accepted market practice at such time) on a semi-annual compounding basis (converted to an annualised yield and rounded up (if necessary) to four decimal places) of the Benchmark Gilt in respect of that Reset Period, with the price of the Benchmark Gilt for this purpose being the arithmetic average (rounded up (if necessary) to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the bid and offered prices of such Benchmark Gilt quoted by the Reset Reference Banks at 3.00 p.m. (London time) on the relevant Reset Determination Date on a dealing basis for settlement on the next following dealing day in London. If at least four quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Benchmark Gilt Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Benchmark Gilt Rate will be the rounded quotation provided. If no quotations are provided, the Benchmark Gilt Rate will be determined by the Calculation Agent in its sole discretion following consultation with the Issuer;

"**dealing day**" means a day, other than a Saturday or Sunday, on which the London Stock Exchange (or such other stock exchange on which the Benchmark Gilt is at the relevant time listed) is ordinarily open for the trading of securities;

"**First Reset Date**" means the date specified as such in the Final Terms;

"**First Reset Period**" means the period from and including the First Reset Date up to but excluding the Second Reset Date or, if no such Second Reset Date is specified in the Final Terms, the date fixed for redemption of the Notes (if any);

"**First Reset Rate of Interest**" means the rate of interest as determined by the Calculation Agent on the Reset Determination Date corresponding to the First Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"**Gilt Rate Period**" means the period or periods specified as such in the Final Terms;

"**Gilt Rate Screen Page**" means the Bloomberg screen specified in the Final Terms, or such other screen page as may replace it on Bloomberg or, as the case may be, on such other information service that may replace Bloomberg, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates, or, in respect of Exempt Notes only, such screen page as may be specified in the relevant Final Terms;

"**Initial Rate of Interest**" means the initial rate of interest per annum specified in the Final Terms;

"**Mid-Swap Quotations**" means the arithmetic mean of the bid and offered rates:

(i) if the Specified Currency is Sterling, for a semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Sterling which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month LIBOR rate (calculated on an Actual/365 day count basis), unless as otherwise specified in the Final Terms;

(ii) if the Specified Currency is euro, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the Final Terms;

(iii) if the Specified Currency is U.S. dollars, for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in U.S. dollars which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 3-month LIBOR rate (calculated on an Actual/360 day count basis), unless as otherwise specified in the Final Terms;

(iv) if the Specified Currency is Renminbi, for the semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Renminbi which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a floating leg based on the 12-month

CNH HIBOR rate (calculated on an Actual/365 day count basis), unless as otherwise specified in the Final Terms; and

(v) if the Specified Currency is not Sterling, euro, U.S. dollars or Renminbi, for the Fixed Leg (as set out in the Final Terms) of a fixed for floating interest rate swap transaction in that Specified Currency which (i) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (iii) has a Floating Leg (as set out in the Final Terms),

in the case of Exempt Notes only, in each case, as modified, amended or supplemented in the relevant Final Terms;

"**Mid-Swap Rate**" means in respect of a Reset Period, (i) the applicable semi-annual or annualised (as specified in the applicable Final Terms) mid swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the Final Terms) as displayed on the Screen Page at 11.00 a.m. (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than semi-annual or annual Interest Payment Dates, shall be adjusted by, and in the manner determined by, the Calculation Agent), (ii) if such rate is not displayed on the Screen Page at such time and date, the relevant Reset Reference Bank Rate or (iii) in the case of Exempt Notes only, such other rate as may be specified in the relevant Final Terms;

"**Reset Determination Date**" means, in respect of a Reset Period, (a) each date specified as such in the Final Terms or, if none is so specified, (b) (i) if the Specified Currency is Sterling or Renminbi, the first Business Day of such Reset Period, (ii) if the Specified Currency is euro, the day falling two TARGET Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is U.S. dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (iv) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

"**Reset Date**" means each of the First Reset Date, the Second Reset Date and each of the Anniversary Dates (if any) as is specified in the Final Terms;

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period;

"**Reset Rate**" means (a) if Mid-Swap Rate is specified in the Final Terms, the relevant Mid-Swap Rate, (b) if Benchmark Gilt Rate is specified in the Final Terms, the relevant Benchmark Gilt Rate, (c) if Screen Page Gilt Rate is specified in the Final Terms, the relevant Screen Page Gilt Rate or (d) in respect of Exempt Notes only, such rate as is specified in the relevant Final Terms;

"**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the Mid Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. in the principal financial centre of the Specified Currency (which in the case of Renminbi shall, for these purposes, be Hong Kong) on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Calculation Agent in its sole discretion following consultation with the Issuer;

"**Reset Reference Banks**" means (i) in the case of the calculation of a Reset Reference Bank Rate, five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Issuer or (ii) in the case of a Benchmark Gilt Rate, five brokers of gilts and/or gilt-edged market makers selected by the Calculation Agent in its discretion after consultation with the Issuer;

"**Screen Page**" means Reuters screen page "ISDAFIX1", "ISDAFIX2", "ISDAFIX3", "ISDAFIX4", "ISDAFIX5" or "ISDAFIX6" or such other page on Thomson Reuters as is specified in the Final Terms, or such other screen page as may replace it on Thomson Reuters or, as the case may be, on such other information service that may replace Thomson Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable rates or, in respect of Exempt Notes only, such screen page as may be specified in the relevant Final Terms;

"**Screen Page Gilt Rate**" means in respect of a Reset Period, the generic bid yield for UK government bonds over the Gilt Rate Period, as determined by the Calculation Agent on the relevant Reset Determination Date by reference to the Gilt Rate Screen Page or such successor, replacement or other screen page or section as may then display the relevant information at the relevant time

"**Second Reset Date**" means the date (if any) specified as such in the Final Terms;

"**Subsequent Reset Period**" means the period from and including the Second Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent on the Reset Determination Date corresponding to such Subsequent Reset Period as the sum of the relevant Reset Rate plus the relevant Margin;

"**Swap Rate Period**" means the period or periods specified as such in the Final Terms; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(c) ***Rate of Interest on Floating Rate Notes***

(i) *Interest Payment Dates*: Each Floating Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(f). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are specified in the relevant Final Terms, and for the purposes of Notes other than Fixed Rate Notes, "**Interest Payment Date**" shall mean each date which falls the number of months or other period specified in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date. The Rate of Interest applicable to an Interest Period may be greater or less than the Rate of Interest applicable to the preceding Interest Period as may be specified in the relevant Final Terms.

(ii) *Business Day Convention*: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest on Floating Rate Notes*: The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to ISDA Determination, Screen Rate Determination or any other method of determination which may be specified in the relevant Final Terms shall apply if specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus a Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the relevant Final Terms;

(y) the Designated Maturity is a period specified in the relevant Final Terms; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(v) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time) in the case of LIBOR, 11.00 a.m. (Brussels time) in the case of EURIBOR, 11.00 a.m. (Stockholm time) in the case of STIBOR, 11.00 a.m. (Oslo time) in the case of NIBOR, 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then as of 2.30 p.m. in the case of CNH HIBOR, 3.00 p.m. (Tokyo time) in the case of JPY LIBOR, 10.30 a.m. (Sydney time) in the case of BBSW or 10.45 a.m. (Auckland and Wellington time) in the case of BKBM, on the Interest Determination Date in question as determined by the Calculation Agent plus or minus a Margin (if any). If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

(w) If the Relevant Screen Page is not available or, if sub-paragraph (v)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (v)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is (i) LIBOR, the principal London office of each of the Reference Banks, (ii) EURIBOR, the principal Euro-zone office of each of the Reference Banks, (iii) STIBOR, the principal Stockholm office of each of the Reference Banks, (iv) NIBOR, the principal Oslo office of each of the Reference Banks, (v) CNH HIBOR, the principal Hong Kong office of each of the Reference Banks, (vi) JPY LIBOR, the principal Tokyo office of each of the Reference Banks, (vii) BBSW, the principal Sydney office of each of the Reference Banks or (viii) BKBM, the principal Wellington office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is (i) LIBOR, at approximately 11.00 a.m. (London time), (ii) EURIBOR, at approximately 11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) NIBOR, at approximately 11.00 a.m. (Oslo time), (v) CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), (vi) JPY LIBOR, at approximately 3.00 p.m. (Tokyo time), (vii) BBSW, at approximately 10.30 a.m. (Sydney time) or (viii) BKBM, at approximately 10.45 a.m. (Auckland and Wellington time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(x) If paragraph (w) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is (i) LIBOR, at approximately 11.00 a.m. (London time), (ii) EURIBOR, at approximately

11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) NIBOR, at approximately 11.00 a.m. (Oslo time), (v) CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), (vi) JPY LIBOR, at approximately 3.00 p.m. (Tokyo time), (vii) BBSW, at approximately 10.30 a.m. (Sydney time) or (viii) BKBM, at approximately 10.45 a.m. (Auckland and Wellington time), on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is (i) LIBOR, the London interbank market, (ii) EURIBOR, the Euro-zone inter-bank market, (iii) STIBOR, the Stockholm inter-bank market, (iv) NIBOR, the Oslo inter-bank market, (v) CNH HIBOR, the Hong Kong inter-bank market, (vi) JPY LIBOR, the Tokyo inter-bank market, (vii) BBSW, the Sydney inter-bank market or (viii) BKBM, the New Zealand inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is (i) LIBOR, at approximately 11.00 a.m. (London time), (ii) EURIBOR, at approximately 11.00 a.m. (Brussels time), (iii) STIBOR, at approximately 11.00 a.m. (Stockholm time), (iv) NIBOR, at approximately 11.00 a.m. (Oslo time), (v) CNH HIBOR, at approximately 11.00 a.m. (Hong Kong time), (vi) JPY LIBOR, at approximately 3.00 p.m. (Tokyo time), (vii) BBSW, at approximately 10.30 a.m. (Sydney time) or (viii) BKBM, at approximately 10.45 a.m. (Auckland and Wellington time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Trustee and the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is (i) LIBOR, the London inter-bank market, (ii) EURIBOR, the Euro-zone inter-bank market, (iii) STIBOR, the Stockholm inter-bank market, (iv) NIBOR, the Oslo inter-bank market, (v) CNH HIBOR, the Hong Kong inter-bank market, (vi) JPY LIBOR, the Tokyo inter-bank market, (vii) BBSW, the Sydney inter-bank market or (viii) BKBM, the New Zealand inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(y) *Alternative Reference Rates:* With respect of Exempt Notes only, if the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR, EURIBOR, STIBOR, NIBOR, CNH HIBOR, JPY LIBOR, BBSW or BKBM, the relevant Final Terms may specify that the Rate of Interest in respect of such Notes will be determined in accordance with such Reference Rate as specified in the Final Terms.

(C) Bank Bill Determination for AMTNs

Where, in relation to an issue of AMTNs, Bank Bill Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will be the relevant Bank Bill Rate plus or minus (as indicated in the relevant Final Terms) the Margin (if any).

For the purposes of this sub-paragraph (C), "**Bank Bill Rate**", for an Interest Accrual Period, means the Australian Bank Bill Swap Reference Rate administered by the Australian Financial Markets Association (or any other person which takes over the administration of that rate) for a tenor closest to the Interest Accrual Period as displayed on the Relevant Screen Page on the first day of that Interest Accrual Period as determined by the Australian Fiscal Agent.

However, if the rate is not displayed on the Relevant Screen Page by 10.30 a.m. (Sydney time) on that day, or if it is displayed on the Relevant Screen Page but the Australian Fiscal Agent determines that there is an obvious error in that rate, Bank Bill Rate means the rate determined by the Australian Fiscal Agent in good faith at approximately 10.30 a.m. (Sydney time) on that day, having regard, to the extent possible, to the mid rate of the rates otherwise bid and offered for bank accepted bills of that tenor at or around that time.

(D) Linear Interpolation

Where Linear Interpolation is specified in the relevant Final Terms to be applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where "Screen Rate Determination" is specified to be applicable in the relevant Final Terms) or the relevant Floating Rate Option (where "ISDA Determination" is specified to be applicable in the relevant Final Terms), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available the next longer than the length of the relevant Interest Accrual Period, provided however, that if there is no such rate available for a period of time shorter or, as the case may be, longer than the relevant Interest Accrual Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

"**Applicable Maturity**" means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

(d) ***Accrual of interest***

Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(e) ***Margin, Maximum/Minimum Rates of Interest, Maximum/Minimum Interest Amount and rounding***

In the case of any Notes:

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, (y) in relation to one or more Interest Accrual Periods or (z) in relation to one or more Reset Periods), an adjustment shall be made to all Rates of Interest in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods or Reset Periods in the case of (y) or (z), calculated, in each case, in accordance with Condition 5(b) or Condition 5(c) by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin; subject always (in the case of Floating Rate Notes and Fixed Rate Reset Notes only) to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest is specified in the relevant Final Terms, then any Rate of Interest shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified in the relevant Final Terms), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one-hundred-thousandth of a percentage point (with 0.0000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that, if the eighth significant figure is a 5 or greater, the seventh significant figure shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen, unless otherwise specified in the relevant Final Terms. For these purposes, "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

(f) ***Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case, the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply, save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(g) ***Determination and publication of Rates of Interest and Interest Amounts***

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period (or, if determining the First Reset Rate of Interest or a Subsequent Reset Rate of Interest in respect of Fixed Rate Reset Notes, the Interest Amount for each Interest Accrual Period falling within the relevant Reset Period), obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 5 but no publication of the Rate of Interest or the Interest Amount so calculated need be made.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Calculation Agent, the Fiscal Agent and Registrar, the Paying Agents and all Holders and Couponholders and (in the absence as aforesaid) no liability to the Fiscal Agent and Registrar, the Holders, the Couponholders, the Paying Agents or the Issuer shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

(h) ***Calculation Agent***

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the inter-bank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid and such successor having accepted such appointment.

6 **Redemption and Purchase**

(a) ***Final Redemption***

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date at its Final Redemption Amount (which, (i) unless otherwise provided in the relevant Final Terms, is its nominal amount and (ii) shall not be less than its nominal amount). In the case of Fixed Rate Notes where the Specified Currency is Renminbi, if the Maturity Date falls on a day which is not a Business Day, the Maturity Date will be the next succeeding Business Day unless it would fall in the next calendar month in which event the Maturity Date shall be brought forward to the immediately preceding Business Day.

(b) ***Conditions to Redemption and Purchase***

Any redemption or purchase of the Notes in accordance with Condition 6(c), (d), (e) or (f) is subject to:

(i) the Issuer obtaining the prior written permission of the Competent Authority therefor, provided that at the relevant time such permission is required to be given;

(ii) both at the time of, and immediately following, the redemption or purchase, the Issuer being in compliance with its capital requirements as provided in the Capital Regulations applicable to it from time to time (and a certificate from the Authorised Signatories confirming such compliance shall be conclusive evidence of such compliance);

(iii) except in the case of any purchase of the Notes in accordance with Condition 6(f), the Issuer giving not less than 30 nor more than 60 calendar days' notice to the Holders (or such other period as may be specified in the relevant Final Terms, but in any event not less than five Business Days' notice), the Fiscal Agent and the Paying Agents in accordance with Condition 14, which notice shall be irrevocable;

(iv) if and to the extent then required under prevailing Capital Regulations, either: (A) the Issuer having replaced the Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or (B) the Issuer having demonstrated to the satisfaction of the Competent Authority that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum capital requirements (including any capital buffer requirements) by a margin (calculated in accordance with applicable Capital Regulations) that the Competent Authority considers necessary at such time; and

(v) in respect of a redemption prior to the fifth anniversary of the Issue Date of the most recent Tranche of Notes in a Series, if and to the extent then required under prevailing Capital Regulations (A) in the case of redemption upon the occurrence of a Tax Law Change, the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in applicable tax treatment is material and was not reasonably foreseeable at the Issue Date of the most recent Tranche of Notes in a Series, or (B) in the case of redemption upon the occurrence of a Capital Event, (x) the Competent Authority considers that the change in the regulatory classification of the Notes is sufficiently certain and (y) the Issuer has demonstrated to the satisfaction of the Competent Authority that the change in the regulatory classification of the Notes was not reasonably foreseeable as at the Issue Date of the most recent Tranche of Notes in a Series.

Notwithstanding the above conditions, if, at the time of such redemption or purchase, the prevailing Capital Regulations permit the repayment or purchase only after compliance with one or more alternative or additional pre-conditions to those set out in this Condition 6(b), the Issuer having complied with such other and/or (as appropriate) additional pre-condition(s).

Prior to the publication of any notice of redemption pursuant to this Condition 6 (other than redemption pursuant to Condition 6(c)), the Issuer shall deliver to the Fiscal Agent a certificate signed by the Authorised Signatories stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

(c) ***Issuer's Call Option***

If Call Option is specified in the relevant Final Terms, the Issuer may redeem all, but not some only, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the relevant Final Terms (which shall not be less than the nominal amount of such Notes), together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 6.

(d) ***Redemption due to Taxation***

If as a result of a Tax Law Change that causes a change in the tax treatment of the Notes:

(a) there is more than an insubstantial risk that the Issuer will be required to pay Additional Amounts with respect to payments on the Notes; or

(b) Interest payable on the Notes when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes,

then the Issuer may, as its option, having delivered to the Fiscal Agent a copy of an opinion of an independent nationally recognised law firm in the Netherlands or other tax adviser in the Netherlands experienced in such matters to the effect set out in sub-paragraph (a) or, as applicable, (b) above, and having given the notice required by Condition 6(b) specifying the date fixed for redemption, at any time, redeem all, but not some only, of the Notes at their Early Redemption Amount (which shall not be less than the nominal amount of such Notes).

(e) ***Redemption for Regulatory Purposes***

If (i) Regulatory Call is specified in the relevant Final Terms and (ii) a Capital Event has occurred and is continuing, then the Issuer may, as its option, and having given the notice required by Condition 6(b) specifying the date fixed for redemption, at any time, redeem all, but not some only, of the Notes at their Early Redemption Amount (which shall not be less than the nominal amount of such Notes).

(f) ***Purchases***

The Issuer or any other member of the Rabobank Group may, subject to Condition 6(b) and to applicable law and regulation (which at the Issue Date shall include, without limitation, the CRD IV Directive and the CRD IV Regulation), (i) at any time from and including the fifth anniversary of the Issue Date purchase Notes in any manner and at any price, or (ii) at any time before such anniversary purchase Notes in any manner and at any price, provided that the then applicable law and regulation (including, without limitation, the CRD IV Directive and the CRD IV Regulation) permits such purchase. If such repurchased Notes are to be cancelled in accordance with Condition 6(g), they shall be purchased together with all unmatured Coupons and Talons relating to them.

(g) ***Cancellation***

All Notes redeemed by the Issuer pursuant to this Condition 6, and any unmatured Coupons or Talons attached to or surrendered with them, will forthwith be cancelled. All Notes, Coupons and Talons purchased by or on behalf of the Issuer or any other member of the Rabobank Group may be held, reissued, resold or, at the option of the Issuer, surrendered to the Fiscal Agent or the Registrar for cancellation, except as otherwise provided for by applicable laws. Notes, Coupons and Talons so surrendered shall be cancelled forthwith and may not be reissued or resold and the obligations of the Issuer in respect of any such Notes, Coupons or Talons shall be discharged.

7 Payments and Talons

(a) ***Bearer Notes***

Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(g)(v)) or Coupons (in the case of interest, save as specified in Condition 7(g)(v)), as the case may be:

(i) in the case of a currency other than euro, Japanese yen, Renminbi, at the specified office of any Paying Agent by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a bank in the principal financial centre for such currency (which, if the Specified Currency is Australian or New Zealand dollars, shall be Sydney and Wellington, respectively);

(ii) in the case of euro, at the specified office of any Paying Agent by a cheque payable in euro drawn on, or, at the option of the holder, by transfer to an account denominated in euro, in a city in which banks have access to TARGET;

(iii) in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan); and

(iv) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a bank in Hong Kong.

Payments of principal and interest in respect of SIS Notes will be made irrespective of any present or future transfer restrictions and without regard to any bilateral or multilateral payment or clearing agreement which may be applicable at the time of such payments in freely disposable Swiss Francs without collection costs in Switzerland and without any restrictions and irrespective of nationality, domicile or residence of a holder of a Note or Coupon and without requiring any certification, affidavit or the fulfilment of any other formality.

The receipt by the Issuing and Principal Swiss Paying Agent of the due and punctual payment of the funds in Swiss Francs in Zurich releases the Issuer from its obligations under the Notes and Coupons for the payment of interest and principal due on the respective payment dates to the extent of such payment.

(b) ***Registered Notes***

(i) Payments of principal in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agent or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest on Registered Notes shall be paid to the person shown on the Register at the close of business (A) on the 15th day before the due date for payment thereof or (B) in the case of Renminbi, on the fifth day before the due date for payment thereof (the "**Record Date**"). Payments of interest on each Registered Note shall be made:

(A) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either: in the case of a currency other than Renminbi, in the relevant currency by cheque drawn on a bank mailed to the holder (or to the first-named of joint holders) of such Note at its address appearing in the Register. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date, such payment of interest may be made by transfer to an account in the relevant currency specified by the payee with a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to TARGET and, in the case of Japanese yen, the transfer shall be to a non-resident Japanese yen account with a bank in Japan (in the case of payment to a non-resident of Japan); and

(B) in the case of Renminbi, by transfer to the registered account maintained by or on behalf of the Noteholder with a bank in Hong Kong, details of which appear on the Register at the close of business on the fifth business day before the due date for payment.

(c) ***AMTNs***

All payments under an AMTN must be made by the Issuer or the Australian Fiscal Agent on its behalf:

(i) if the AMTNs are lodged in the Austraclear System, by crediting, on the relevant date on which a payment is due, the amount then due to:

(A) the account of Austraclear (as the Holder), in accordance with the Austraclear Regulations; or

(B) if requested by Austraclear, the accounts of the persons in whose Security Record (as defined in the Austraclear Regulations) an AMTN is recorded, in accordance with the Austraclear Regulations; or

(ii) if the AMTNs are not lodged in the Austraclear System, by transfer to the Australian dollar account maintained by the relevant Holder with a bank in Sydney as previously notified by the Holder to the Issuer and the Australian Fiscal Agent. If the Holder has not notified the Issuer and Australian Fiscal Agent of such an account by close of business on the fifteenth calendar day, whether or not such fifteenth calendar day is a business day, before the relevant due date of the relevant payment of principal or interest (the "**Record Date**"), payments in respect of the relevant AMTNs will be made by cheque (drawn on a bank in Australia), mailed on the business day immediately preceding the relevant date for payment, at the Holder's risk to the registered owner (or to the first named of joint registered owners) of such AMTNs at the address appearing in the Australian Register as at the close of business on the Record Date. Cheques to be despatched to the nominated address of a Holder will in such cases be deemed to have been received by the Holder on the relevant payment and no further amount will be payable by the Issuer in respect of the relevant AMTNs as a result of payment not being received by the Holder on the due date, and in any such case, without prejudice to Condition 9.

Payments will be subject to surrender of the relevant Certificates at the specified office of the Register if no further payment falls to be made in respect of the AMTNs represented by such Certificates.

(d) ***Payments in the United States***

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to such Issuer.

(e) ***Payments subject to fiscal laws***

All payments are subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto.

(f) ***Appointment of Agents***

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agent and the Calculation Agent initially appointed by the Issuer and its respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agent and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agent, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) for so long as required by the Austraclear Regulations, an Australian Fiscal Agent which has been and remains accepted by the Reserve Bank of Australia as a participant of the Reserve Bank Information and Transfer System and meets such other conditions as are imposed Austraclear from time to time, (iii) a Registrar in relation to Registered Notes and an Australian Registrar in relation to AMTNs, (iv) one or more Calculation Agent(s) where the Conditions so require, (v) Paying Agents having specified offices in at least two major European cities, (vi) such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed and (vii) in respect of SIS Notes only, a Paying Agent having a specified office in Switzerland (and will at no time maintain a Paying Agent having a specified office outside Switzerland in relation to such SIS Notes).

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. Dollars in the circumstances described in sub-paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(g) ***Unmatured Coupons and unexchanged Talons***

(i) Upon the due date for redemption of Bearer Notes (other than Floating Rate Notes, Fixed Rate Reset Notes or Fixed Rate Notes where the total value of the unmatured coupons appertaining thereto exceeds the nominal amount of such Note), they should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount or Early Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, a Fixed Rate Reset Note or (where the total value of the unmatured coupons exceeds the minimal amount of such Note) a Fixed Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(v) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(h) ***Talons***

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(i) ***Non-Business Days***

(i) If any date for payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment (nor to any interest or other sum in respect of such payment) until either:

(A) the next following business day; or

(B) the next following business day, unless it would thereby fall into the next calendar month, in which event such date for payment (or for any interest or other sum in respect of such payment) shall be brought forward to the immediately preceding business day. If, however, due to any reasonably unforeseen circumstances, any such adjusted payment date proves not to be a business day, such that the payment date falls in the next calendar month, the holder shall not be entitled to payment (nor to any interest or other sum in respect of such payment) until the next following business day.

The relevant Final Terms shall specify whether Condition 7(i)(i)(A) or 7(i)(i)(B) is applicable. If neither Condition is specified in the relevant Final Terms, Condition 7(i)(i)(A) shall apply.

(ii) In this Condition 7(i), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as "Financial Centres" in the relevant Final Terms and:

(A) (in the case of a payment in a currency other than euro or Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency (which in the case of Australian Dollars shall be Sydney and in the case of New Zealand Dollars shall be Wellington); or

(B) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets are open for business and settlement of payments in Renminbi in Hong Kong; or

(C) (in the case of a payment in euro) which is a TARGET Business Day.

8 Taxation

All payments of interest and (unless otherwise specified in the relevant Final Terms) principal in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands, or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (the "**Additional Amounts**") as shall result in receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any Note or Coupon:

(a) presented for payment in the country of incorporation of the Issuer (the "**Relevant Taxing Jurisdiction**");

(b) held by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such Relevant Taxing Jurisdiction in respect of such Note or Coupon by reason of, or partly by reason of, such holder having some connection with the Relevant Taxing Jurisdiction of the Issuer other than by reason only of holding such Note or Coupon or the receipt of the relevant payment in respect thereof;

(c) by or on behalf of a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complies, with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) or Coupon is presented for payment;

(d) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on the expiry of such period of 30 days;

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relative Certificate) or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to "interest" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it and "principal" and/or "interest" shall be deemed to include any Additional Amounts that may be payable under this Condition 8.

9 Prescription

Claims against the Issuer for payment of principal or interest in respect of the Notes and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within five years from the date on which such payment first becomes due. There shall be no prescription period for Talons but there shall not be included in any Coupon sheet issued in exchange for a Talon any Coupon the claim in respect of which would be void pursuant to this Condition 9 or 7(f).

10 Events of Default

If an Event of Default occurs, the Holder of any Note may by written notice to the Issuer at its specified office declare such Note to be forthwith due and payable, whereupon the principal amount of such Note together with any accrued and unpaid Interest to the date of payment shall become immediately due and payable, provided that repayment will only be effected after the Issuer has obtained the prior written permission of the Competent Authority (to the extent that such permission is required at such time pursuant to the Capital Regulations).

11 Meeting of Noteholders, modifications and waiver

(a) *Meetings of Noteholders*

The Agency Agreement and (in the case of the AMTNs) the Australian Agency Agreement each contain provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of any of the Notes or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the nominal amount of the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest is shown in the relevant Final Terms, to reduce any such Minimum and/or Maximum Rate of Interest, (v) to vary the currency or currencies of payment or denomination of the Notes, (vi) to modify the provisions concerning the quorum required at any meeting of Noteholders or any adjournment of such meeting or the majority required to pass the Extraordinary Resolution or (vii) to modify the provisions regarding the status or subordination of the Notes referred to in Condition 4, in which case the necessary quorum shall be two or more persons holding or representing not less than 75 per cent. in nominal amount of the Notes for the time being outstanding or at any adjourned meeting two or more persons holding or representing not less than 25 per cent. in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement and Australian Agency Agreement each provides that a resolution in writing signed by or on behalf of the Noteholders of not less than 90 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Except in the case of AMTNs, so long as the Notes are represented by a global Note or a global Certificate and any such global Note is held on behalf of, or any global Certificate is registered in the name of any nominee for, a clearing system, the Issuer shall be entitled to rely upon approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding, in accordance with the detailed provisions of the Agency Agreement.

These Conditions may be amended, modified or varied in relation to any Series of Exempt Notes, prior to the Issue Date of the first Tranche of such Series, by the terms of the relevant Final Terms in relation to such Series.

(b) ***Modification and waiver***

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement, the Australian Agency Agreement (in the case of AMTNs) or the Conditions, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders or Couponholders.

The Agency Agreement and the Conditions may be amended by the Issuer and the Fiscal Agent, without the consent of the Registrar or any Paying Agent, Transfer Agent, Calculation Agent, Noteholder or Couponholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the holders.

The Australian Agency Agreement may be amended by the Issuer and the Australian Fiscal Agent, without the consent of the Australian Registrar, Australian Calculation Agent or Noteholder for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the Issuer and the Australian Fiscal Agent may mutually deem necessary or desirable and which does not adversely affect the interests of the holders.

Any amendment to these Conditions is subject to the Issuer obtaining the prior written permission of the Competent Authority therefor (provided at the relevant time such permission is required to be given).

12 **Replacement of Notes, Certificates, Coupons and Talons**

If a Note, Certificate, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of the Fiscal Agent (in the case, of Bearer Notes, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that, if the allegedly lost, stolen or destroyed Note, Certificate, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by such Issuer in respect of such Notes, Certificates, Coupons or further Coupons) and otherwise as such Issuer may require. Mutilated or defaced Notes, Certificates, Coupons or Talons must be surrendered before replacements will be issued.

13 **Further Issues**

The Issuer may, from time to time, without the consent of the Noteholders or Couponholders, create and issue further notes which have the same terms and conditions as the Notes (except for the Issue Price, the Issue Date, nominal amount, and the first Interest Payment Date) and so that the same shall be consolidated and form a single Series with such Notes, and references in these Conditions to "**Notes**" shall be construed accordingly.

14 **Notices**

Notices to the holders of Registered Notes and AMTNs shall be published in accordance with the procedure set out in this Condition 14 for Bearer Notes and shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Alternatively, notices to holders of AMTNs may be given by being published in a leading daily newspaper of general circulation in Australia. It is expected that such notices will normally be published in the *Australian Financial Review*. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). So long as the Notes are listed on the Luxembourg Stock Exchange, notices to holders of the Notes shall also be published either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*), respectively. If any such publication is not practicable, notice shall be validly given if published in another leading daily English-language newspaper with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

So long as any tranche of SIS Notes is listed on the SIX Swiss Exchange Ltd and so long as the rules of SIX Swiss Exchange Ltd so require, all notices in respect of the Notes will be validly given through the Issuing and Principal Swiss Paying Agent (a) by means of electronic publication on the internet website of SIX Swiss Exchange Ltd (www.six-swiss-exchange.com, where notices are currently published under www.six-exchange-regulation.com/publications_en.html), or (b) otherwise in accordance with the regulations of SIX Swiss Exchange Ltd, in lieu of publication in the manner provided in the previous paragraph. Any notices so given shall be deemed to have been validly given on the date of such publication or, if published more than once, on the date of such first publication.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition 14.

15 Governing Law and Jurisdiction

(a) ***Governing law***

The Notes, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, the laws of the Netherlands.

(b) ***Jurisdiction***

The competent courts of Amsterdam, the Netherlands are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Coupons or Talons and, accordingly, any legal action or proceedings arising out of or in connection with any Notes, Coupons or Talons ("**Proceedings**") may be brought in such courts. This submission is made for the benefit of each of the holders of the Notes, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1 Initial issue of Notes

Each Tranche of Notes in bearer form will be initially represented by a Global Note, in bearer form without Coupons, which will be deposited on behalf of the subscribers of the relevant Notes as follows:

(a) if the Global Notes are stated in the relevant Final Terms not to be issued in NGN form, in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, the Global Notes will be deposited with a common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg on or prior to the original issue date of the Tranche; or

(b) if the Global Notes are stated in the relevant Final Terms not to be issued in NGN form, in the case of a Tranche intended to be cleared through an Alternative Clearing System (as defined in 3.2.2 below), the Global Notes will be deposited as otherwise agreed between the Issuer and the relevant Dealer, on or about the issue date of the relevant Notes; or

(c) if the Global Notes are stated in the relevant Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper.

In the case of (c) above, or in the case of Global Certificates to be held under the NSS (as the case may be) depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

No interest will be payable in respect of a temporary Global Note except as provided below. Each Tranche of Notes in registered form will be represented by Certificates and may be represented by a Global Certificate.

Upon deposit of the temporary Global Note(s) (if the Global Note(s) are in CGN form) with the Common Depositary or registration of the Registered Notes (in respect of Global Certificates which are not held under the NSS) in the name of the nominee for Euroclear and/or Clearstream, Luxembourg and delivery of the relevant Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Upon deposit of the temporary Global Note(s) (if the Global Note(s) are in NGN form), the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Any payment due in respect of a Global Note or a Global Certificate will be made to each of Euroclear or Clearstream, Luxembourg in respect of the portion of the Global Note or a Global Certificate held for its account. An accountholder with Euroclear, Clearstream, Luxembourg with an interest in a temporary Global Note will be required, in order to have credited to its account any portion of any payment, to present a certificate in the form set out in the Agency Agreement substantially to the effect that the beneficial owner of the relevant interest in the Global Note is not within the United States or a U.S. person as such terms are defined by the U.S. Internal Revenue Code of 1986 and the regulations thereunder.

2 Relationship of accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

3.1.1 if the relevant Final Terms indicate that such Global Note is issued in compliance with TEFRA C or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the Programme — Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

3.1.2 otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided below under "Partial Exchange of permanent Global Notes", in part for Definitive Notes (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.

3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a Global Certificate on issue, transfers of the holding of such Notes represented by any Global Certificate pursuant to Condition 3 may only be made in part:

3.3.1 if such Notes are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

3.3.2 if principal in respect of any Note is not paid when due; or

3.3.3 with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to 3.3.1 or 3.3.2 above, the person entered in the Register as holder of the relevant Registered Notes ("**Registered Holder**") has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

3.4 Partial exchange of permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if principal in respect of any Notes is not paid when due.

3.5 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes, or if the Global Note is an NGN, the Issuer will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed and Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

If a Global Note is exchanged for Definitive Notes, such Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a Definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3.6 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after completion of the distribution of the Tranche of which such Note is a part and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

3.7 Legend

Each Global Note and any Bearer Note, Talon or Coupon will bear the following legend:

"Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code."

The sections of the U.S. Internal Revenue Code of 1986 referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Bearer Notes or any related Coupons.

4 Amendment to Conditions

The Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the Conditions. The following is a summary of certain of those provisions as set forth in the Global Notes and, where indicated, the Global Certificates:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is an NGN or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under an NGN will be made to its holder. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 11(h).

4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of five years from the date on which such payment first becomes due.

4.3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.

4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required to be cancelled will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its subsidiaries if they are purchased together with the rights to receive all future payments of interest.

4.6 Issuer's option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and, accordingly, no drawing of Notes shall be required. If any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be) (with such partial redemption to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion).

4.7 Noteholders' options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time, where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is an NGN or where the Global Certificate is held under the NSS, the Issuer shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is an NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

4.9 Events of Default

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Covenant executed by the Issuer and the Fiscal Agent on 20 December 2016 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes represented by such Global Certificate, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

4.10 Notices

So long as any Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note. Any such notice shall be deemed to have been given to Noteholders on the day on which it is delivered to the relevant clearing system. In addition, so long as the Notes are listed on Euronext Amsterdam or on the Luxembourg Stock Exchange and the rules of such exchange so require, notices shall also be published in the Euronext Daily Official List and a daily newspaper having general circulation in the Netherlands and/or either on the website of the Luxembourg Stock Exchange (www.bourse.lu) or in a leading newspaper having general circulation in Luxembourg (which is expected to be the Luxemburger Wort).

4.11 Record Date in respect of Registered Notes

Each payment in respect of Registered Notes while in global form will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Record Date which shall be on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

5 AMTNs

5.1 Austraclear

AMTNs will be issued in registered form only, and their issue will be reflected by inscription in the Australian Register in evidence of which an AMTN Global Certificate will be issued to the Australian Register to be held on behalf the Holders registered in the Australian Register. AMTNs will be registered in the name of Austraclear for so long as the AMTNs are lodged in the Austraclear System.

On issue of any AMTNs, the Issuer may, as specified in the applicable Final Terms, procure that the AMTNs are entered into the clearance and settlement system (Austraclear System) operated by Austraclear. On entry, Austraclear will become the sole registered Noteholder and legal owner of the AMTNs. Subject to the rules and regulations known as the Austraclear Regulations established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System, together with any directions or instructions, participants of the Austraclear System ("**Accountholders**") may acquire rights against Austraclear in relation to those AMTNs as beneficial owners and Austraclear is required to deal with the AMTNs in accordance with the directions and instructions of the Accountholders. Any potential investors who are not Accountholders would need to hold their interest in the relevant AMTNs through a nominee who is an Accountholder. All payments by the Issuer in respect of AMTNs entered in the Austraclear System will be made directly to an account agreed with Austraclear or as it directs in accordance with the Austraclear Regulations.

5.2 Holding of AMTNs through Euroclear and Clearstream, Luxembourg

On entry in the Austraclear System, interests in the AMTNs may be held through Euroclear or Clearstream, Luxembourg. In these circumstances, entitlements in respect of holdings of interests in the AMTNs in Euroclear would be held in the Austraclear System by HSBC Custody Nominees (Australia) Limited as nominee of Euroclear, while entitlements in respect of holdings of interests in the AMTNs in Clearstream, Luxembourg would be held in the Austraclear System by JP Morgan Nominees Australia Limited as nominee of Clearstream, Luxembourg. The rights of a holder of interests in AMTNs held through Euroclear or Clearstream, Luxembourg are subject to the respective rules and regulations of Euroclear and Clearstream, Luxembourg, the arrangements between Euroclear and Clearstream, Luxembourg and their respective nominees and the Austraclear Regulations.

5.3 Transfers

Any transfer of AMTNs will be subject to the Australian Corporations Act and the other requirements set out in the Conditions and, where the AMTNs are entered in the Austraclear System, the Austraclear Regulations. Secondary market sales of AMTNs settled in the Austraclear System will be settled in accordance with the Austraclear Regulations.

5.4 Relationship of Accountholders with Austraclear

Accountholders who acquire an interest in AMTNs entered in the Austraclear System must look solely to Austraclear for their rights in relation to such AMTNs and will have no claim directly against the Issuer in respect of such AMTNs although under the Austraclear Regulations, Austraclear may direct the Issuer to make payments direct to the relevant Accountholders.

Where Austraclear is registered as Holder of any AMTNs that are lodged in the Austraclear System, Austraclear may, where specified in the Austraclear Regulations, transfer the AMTNs to the person in whose Security Record (as defined in the Austraclear Regulations) those AMTNs are recorded and, as a consequence, remove those AMTNs from the Austraclear System.

Potential investors in AMTNs should inform themselves of, and satisfy themselves with, the Austraclear Regulations and (where applicable) the rules of Euroclear and Clearstream, Luxembourg and the arrangements between them and their nominees in the Austraclear System.

6 Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

6.1.1 approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons and Talons whether or not they participated in such Electronic Consent; and

6.1.2 where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the "**relevant clearing system**") and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear's EUCLID or Clearstream, Luxembourg's CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

7 SIS Notes

Each Series of SIS Notes will be documented in the form of a permanent Global Note (the "**Swiss Permanent Global Note**"). The Swiss Permanent Global Note will be substantially in the form agreed by the Issuer and the relevant Issuing and Principal Swiss Paying Agent, as set out in any supplemental agency agreement entered into in connection with the relevant Series.

The Swiss Permanent Global Note shall be deposited by the Issuing and Principal Swiss Paying Agent with SIX SIS Ltd or any other intermediary in Switzerland recognised for such purposes by SIX Swiss Exchange Ltd (SIX SIS Ltd or any such other intermediary, the "**Intermediary**"). Once the Swiss Permanent Global Note is deposited with the Intermediary and entered into the accounts of one or more participants of the Intermediary, the Notes will constitute intermediated securities (*Bucheffekten*) ("**Intermediated Securities**") in accordance with the provisions of the Swiss Federal Intermediated Securities Act (*Bucheffektengesetz*).

Neither the Issuer nor the SIS Noteholders (as defined below) shall at any time have the right to effect or demand the conversion of the Permanent Global Note (*Globalurkunde*) into, or the delivery of, uncertificated securities (*Wertrechte*) or Definitive Notes (*Wertpapiere*).

The records of the Intermediary will determine the number of Notes held through each participant of that Intermediary. In respect of Notes held in the form of Intermediated Securities, the holders of such Notes (the "**SIS Noteholders**") will be the persons holding the SIS Notes in a securities account (*Effektenkonto*) which is in their name, or in case of intermediaries (*Verwatirungsstellen*), the intermediaries (*Verwahrungsstellen*) holding the SIS Notes for their own account in a securities account (*Effektenkonto*) which is in their name.

No physical delivery of the Notes represented by a SIS Note shall be made unless and until Definitive Notes shall have been printed. Notes may only be printed, in whole, but not in part, if the Issuing and Principal Swiss Paying Agent determines, in its sole discretion, that the printing of the Definitive Notes is necessary or useful or if the presentation of Definitive Notes is required by Swiss or other applicable laws and regulations in connection with the enforcement of rights of Noteholders. Should the Issuing and Principal Swiss Paying Agent so determine, it shall provide for the printing of Definitive Notes without cost to the SIS Noteholders. If printed, the Definitive Notes shall be issued in accordance with the Agency Agreement and the rules and regulations of the SIX Swiss Exchange Ltd. Where Definitive Notes are delivered, the Swiss Global Note will immediately be cancelled by the Issuing and Principal Swiss Paying Agent and the Definitive Notes shall be delivered to the relevant holders against cancellation of the relevant Notes in such holders' securities accounts.

USE OF PROCEEDS

The net proceeds from the issues of the Notes will be used by the Issuer in connection with its general banking business and to strengthen its capital base, unless otherwise specified in the relevant Final Terms with respect to a specific Tranche of Notes.

DESCRIPTION OF BUSINESS OF RABOBANK GROUP

General

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. Rabobank Group comprises the Issuer and its subsidiaries. Rabobank is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank Group operates in approximately 40 countries. Its operations include domestic retail banking, wholesale banking and international rural and retail banking, leasing and real estate. It serves approximately 8.6 million clients around the world. In the Netherlands, its focus is on maintaining Rabobank Group'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 Group's cooperative core business is carried out by the local Rabobanks. With approximately 400 branches and 2,000 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.5 million retail clients, and approximately 800,000 corporate clients, offering a comprehensive package of financial services. Clients can become members of Rabobank.

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group 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 programme, Rabobank Group 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. Rabobank Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international rural and retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

As at 30 June 2016, Rabobank Group had total assets of €686.6 billion, a private sector loan portfolio of €427.3 billion, amounts due to customers of €342.9 billion (of which savings deposits total €139.4 billion) and equity of €40.8 billion. Of the private sector loan portfolio, €204.3 billion, virtually all of which were mortgages, consisted of loans to private individuals, €124.8 billion of loans to the trade, industry and services sector and €98.2 billion of loans to the food and agriculture sector. As at 30 June 2016, its CET1 Ratio, which is the ratio between Common Equity Tier 1 Capital and total risk-weighted assets, was 13.4 per cent. and its capital ratio, which is the ratio between qualifying capital and total risk-weighted assets, was 23.5 per cent. For the six-month period ended 30 June 2016, Rabobank Group's cost/income ratio, which is the ratio between total operating expenses (regulatory levies excluded) and total income, was 73.7 per cent. the cost/income ratio is a financial measure of how efficiently Rabobank is being run. For the six-month period ended 30 June 2016, Rabobank Group realised a net profit of €924 million. As at 30 June 2016, Rabobank Group employed 49,971 employees (internal and external full time employees ("**FTEs**")).

The return on invested capital (**"ROIC**") is a profitability measure and is calculated by dividing net profit realised after non-controlling interests by the core capital (actual Tier 1 capital plus the goodwill in the balance sheet at the end of the reporting period) minus deductions for non-controlling interests in Rabobank's equity. For the six-month period ended 30 June 2016, Rabobank's ROIC was 5.0 per cent. As at 31 December 2015, it was 6.0 per cent and at 30 June 2015 it was 8.3 per cent.

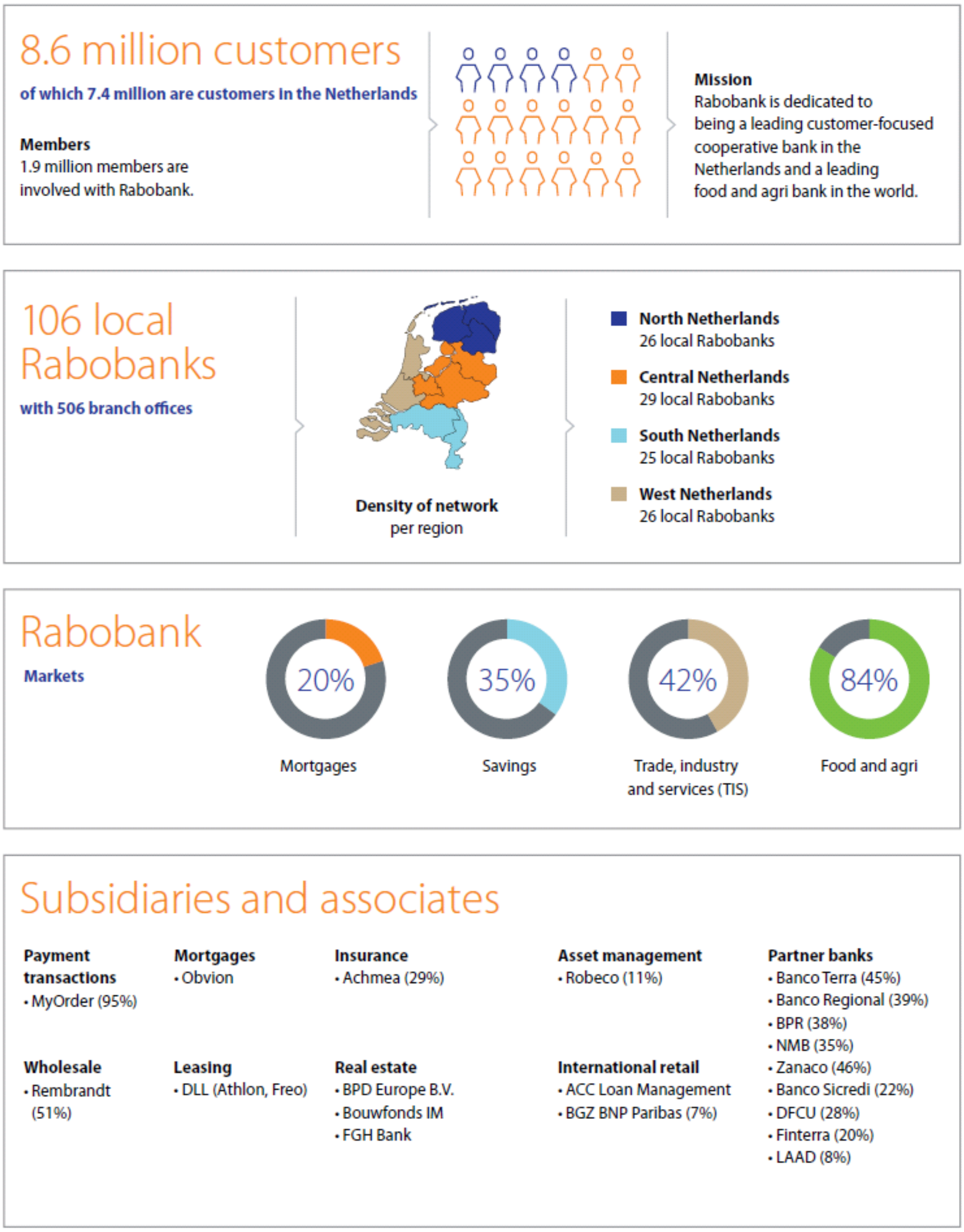
For the six-month period ended 30 June 2016, Rabobank's return on Tier 1 capital was 5.3 per cent. As at 31 December 2015, it was 6.5 per cent. and at 30 June 2015 it was 9.0 per cent.

Group overview

The overview below provides an overview of the business of Rabobank Group. The figures presented in the overview are provided as at 31 December 2015.

Rabobank Group

Situation at 31 December 2015



Business activities of Rabobank Group

Through the local Rabobanks, Rabobank and its other subsidiaries, Rabobank Group provides services in the following core business areas: domestic retail banking, wholesale banking and international rural and retail banking, leasing and real estate.

Domestic retail banking

The domestic retail banking business comprises the local Rabobanks, Obvion N.V. ("**Obvion**"), Roparco 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.

As at 30 June 2016, Rabobank Group's domestic retail banking operations had total assets of €321.7 billion, a private sector loan portfolio of €278.5 billion, amounts due to customers of €219.4 billion (of which savings deposits total €118.6 billion). For the six-month period ended 30 June 2016, Rabobank Group's domestic retail banking operations accounted for 61 per cent., or €3,542 million, of Rabobank Group's total income and 54 per cent., or €502 million, of Rabobank Group's net profit. As at 30 June 2016, Rabobank Group's domestic retail banking operations employed 22,280 FTEs.

Local Rabobanks

Until 1 January 2016, the local Rabobanks were members of Rabobank and all of them separate legal entities. On 1 January 2016, a legal merger under universal title (*onder algemene titel*) took place between Rabobank and all 105 local Rabobanks. Rabobank being the one surviving legal entity. With approximately 400 branches and 2,000 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. Proximity and commitment to their clients enhances the local Rabobanks' responsiveness and speed of decision-making. Their commitment is reflected in their close ties with local associations and institutions. The local Rabobanks are committed to providing maximum service to their clients by making optimum use of different distribution channels, such as branch offices, the internet and mobile telephones. Together, the local Rabobanks serve approximately 6.5 million retail clients, and approximately 800,000 corporate clients, offering a comprehensive package of financial services. Many private individuals have current, savings or investment accounts or mortgages with the local Rabobanks. The local Rabobanks constitute a major financier of Dutch industry, from small high street shops to listed enterprises. Furthermore, the local Rabobanks traditionally have had close ties with the agricultural sector and, together, they are the largest insurance broker in the Netherlands (source: Insurance Magazine Yearbook 2015 (*AM Jaarboek 2015*)).

Obvion N.V.

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 per cent. by Rabobank as at 31 December 2015.

Rabohypotheekbank also serves as a supplementary financing vehicle for the local Rabobanks in the event that they choose not to make certain mortgage loans to their customers entirely on their own, either for liquidity or lending-limit reasons or because of the nature of the required financing. The majority of Rabohypotheekbank's loans are secured by mortgages on residential property. Its loans are funded by term loans from, or guaranteed by, Rabobank and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. As at 30 June 2016, Rabohypotheekbank had assets of €6.4 billion.

Wholesale banking and international retail banking

Wholesale banking and international rural and retail banking focuses its activities on the food and agri sector and is known as "Wholesale, Rural & Retail". Wholesale, Rural & Retail has a presence in 26 countries (at 30 June 2016). Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia, New Zealand and Asia. Across these regions, Wholesale, Rural & Retail has created a number of units with global operations: Markets, Global Client Solutions, Acquisition Finance, Export & Project Finance, Direct Banking and Trade &

Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Acquisition Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Global Client Solutions offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Export & Project Finance Department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance Department serves clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This Department also offers a large number of export finance products. Direct Banking services clients with saving products in Australia, Belgium, Germany, Ireland and New Zealand.

In addition, Wholesale, Rural & Retail has interests in private equity. Rabo Private Equity is the investment arm of Rabobank that acquires equity interests in businesses via specialised labels on the basis of specialist sector knowledge. Rabo Private Equity is active in the Dutch market with Rabo Participaties. Rabo Private Equity also invests in various private equity funds, both in the Netherlands and in food and agri funds outside the Netherlands.

Rabobank's retail activities are performed under the Rabobank label, with the exception of an Irish bank, ACC Loan Management, which is a wholly owned subsidiary. ACC Loan Management underwent a reorganisation in order to focus exclusively on the management of the existing loan portfolio. The number of offices in Ireland has been reduced further, the number of employees has been sharply reduced and commercial activities (payment services and savings accounts) have also mostly been terminated. In line with this focus and reorganisation, the retail banking licence has been returned, and the name has been changed from ACC Bank plc to ACC Loan Management Limited.

As at 30 June 2016, Rabobank Group's wholesale banking and international rural and retail banking operations had total assets of €475.7 billion and a private sector loan portfolio of €104.1 billion. For the six-month period ended 30 June 2016, Rabobank Group's wholesale banking and international rural and retail banking operations accounted for 30 per cent., or €1,752 million, of Rabobank Group's total income and 42 per cent., or €387 million, of Rabobank Group's net profit. As at 30 June 2016, Rabobank Group's wholesale banking and international rural and retail banking operations had approximately 9,253 FTEs.

Leasing

DLL International B.V. ("**DLL**") is the subsidiary responsible for Rabobank Group's leasing business. It uses vendor finance to assist producers and distributors in their sales in 34 countries as at 30 June 2016. With its innovative finance programmes, DLL stands out in a competitive market. In the Netherlands, it offers a broad range of lease and trade finance products, which it markets both directly and through the local Rabobanks. Through international car lease company Athlon Car Lease, DLL operated in 11 countries in Europe as at 30 June 2016. On 30 June 2016, DLL signed a sale and purchase agreement with the intention to sell Athlon Car Lease to Daimler Financial Services. In the Netherlands, DLL strengthens Rabobank Group's position in the Dutch consumer credit market, in part through the Freo online brand.

Rabobank owned a 100 per cent. equity interest in DLL as at 31 December 2015. DLL has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to €98,470,307 all of which is owned by Rabobank. As at 31 December 2015, Rabobank's liabilities to DLL amounted to €1,127 million. As at 31 December 2015, Rabobank's claims on DLL amounted to €24,722 million (loans, current accounts, financial assets and derivatives). All liabilities of DLL are guaranteed (through a cross guarantee system) by Rabobank and the other participants of this system.

As at 30 June 2016, DLL had a private sector loan portfolio of €30.3 billion. For the six-month period ended 30 June 2016, DLL accounted for 15 per cent., or €891 million, of Rabobank Group's total income and 31 per cent., or €284 million, of Rabobank Group's net profit. As at 30 June 2016, Rabobank Group's leasing operations employed approximately 5,968 FTEs.

Real estate

Rabo Vastgoedgroep N.V. ("**Rabo Vastgoedgroep**") and FGH Bank form part of the real estate segment.

Rabo Vastgoedgroep is active in real estate and area development and investment management. This division consists of Bouwfonds Property Development B.V., which is involved in the construction of housing and living environments, and Bouwfonds Investment Management ("**Bouwfonds IM**"), a manager of real estate funds. Rabo Vastgoedgroep is primarily active in the Netherlands, but also on a smaller scale in France and Germany.

Financing commercial real estate is carried out by FGH Bank N.V. ("**FGH Bank**"). FGH Bank specialises in financing commercial real estate. FGH Bank will be integrated into Rabobank. Preparations for this integration continued in the first half of 2016.

For the six-month period ended 30 June 2016, Rabo Vastgoedgroep sold 4,084 houses. As at 30 June 2016, Rabo Vastgoedgroep managed €6.2 billion of real estate assets. The private sector loan portfolio amounted to €14.1 billion. For the six-month period ended 30 June 2016, the real estate operations accounted for 6 per cent., or €339 million, of Rabobank Group's total income and 13 per cent., or €121 million, of Rabobank Group's net profit. As at 30 June 2016, Rabobank Group's real estate operations had approximately 1,625 FTEs.

Participations

On 31 December 2015, Rabobank has a 29 per cent. interest in Achmea B.V. ("**Achmea**"). Rabobank does not exercise control over Achmea and therefore does not consolidate Achmea as a subsidiary in Rabobank's audited consolidated financial statements. Achmea is accounted for as an associate in Rabobank's audited consolidated financial statements in accordance with the equity method. As at 31 December 2015, Achmea had a workforce of approximately 15,400 FTEs. 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 corporate clients. 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.

Recent developments

Derivatives

On 7 July 2016, Rabobank announced its decision to join the Dutch Derivatives Committee's Recovery Framework (as defined below). Implementation of the Final Recovery Framework (as defined below) is expected to last until the end of 2017. The decision to take part in the framework means that Rabobank made an additional provision of €514 million in its interim figures for the six-month period ended 30 June 2016. For further information see "—Recent Developments—Interest rate derivatives in the SME-segment".

Interest Rate Derivatives in the SME-segment

Approximately 9,000 of Rabobank's 800,000 business customers have an interest rate derivative, with in total around 11,000 derivative contracts. During 2014 and 2015, these interest rate derivatives have been subject to a reassessment process. In 2014, Rabobank tightened the quality requirements of the reassessment of interest rate derivatives, partly at the insistence of the AFM. The reassessment on a case by case basis was close to being finalised in December 2015, in accordance with an agreement with the AFM. Rabobank sent letters on the reassessment results to inform over 90 per cent. of its customers involved by the end of 2015, with the remainder following in January 2016. In December 2015, however, Rabobank received notice that in the AFM's opinion, the interest rate derivatives reassessment conducted by Rabobank had been insufficient and that the AFM had identified flaws in its own scrutiny of reassessments. In the first two months of 2016, Rabobank was in discussion with the AFM in order to achieve a suitable solution. In March 2016, the Minister of Finance appointed an independent committee, the Dutch Derivatives Committee, which on 5 July 2016, published its advice and recovery framework (the "**Recovery Framework**") on the reassessment of SME interest rate derivatives. On 19 December 2016, the Dutch Derivatives Committee published its final recovery framework (the "**Final Recovery Framework**"). Implementation of the Final Recovery Framework is expected to last until the end of 2017. Rabobank is involved in civil lawsuits regarding interest rate derivatives brought before Dutch courts, most of which are individual cases. Furthermore, a class action has been engaged against Rabobank, with claims regarding interest rate derivatives, which include EURIBOR related claims. Rabobank is defending itself against all these claims. Further, complaint procedures regarding interest rate derivatives have been entered against Rabobank before the Netherlands Financial Services Complaints Tribunal (Kifid), which opened a desk for SMEs with interest rate derivatives in January 2015. Rabobank's decision to take part in the Recovery Framework, which was announced by Rabobank on 7 July 2016, means that Rabobank made an additional provision of €514 million in its interim figures for the six-month period ended 30 June 2016.

Tier 2 issuance

On 21 July 2016, Rabobank acting through its Utrecht Branch issued U.S.$1,500,000,000 3.750 per cent. Subordinated Notes due 2026.

FGH Bank sells RNHB Hypotheekbank

On 19 September 2016, FGH Bank entered into an agreement to sell the real estate financing activities of its subsidiary, RNHB Hypotheekbank, including its personnel and loan portfolio of approximately €1.7 billion. The transaction is expected to close at the end of 2016.

Sale of Athlon to Daimler Financial Services finalised

On 1 December 2016, DLL confirmed the sale of its mobility solutions entity Athlon Car Lease International B.V. including all of its subsidiaries to Daimler Financial Services, a division of Daimler AG. The transaction will improve the CET1 Ratio of Rabobank by approximately 40 basis points.

Publication of ECB capital requirements

On 2 December 2016, Rabobank published its 2017 ECB capital requirements, determined pursuant to the SREP.

The ECB decision requires that Rabobank maintains a total SREP capital requirement of 9.75 per cent. on a consolidated and unconsolidated basis. The requirement consists of an 8 per cent. minimum own funds requirement and a 1.75 per cent. P2R. The total CET1 capital minimum requirement is 6.25 per cent., consisting of the minimum Pillar 1 requirement (4.5 per cent.) and the P2R (1.75 per cent.). In addition, Rabobank is required to comply with the phasing in combined buffer requirements consisting of a capital conservation buffer (1.25 per cent.) and a systemic risk buffer imposed by the Dutch Central Bank of 1.5 per cent. in 2017. This translates into an aggregate 9 per cent. CET1 capital requirement for 2017. The ECB decision also requires that Rabobank maintains a CET1 Ratio of 7.5 per cent. on an unconsolidated basis. This 7.5 per cent. capital requirement is comprised of the minimum Pillar 1 requirement (4.5 per cent.), the P2R (1.75 per cent.) and the capital conservation buffer (1.25 per cent.).

Rabobank starts registration of covered bond programme

On 13 December 2016, Rabobank started the process to register its inaugural covered bond programme with the DNB. Rabobank intends to incorporate covered bonds into its future funding mix. The covered bond programme is expected to further diversify and optimise Rabobank's funding composition.

Ratings

The credit ratings assigned to the Notes issued under the Programme are a reflection of Rabobank's credit status and in no way are a reflection of the potential impact of other factors discussed in this Base Prospectus, or any other factors, on the market value of the Notes. A rating reflects only the views of the relevant rating agency and is not a recommendation to buy, sell or hold the Notes. Accordingly, prospective investors should consult their own financial and legal advisers as to the risks entailed by an investment in such Notes and the suitability of such Notes in light of their particular circumstances.

On 10 November 2016, Standard & Poor's Ratings Services affirmed its long-term counterparty credit rating of Rabobank at "A+".

On 10 November 2016, DBRS Ratings Limited affirmed Rabobank's Long-Term Deposits & Senior Debt rating at "AA".

On 24 November 2016, Moody's Investors Service confirmed the "Aa2" long-term deposit and senior unsecured debt ratings of Rabobank. The outlook was revised from "stable" to "negative".

On 14 April 2016, Fitch Ratings affirmed the Long-Term Issuer Default Rating of Rabobank at "AA-".

A rating outlook is an opinion regarding the likely direction of an issuer's rating over the medium term. Actual or anticipated declines in Rabobank's credit ratings may affect the market value of the Notes. There is no assurance that a rating will remain unchanged during the term of the Notes of any series.

The ratings represent the relevant rating agency's assessment of Rabobank's financial condition and ability to pay its obligations, and do not reflect the potential impact of all risks relating to the Notes. Any rating assigned to the long-term unsecured debt of Rabobank does not affect or address the likely performance of the Notes other than Rabobank's ability to meet its obligations.

Rabobank Group's access to the unsecured funding markets is dependent on its credit ratings.

A downgrading or announcement of a potential downgrade in its credit ratings, as a result of a change in the agency's view of Rabobank, its industry outlook, sovereign rating, rating methodology or otherwise, could adversely affect Rabobank Group's access to liquidity alternatives and its competitive position, and could increase the cost of funding or trigger additional collateral requirements all of which could have a material adverse effect on Rabobank Group's results of operations.

Strategy of Rabobank Group

One Rabobank: stronger and closer

Rabobank is a customer-focused bank and has been a cooperative bank for over 115 years. It is strongly involved with its customers and members and aims to have a responsive role, particularly in a world where customer needs, economic development, technological advances and increasingly stringent bank regulations are changing faster than ever. Rabobank's missions are to contribute to welfare and prosperity in the Netherlands and to feed the world sustainably. The Strategic Framework 2016-2020 describes how Rabobank expects to achieve this over the next five years. It also outlines how Rabobank will implement the new strategy and what specific financial goals Rabobank will pursue. The Strategic Framework 2016-2020 focuses on improving customer service and increasing Rabobank's performance.

Ambitions

Rabobank's ambition is to be the most customer-focused bank in the Netherlands and a leading food and agri bank worldwide. The visions outlined in Banking for the Netherlands and Banking for Food give substance to Rabobank's customer-focused cooperative. The sustainability strategy 'Sustainably successful together' is an important building block within these visions.

Banking for the Netherlands

Rabobank is linked to the future of the Netherlands through its members and customers. If Rabobank customers do well, the bank is expected to do well. As a cooperative bank, Rabobank can differentiate itself by preparing itself and its customers to meet the challenges the Netherlands faces in the years ahead. With Banking for the Netherlands, Rabobank wants to strengthen the Netherlands of the future from three perspectives:

1. improving the earnings capacity of the Netherlands by supporting the growth of mobility, vitality, food and agri, raw materials, water and housing;

2. supporting Dutch households by helping customers make confident financial choices; and

3. strengthening the living environment of local communities through cooperative dividends and Rabobank's local participation agenda. Rabobank's local presence allows it to respond to important regional issues.

Banking for Food

The Netherlands is a global leader in the food and agri sector and Rabobank will continue to have a significant focus on the global food and agri sector. With Banking for Food Rabobank wants to play a prominent role in the public debate on the broad issue of food. Rabobank also hopes to connect producers with consumers, and farmers with citizens.

Since Rabobank, according to its own surveys, is the market leader in the agriculture sector in the Netherlands, Banking for the Netherlands and Banking for Food are closely intertwined. Its knowledge and network in the Dutch food and agri sector are the roots of Rabobank.

Core objectives: how does Rabobank achieve these ambitions?

To fulfil its ambitions in the next four years, Rabobank has identified three core objectives in its Strategic Framework 2016-2020:

1. *Excellent customer focus*. Rabobank strives to be the most customer-focused bank in the Netherlands. Rabobank's aspirations to generate strong growth in customer satisfaction also extend beyond the Netherlands. Rabobank aims to fundamentally transform its working methods, culture, attitudes and conduct in the coming years to respond to changes in customer needs, the uncertain economic climate and the stricter requirements of regulators. Rabobank aspires to become the most customer-focused bank in the Netherlands by providing excellent basic service and, if required, by being the closest to its customers and fulfilling its role as a financial connection point;

2. *Increased flexibility and reduction of the balance sheet*. In the years to come, Rabobank anticipates a further tightening of the regulatory environment. To maintain its position, it will therefore need to make its balance sheet more flexible and reduce it. Rabobank wants to achieve balance sheet optimisation by, among other things, placing parts of its loan portfolio with external parties and maintaining a correspondingly lower liquidity buffer in line with the reduced balance sheet total; and

3. *Performance improvement*. In addition to excellent customer focus and balance sheet reduction, Rabobank aims to improve Rabobank Group's performance. Rabobank's aim for 2020 is a pre-tax

profit improvement of more than €2 billion (excluding the effects of the reductions on Rabobank Group's balance sheet results) compared to 2014. Reaching this level of profit improvement is expected to improve Rabobank Group's cost/income ratio and the ROIC. The ROIC is a profitability measure and is calculated by dividing net profit realised after non-controlling interests by the core capital (actual Tier 1 capital plus the goodwill in the balance sheet at the end of the reporting period) minus deductions for non-controlling interests in Rabobank's equity. Rabobank Group plans to achieve this improvement by both generating higher revenues and incurring lower costs. These plans are in addition to the ongoing Mars and Vision 2016 cost programmes. The Mars programme targets further cost reductions at the central level. The Vision 2016 programme aims to improve customer services without increasing costs. As at the date of this Base Prospectus, these programmes are running on schedule and are expected to be completed during 2016.

Implementation accelerators

The implementation of the aforementioned three core objectives requires an integrated approach towards new and existing programmes. These programmes come together in the implementation agenda of the Executive Board. This agenda forms the basis for the implementation of the strategy, which focuses on three accelerators:

1. *Increasing innovation*. Innovation is required to improve current processes, enable customers to increasingly arrange their financial affairs independently of a Rabobank branch and allow Rabobank to respond more quickly to technological advances with new products and services;

2. *Empowering employees*. Employees make the ambitions of Rabobank's customers and Rabobank come true. In order to fulfil Rabobank's strategy, it is necessary that its employees are aware of the social role Rabobank has to play. It is essential that they embrace the strategy, know how to promote it and apply it to their daily work. Rabobank wants its employees to know how to connect their personal values with those of the bank, and vice versa. There is a continuous focus on personal development and training, as well as on building a diverse workforce. In this way, Rabobank strives to show its customers and society as a whole that it is a bank that is fully focused on its customers; and

3. *Creating a better cooperative organisation*. Rabobank sees that Rabobank Group's governance structure, as implemented on 1 January 2016, increases member participation and their input in Rabobank as a whole. Rabobank expects that this structure will contribute to the transformation that its organisation must go through to fulfil its strategy. The Strategic Framework 2016-2020 builds on the current improvement agenda of Rabobank, the implementation agenda. To give substance to the three core objectives and their associated priorities and accelerators, Rabobank has drawn up a new implementation agenda designed along four axes: complete customer focus, rock-solid bank, meaningful cooperative, and empowered employees. The implementation agenda is expected, in the coming years, to enable Rabobank to regain its fundamental position as a cooperative, customer-focused bank in the Netherlands and as a leading food and agri bank worldwide.

Financial Strategic Framework 2016-2020

The Strategic Framework 2016-2020 provides direction to Rabobank up to 2020. The financial targets Rabobank sets to be and remain a bank with financial strength are in part determined by the expected impact of new regulations. These regulations include Basel IV, MREL and TLAC. As a result of these new regulations, capital requirements will increase. In addition, the risk weighting of assets and the subsequent required absolute amount of capital are expected to increase significantly. The objective, in anticipation of these regulations, is for the CET1 Ratio to increase to a minimum of 14 per cent. and the capital ratio to increase to at least 25 per cent. by the end of 2020. The extent to which these minimum targets are met are expected to vary in accordance with the definition of the new regulations when they are officially adopted.

To facilitate the growth of the Common Equity Tier 1 Capital through retained earnings and allow for the future growth of Rabobank, an ROIC of at least 8 per cent. will be required. Rabobank is seeking this return in order to compensate its capital providers. To achieve this ROIC target, pre-tax profits by 2020 will need to be more than €2 billion higher compared to 2014 (excluding the effects of the reductions on Rabobank's balance sheet). With this performance improvement, the cost/income ratio excluding regulatory levies is expected to decrease to a level of approximately 50 per cent. and the cost/income ratio including regulatory levies is expected to decrease to a level of between 53 per cent. and 54 per cent. in 2020. The cost/income ratio is calculated by dividing total operating expenses by total income. Higher capital ratios are expected to be achieved by raising additional capital, retained earnings and reductions on the balance sheet. Given the size of the expected capital requirements and expected future costs associated with Rabobank's funding, issuing additional equity and/or subordinated debt will not provide the solution for the cooperative. Rabobank aims to reduce its dependency on the financial markets. For this purpose, Rabobank seeks to reduce its wholesale funding for the group to below €150 billion by 2020.

Rabobank will seek to reduce the balance sheet through the sale of assets, by removing parts of the mortgage and corporate loans portfolios from the balance sheet, and by making choices in the sectors Rabobank serves. Balance sheet reductions will lead to lower risk-weighted assets, contributing to achieving Rabobank's solvency targets.

Competition

Rabobank Group competes in the Netherlands with several other large commercial banks such as ABN AMRO and ING Group, with insurance companies and pension funds and also with smaller financial institutions in specific markets. Rabobank expects competition in the Dutch savings market to continue.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. The local Rabobanks and Obvion have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 73 per cent. at 30 June 2016. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in Rabobank Group's mortgage-lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally only have the option to prepay a certain percentage on the principal amount on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for Rabobank Group.

Market shares in the Netherlands

Rabobank Group offers a comprehensive package of financial products and services. Set forth below is information regarding Rabobank Group's shares in selected markets. The percentages of market share should be read as percentages of the relevant Dutch market as a whole.

Residential mortgages

As at 30 June 2016, Rabobank Group had a market share of 19.7 per cent. of the total amount of new home mortgages in the Dutch mortgage market by value (16.6 per cent. by local Rabobanks and 3.1 per cent. by Obvion; source: Dutch Land Registry Office (Kadaster)). Rabobank Group is the largest mortgage-lending institution in the Netherlands (measured by Rabobank's own surveys).

Saving deposits of individuals

As at 30 June 2016, Rabobank Group had a market share of 34.5 per cent. of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). Rabobank Group is one of the largest savings institutions in the Netherlands measured as a percentage of the amount of saving deposits (source: Statistics Netherlands). Of the total saving deposits in the Netherlands, 33.7 per cent. are held by the local Rabobanks and 0.8 per cent. are held by Robeco Direct's savings bank, Roparco.

Lending to small and medium-sized enterprises

As at 30 June 2016, Rabobank Group had a market share of 41 per cent. of domestic loans to the trade, industry and services sector (i.e., enterprises with a turnover of less than €250 million; measured by Rabobank Group's own surveys).

Agricultural loans

As at 31 December 2015, Rabobank Group had a market share of 84 per cent. of loans and advances made by banks to the Dutch primary agricultural sector (measured by Rabobank's own surveys).

Property, Plant and Equipment

Rabobank and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, Rabobank Group's investment portfolio includes investments in land and buildings. Rabobank believes that its facilities are adequate for its present needs in all material respects. The table below provides an overview of Rabobank Group's material owned facilities:

Location	Country	Owned / Rented	Encumbrances
Croeselaan 18 – 22, Utrecht	The Netherlands	Owned	None
Bloemmolen 2 – 4, Boxtel	The Netherlands	Owned	None

Insurance

On behalf of all entities of Rabobank Group, Rabobank has taken out a group policy that is customary for the financial industry. Rabobank is of the opinion that this insurance, which is banker's blanket and professional indemnity, is of an adequate level.

Legal and arbitration proceedings

General

Rabobank Group is active in a legal and regulatory environment that exposes it to substantial risk of litigation. As a result, Rabobank Group is involved in legal cases, arbitrations and regulatory proceedings in the Netherlands and in other countries, including the United States. The most relevant specific legal and regulatory claims which could give rise to liability on the part of Rabobank Group are described in the Rabobank Group unaudited condensed consolidated interim financial information, including the notes thereto, for the six-month period ended 30 June 2016, incorporated by reference into this Base Prospectus. If it appears necessary on the basis of the applicable reporting criteria, provisions are made based on current information; similar types of case are grouped together and some cases may also consist of a number of claims. The estimated loss for each individual case (for which it is possible to make a realistic estimate) is not reported, because Rabobank Group feels that information of this type could be detrimental to the outcome of individual cases.

When determining which of the claims is more likely than not (i.e., with a likelihood of over fifty per cent.) to lead to an outflow of funds, Rabobank Group takes several factors into account. These include (but are not limited to) the type of claim and the underlying facts; the procedural process and history of each case; rulings from legal and arbitration bodies; Rabobank Group's experience and that of third parties in similar cases (if known); previous settlement discussions; third-party settlements in similar cases (where known); available indemnities; and the advice and opinions of legal advisors and other experts.

The estimated potential losses, and the existing provisions, are based on the information available at the time and are for the main part subject to judgements and a number of different assumptions, variables and known and unknown uncertainties. These uncertainties may include the inaccuracy or incompleteness of the information available to Rabobank Group (especially in the early stages of a case). In addition, assumptions made by Rabobank Group about the future rulings of legal or other instances or the likely actions or attitudes of supervisory bodies or the parties opposing Rabobank Group may turn out to be incorrect. Furthermore, estimates of potential losses relating to the legal disputes are often impossible to process using statistical or other quantitative analysis instruments that are generally used to make judgements and estimates. They are then subject to a still greater level of uncertainly than many other areas where the group needs to make judgements and estimates.

The group of cases for which Rabobank Group determines that the risk of future outflows of funds is higher than fifty per cent. varies over time, as do the number of cases for which Rabobank can estimate the potential loss. In practice the end results could turn out considerably higher or lower than the estimates of potential losses in those cases where an estimate was made. Rabobank Group can also sustain losses from legal risks where the occurrence of a loss may not be probable, but is not improbable either, and for which no provisions have been recognised.

Rabobank Group may settle legal cases or regulatory proceedings or investigations before any fine is imposed or liability is determined. Reasons for settling could include (i) the wish to avoid costs and management effort at this level, (ii) to avoid other adverse business consequences and (iii) to pre-empt the regulatory or reputational consequences of continuing with disputes relating to liability, even if Rabobank Group believes it has good arguments in its defence. Rabobank Group may also opt to settle when it considers the potential consequences of losing a case to be disproportionate to the costs of a settlement. Furthermore, Rabobank Group may, for the same reasons, compensate third parties for their losses, even in situations where Rabobank Group does not believe that it is legally required to do so. Therefore, the legal cases described under ‘Legal and arbitration proceedings’ in Rabobank Group’s unaudited condensed consolidated interim financial information, including the notes thereto, for the six-month period ended 30 June 2016, incorporated by reference into this Base Prospectus, for which no provision was recognised are contingent liabilities.

Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Rabobank is aware), during the 12 months prior to the date of this Base Prospectus which may have, or have had in the past significant effects on Rabobank and Rabobank Group’s financial position or profitability are described under “Legal and arbitration proceedings” in Rabobank Group’s unaudited condensed consolidated interim financial information, including the notes thereto, for the six-month period ended 30 June 2016, incorporated by reference into this Base Prospectus.

RABOBANK GROUP STRUCTURE

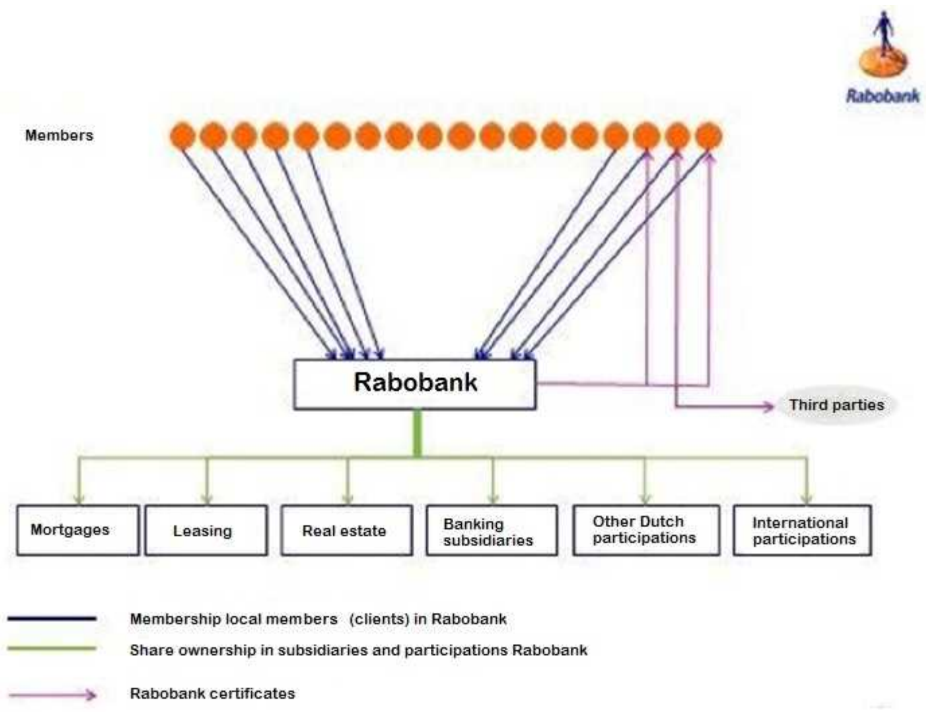
Rabobank Group is comprised of Rabobank as the top holding entity together with its subsidiaries in the Netherlands and abroad. Rabobank Group's cooperative core business is carried out by the local Rabobanks.

General

The central institution of Rabobank Group is Rabobank. Rabobank is a licensed bank, in the legal form of a cooperative with excluded liability (*coöperatie U.A.*). It was established under Dutch law. Rabobank uses amongst others the trade names Rabobank Nederland and Rabobank.

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. For further information regarding the governance of Rabobank Group, see "—Member influence within Rabobank Group" below and "Governance of Rabobank Group".

Rabobank was formed as a result of the merger of the Coöperatieve Centrale Raiffeisenbank B.A. and the Coöperatieve Centrale Boerenleenbank, the two largest banking cooperative entities in the Netherlands. It was established with unlimited duration on 22 December 1970. The corporate seat of Rabobank is in Amsterdam, the Netherlands, and its registered office is at Croeselaan 18, 3521 CB Utrecht, the Netherlands (telephone number: +31 (0) 30 216 00 00). Rabobank is registered in the Commercial Register of the Chamber of Commerce (handelsregister van de Kamer van Koophandel under number 30046259. On 1 January 2016, a legal merger became effective between Rabobank and all former 105 local Rabobanks in the Netherlands, which were the members of Rabobank. Rabobank is the surviving entity. See "—Member influence within Rabobank Group" below for the governance structure.



Rabobank Group structure

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, 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. 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.

For the avoidance of doubt, the cross guarantee scheme does not apply to the Notes.

Corporate purpose

The objective of a cooperative is to provide for certain material needs of its members by whom it is effectively owned and controlled. Pursuant to Article 3 of the Rabobank Articles, the corporate object of Rabobank is to promote the interests of its members and to do so by:

(i) conducting a banking business, providing other financial services, and, in that context, concluding agreements with its members;

(ii) 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;

(iii) contributing to society, including promoting economic and social initiatives and developments; and

(iv) performing any activities which are incidental to or may be conducive to this object.

Rabobank is furthermore authorised to extend its activities to parties other than its members.

Member influence within Rabobank Group

As a cooperative, Rabobank has members, not shareholders. Customers of Rabobank in the Netherlands have the opportunity to become members of Rabobank. As at the date of this Base Prospectus, Rabobank has approximately 2 million members. Rabobank is a cooperative with excluded liability. Members do not make capital contributions to Rabobank and do not have claims on the equity of Rabobank. The members do not have any obligations and are not liable for the obligations of Rabobank.

Rabobank is a decentralised organisation with decision making powers at both a local and central level.

The members of Rabobank are organised, based on, amongst other things, geographical criteria into about 100 Departments. Each local bank is linked to a Department. Within each Department, members are organised into delegates’ election assemblies. These assemblies elect the members of the local members’ councils.

The local members’ councils consist of 30 to 50 members and have a basis in the local bank rules. Local members’ councils report to, and act as sparring partner of, the management team of the local bank on the quality of services and the contribution on social and sustainable development of the local environment. These councils have a number of formal tasks and responsibilities. One of the powers of the local members' council is appointment, suspension and dismissal of the local supervisory body, including its chairman.

The local supervisory body consists of three to seven members and is part of the Department. It is a corporate body with a basis in the local bank rules and has various tasks and responsibilities, including a supervisory role on the level of the local bank. As part of that role, the Executive Board has granted the local supervisory body a number of powers in respect of material decisions of the management team chairman. The local supervisory body monitors the execution by the management team chairman of the local strategy. The local supervisory body also exercises the functional employer's role in relation to the management team chairman of the local bank. The local supervisory body is accountable to the local members' council.

Regional assemblies are not formal corporate bodies in the Rabobank governance. These assemblies are important for the preparation for the General Members' Council of Rabobank. The assemblies are consultative bodies where the chairmen of the supervisory bodies and the management chairmen of the local banks meet to discuss.

The members of the local supervisory body have to be members of Rabobank. Every chairman of a local supervisory body represents the members of its Department in the General Members' Council of Rabobank. This council is the highest decision making body in the Rabobank governance. Although the chairmen of the local supervisory bodies participate in the General Members' Council of Rabobank without instruction and consultation, they will also take the local points of view into account. The General Members' Council of Rabobank has a focus on strategy, identity, budget and financial results and has powers on these matters. On behalf of the members, the General Members' Council of Rabobank safeguards continuity as well as acts as the custodian of collective values. The General Members' Council of Rabobank has three permanent committees: the urgency affairs committee, the coordination committee and the committee on confidential matters.

The members of the Supervisory Board of Rabobank are appointed by the General Members' Council of Rabobank. Two thirds of the number of members of the Supervisory Board must be members of Rabobank. The Supervisory Board performs the supervisory role and is accountable to the General Members' Council of Rabobank. In this respect, the Supervisory Board monitors compliance with laws and regulations and inter alia achievement of Rabobanks' objectives and strategy. The Supervisory Board has the power to approve material decisions of the Executive Board. The Supervisory Board also has an advisory role in respect to the Executive Board. The Supervisory Board has several committees, inter alia a risk committee and an audit committee, that perform preparatory and advisory work for the Supervisory Board. For further information regarding the Supervisory Board, see "Governance of Rabobank Group".

The local business is organised through about 100 local banks. These local banks are not separate legal entities but are part of the legal entity Rabobank. To preserve local orientation and local entrepreneurship as distinguishing features of Rabobank, the executive board has granted the management team chairmen of the local banks a number of authorisations. Consequently, these chairmen are able to perform their tasks locally and to take responsibility for their designated local bank. The management team chairmen have additional responsibilities for the Department that is connected with the local bank.

The Executive Board of Rabobank is responsible for the management of Rabobank including the local banks and, indirectly, its affiliated entities. The Executive Board has the ultimate responsibility for defining and achieving the targets, strategic policy and associated risk profile, financial results and corporate social responsibility aspects. In addition, the Executive Board is in charge of Rabobank Groups' compliance with relevant laws and regulations. Rabobank, represented by the Executive Board, is the hierarchical employer of the management team chairmen of the local banks. The Executive Board members are appointed by the Supervisory Board and are accountable to the Supervisory Board and the

General Members' Council of Rabobank. For further information regarding the Executive Board, see "Governance of Rabobank Group".

The directors' conference has a basis in the articles of association but is not a decision-making body. It is a preparatory, informative and advisory meeting for proposals and policies concerning the business of the local banks. The Executive Board, management team chairmen of the local banks and directors of local banks participate in this meeting.

Employee Influence within Rabobank Group

Rabobank Group 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 Dutch business of Rabobank are handled by the works council (ondernemingsraad) of Rabobank (the "**Works Council**"). (Local) issues concerning the business of one, two or three local banks are handled by the local work(s) council(s). Issues concerning a subsidiary are handled by the works council of that subsidiary. Rabobank has also installed a European works council for issues concerning the businesses that operate in more than one EU member state.

Material Subsidiaries or other interests

Rabobank also conducts business through separate legal entities, not only in the Netherlands but also worldwide. Rabobank is the (ultimate) shareholder of about 700 subsidiaries and participations.

These subsidiaries 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 approximately 25 of its Dutch subsidiaries under Section 2:403 DCC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis should be read in conjunction with the rest of the Base Prospectus, including the information set forth in "Selected Financial Information" and the Audited Consolidated Financial Statements and the notes thereto of Rabobank Group, and in conjunction with the Unaudited Condensed Consolidated Interim Financial Information of Rabobank Group and the independent auditors' review report thereto, all of which are incorporated by reference into this Base Prospectus.

Certain figures for Rabobank Group at and for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 included in the following discussion and analysis have been restated as a result of changes in accounting policies and presentation. The restated figures for the year ended 31 December 2015 have been derived from the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016. The restated figures for the year ended 31 December 2014 have been derived from the audited consolidated financial statements for the year ended 31 December 2015, and the restated figures for the year ended 31 December 2013 have been derived from the audited consolidated financial statements for the year ended 31 December 2014. See "Change in accounting policies and presentation" below for further information. The Audited Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the DCC. The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34 'Interim financial reporting', as adopted by the European Union.

The financial data in the (sub) paragraphs in this chapter marked with an asterisk (*) has not been directly extracted from the Audited Consolidated Financial Statements but instead is derived from the Unaudited Condensed Consolidated Interim Financial Information, the interim or annual reports or the accounting records of Rabobank.

Business overview*

Rabobank Group is an international financial services provider operating on the basis of cooperative principles. Rabobank Group comprises Rabobank and its subsidiaries. Rabobank is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank Group operates in approximately 40 countries. Its operations include domestic retail banking, wholesale banking and international rural and retail banking, leasing and real estate. It serves approximately 8.6 million clients around the world. In the Netherlands, its focus is on maintaining Rabobank Group's position in the Dutch market and, internationally, on food and agriculture. Rabobank Group believes that its entities have strong interrelationships due to Rabobank Group's cooperative structure.

Rabobank Group's cooperative core business is carried out by the local Rabobanks. With approximately 400 branches and 2,000 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 6.5 million retail clients, and approximately 800,000 corporate clients, offering a comprehensive package of financial services. Clients can become members of Rabobank.

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group 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 programme, Rabobank Group 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. Rabobank Group provides an integrated range of financial services comprising primarily domestic retail banking, wholesale banking and international rural and retail banking, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers.

As at 30 June 2016, Rabobank Group had total assets of €686.6 billion, a private sector loan portfolio of €427.3 billion, amounts due to customers of €342.9 billion (of which savings deposits total €139.4 billion) and equity of €40.8 billion. Of the private sector loan portfolio, €204.3 billion, virtually all of which were mortgages, consisted of loans to private individuals, €124.8 billion of loans to the trade, industry and services sector and €98.2 billion of loans to the food and agriculture sector. As at 30 June 2016, its CET1 Ratio, which is the ratio between Common Equity Tier 1 Capital and total risk-weighted assets, was 13.4 per cent. and its capital ratio, which is the ratio between qualifying capital and total risk-weighted assets, was 23.5 per cent. For the six-month period ended 30 June 2016, Rabobank Group's cost/income ratio, which is the ratio between total operating expenses (regulatory levies excluded) and total income, was 73.7 per cent. The cost/income ratio is a financial measure of how efficiently Rabobank is being run. For the six-month period ended 30 June 2016, Rabobank Group realised a net profit of €924 million. As at 30 June 2016, Rabobank Group employed 49,971 employees (internal and external FTEs).

The ROIC is a profitability measure and is calculated by dividing net profit realised after non-controlling interests by the core capital (actual Tier 1 capital plus the goodwill in the balance sheet at the end of the reporting period) minus deductions for non-controlling interests in Rabobank's equity. For the six-month period ended 30 June 2016, Rabobank's ROIC was 5.0 per cent. As at 31 December 2015, it was 6.0 per cent. and at 30 June 2015 it was 8.3 per cent.

For the six-month period ended 30 June 2016, Rabobank's return on Tier 1 capital was 5.3 per cent. As at 31 December 2015, it was 6.5 per cent. and at 30 June 2015 it was 9.0 per cent.

Material Factors Affecting Results of Operations

*General market conditions**

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and exchange rates, and increased competition. Competition for mortgages and savings is likely to continue in 2016.

In 2015, 68 per cent. of Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food and agri, have historically been impacted by business cycles only in a limited way.

Although Rabobank Group expects that the foregoing factors will continue to affect its consolidated results of operations, it believes that the impact of any one of these factors is mitigated by its high level of product diversification. However, a protracted economic downturn in the Netherlands or Rabobank Group's other major markets could have a material negative impact on its results of operations. See "Risk Factors — Factors that may affect the Issuer's ability to fulfil its obligations under Notes issued under the Programme — Business and general economic conditions".

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect Rabobank Group's results. For example, a low interest rate environment could adversely affect Rabobank Group's results, as due to the structure of its balance sheet, Rabobank has a significant level of non- and low-interest-bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Although interest rates may start an upward trend if, among other things, the European sovereign debt crisis is resolved, Rabobank expects that the relatively low interest rate environment that it has faced in the recent past is likely to continue in the second half of 2016 and in 2017, with a corresponding impact on Rabobank Group's results.

Critical accounting policies

The accounting policies that are most critical to Rabobank Group's business operations and the understanding of its results are identified below. In each case, the application of these policies requires Rabobank to make complex judgements based on information and financial data that may change in future periods, the results of which can have a significant effect on Rabobank Group's results of operations. As a result, determinations regarding these items necessarily involve the use of assumptions and judgements as to future events and are subject to change. Different assumptions or judgements could lead to materially different results. See the notes to the Audited Consolidated Financial Statements incorporated by reference into this Base Prospectus for additional discussion of the application of Rabobank Group's accounting policies.

Loan impairment charges

Rabobank regularly assesses the adequacy of the loan impairment allowance by performing ongoing evaluations of the loan portfolio. Rabobank's policies and procedures to measure impairment are IFRS compliant. Rabobank considers a loan to be impaired when, based on current information and events, it is likely that Rabobank will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

The loan impairment allowance consists of three components:

- *Specific allowance:* For individual impaired loans a specific allowance is determined. The size of the specific allowance is the difference between the carrying amount and the recoverable amount, which is the present value of the expected cash flows, including amounts recoverable under guarantees, collateral and unencumbered assets, discounted at the original effective interest rate of the loans. If a loan is not collectible it is written-off from the allowance. Specific provisioning for every change that impacts the statement of income by €7.5 million or more is dealt with by the Provisioning Committee.

- *Collective allowance:* In addition to the assessment of individual loans, a collective assessment is made with respect to retail expenses that are not subject to a specific allowance. In these cases the collective assessment is made based on homogenous groups of loans with a similar risk profile with the purpose of identifying the need to recognise an allowance for loan losses.

- *IBNR (Incurred But Not Reported):* For exposures in the portfolio that are impaired, but not yet recognised as such (i.e. incurred but not reported) a general allowance is taken. This allowance is taken because there is always a mismatch period between an event causing a default of a client and the moment the bank becomes aware of the default. The allowance will be determined based on Expected Loss data generated by the Economic Capital models.

The impairment amount thus determined is recorded in the profit and loss account as a loan impairment charge with the corresponding credit posted as an allowance against the loan balance in the balance sheet.

Trading activities

Rabobank's trading portfolio is carried at fair value based on market prices or model prices if the market prices are not available. The market value of financial instruments in Rabobank Group's trading portfolio is generally based on listed market prices or broker-dealer price quotations. If prices are not readily determinable, fair value is based on valuation models. The fair value of certain financial instruments, including OTC derivative instruments, are valued using valuations models that consider, among other factors, contractual and market prices, correlations, time value, credit, yield curve volatility factors or prepayment rates of the underlying positions.

Change in accounting policies and presentation

As a result of changes in accounting policies and presentation, certain figures for Rabobank Group for the year ended 31 December 2015, 31 December 2014 and 31 December 2013 in this Base Prospectus have been restated. Rabobank has changed its accounting policy for the netting of cash pooling arrangements due to an agenda decision of the IFRS Interpretations Committee in March 2016. This change in accounting policy is accounted for retrospectively in the unaudited consolidated interim financial information for the six-month period ended 30 June 2016 by reversing the netting that took place in 2015. In 2016 the netting procedures have been adjusted resulting in the netting of cash pools per June 2016. For some tables in this chapter the comparable cash pool balances in total assets, loans and advances to customers and due to customers in 2015 are still presented on a net basis. When this applies, this is indicated by 'non-restated for the netting of cash pooling arrangements' above the table. Furthermore, as a result of an adjustment in the opening balance of equity, certain figures for Rabobank Group for the year ended 31 December 2015 have been restated. The capital ratios were not adjusted for this equity change. See Rabobank Group's audited consolidated financial statements for the year ended 31 December 2015 and 31 December 2014, under note 2.1, "Changes in accounting policies and presentation as a result of new guidelines", and the Rabobank Group unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016, under the section "Other changes in accounting principles and presentation". Where the six-month period ended 30 June 2016 is compared with the six-month period ended 30 June 2015 and where the six-month period ended 30 June 2016 is compared with the year ended 31 December 2015, the restated figures for 2015 are discussed. Where the year ended 31 December 2015 is compared with the year ended 31 December 2014, the restated figures for 2014 are discussed and where the year ended 31 December 2014 is compared with the year ended 31 December 2013, the restated figures for 2013 and 2014 are discussed.

Below is a comparison of the 'Total assets', 'Loans and advances to customers', 'Amounts due to customers', 'Current tax liabilities', 'Reserves and retained earnings' and 'Total equity' line items on 31 December 2015 and 30 June 2015 as stated in the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016 and as stated in the audited consolidated financial statements for the year ended 31 December 2015.

(in millions of euro)	**31 December 2015 figures included in unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016**	**31 December 2015 figures included in consolidated financial statements for the year ended 31 December 2015**	**Restatement**	**In %**
Total assets	678,554	670,373	8,181[(1)]	1.2%
Loans and advances to customers	466,799	458,618	8,181[(1)]	1.8%
Amounts due to customers	345,884	337,593	8,291[(1)]	2.5%
Current tax liabilities	203	230	(27)[(2)]	(11.7)%
Reserves and retained earnings	25,623	25,706	(83)[(2)]	(0.3)%
Total equity	41,197	41,280	(83)[(2)]	(0.2)%

(in millions of euro)	**30 June 2015 figures included in unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016**	**30 June 2015 figures included in unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2015**	**Restatement**	**In %**
Total assets	685,089	674,844	10,245[(1)]	1.5%
Loans and advances to customers	477,454	467,209	10,245[(1)]	2.2%
Amounts due to customers	338,514	328,159	10,355[(1)]	3.2%
Current tax liabilities	131	158	(27)[(2)]	(17.1)%
Reserves and retained earnings	25,676	25,759	(83)[(2)]	(0.3)%
Total equity	41,319	41,402	(83)[(2)]	(0.2)%

Notes:

(1) In April 2016, an Agenda Rejection Notice was published by the IFRS Interpretations Committee on balance sheet offsetting of notional cash pooling products. As a result of the Agenda Rejection Note, which applied from 6 April 2016, Rabobank has changed its accounting policy and therefore as a result performs physical transfers of cash balances of clients into a single netting account on a near to the period end basis to evidence the intention to settle net. This change in accounting policy is accounting policy is accounted for retrospectively and the netting procedures have been adjusted in 2016 resulting in the netting of cash pools at June 2016 for an amount of €8,320 million. The comparable figures have been adjusted by reversing the netting that took place in 2015. The 'Loans and advances to customers' and 'Due to customers' line items have been increased by €8,291 million at December 2015 and €10,355 million at June 2015. As a result, 'Total assets' also increased by these respective amounts. Separately, 'Total assets' and 'Loans and advances to customers' were decreased by €110 million as result of the overstatement of receivables.

(2) Receivables were overstated by €110 million. This amount has been reported as income in years prior to 2013. In accordance with IAS 8, the opening balance of equity as per 1 January 2015 has been adjusted retrospectively from €24,894 million to €24,811 million. The 'Loans and advances to customers' line item decreased by €110 million and the 'Current tax liabilities' line item decreased by €27 million at June 2015 and December 2015.

Results of operations

The following table sets forth certain summarised financial information for Rabobank Group for the periods indicated:

	Six-month period ended 30 June*		Year ended 31 December		
(in millions of euro)	2016	2015 (restated)	2015	2014 (restated)	2013 (restated)
Net interest income	4,375	4,482	9,139	9,118	9,095
Net fee and commission income	982	962	1,892	1,879	2,001
Other income[(1)]	446	1,483	1,983	1,892	1,976
Total income	5,803	6,927	13,014	12,889	13,072
Staff costs	2,264	2,407	4,786	5,086	5,322
Other administrative expenses	1,803	1,214	2,916	2,532	3,910
Depreciation	209	212	443	437	528
Total operating expenses	4,276	3,834	8,145	8,055	9,760
Gross result	1,527	3,093	4,869	4,834	3,312
Impairment losses on goodwill[(1)]	0	600	623	32	42
Loan impairment charges	148	356	1,033	2,633	2,643
Regulatory levies	246	121	344	488	197
Operating profit before tax	1,133	2,017	2,869	1,681	430
Income tax	209	495	655	(161)	88
Net profit from continuing operations	924	1,522	2,214	1,842	342
Net profit from discontinued operations	0	0	0	0	1,665
Net profit	924	1,522	2,214	1,842	2,007

Note:

(1) On 31 December 2015, the presentation of the impairment of goodwill in the profit and loss account has changed from 'Other income' to 'Impairment losses on goodwill'. Comparative figures for the six-month period ended 30 June 2015 and for the years ended 31 December 2014 and 2013 have been adjusted accordingly.

Comparison results of operations for the six-month periods ended 30 June 2016 and 30 June 2015*

Total income. Rabobank Group's total income decreased by €1,124 million in the first half of 2016 to €5,803 million compared to €6,927 million in the first half of 2015. The decrease was mainly due to a decrease in other income.

Net interest income. Net interest income decreased by €107 million to €4,375 million in the first half of 2016 compared to €4,482 million in the first half of 2015. For domestic retail banking a lower net interest income was caused by a lower average loan portfolio at local Rabobanks, and lower margins on payment accounts compared to the same period last year. At wholesale banking and international rural and retail banking, net interest income decreased in the first half of 2016, impacted by lower results within the treasury area. Net interest income at DLL was stable and at FGH Bank the decrease in the loan portfolio resulted in lower net interest income in the real estate segment.

Net fee and commission income. Net fee and commission income increased by €20 million to €982 million in the first half of 2016 compared to €962 million in the first half of 2015. At the local Rabobanks, commission on payment services increased. At Wholesale, Rural & Retail ("**WRR**"), net fee and commission income increased in line with the strategy of more fee generating business and as a result of growth of the loan portfolio. Also at DLL, the growth of the loan portfolio resulted in higher net fee and commission income.

Other income. Other income decreased €1,037 million in the first half of 2016 to €446 million compared to €1,483 million in the first half of 2015. The gross result on hedge accounting and structured notes decreased by €752 million compared to the same period of 2015. Hedge accounting can be applied under IFRS in order to mitigate profit and loss volatility in the consolidated statement of income. IFRS does not allow the designation of hedge accounting relationships for all types of economic hedges. As a result of these imperfections and restrictions in the application of hedge accounting, even when the risk is economically hedged, volatility in profit and loss cannot be completely prevented by applying hedge accounting. Volatility in profit and loss is caused by valuation and classification differences between available-for-sale assets measured at fair value, loans granted and issued debt measured at amortised cost on the one hand, and related hedging derivatives measured at fair value through profit and loss on the other. Structured notes are issued notes with optionality and/or other embedded derivatives which are mainly linked to interest rates, inflation and equity, or have a callable feature and are issued in a wide range of currencies. Because of the embedded derivatives, fair value accounting is applied to these notes. Under IFRS the fair value must include the impact of changes in the own credit risk. Although all structured elements are hedged, movements in Rabobank's own credit spread can still lead to a profit or loss. Despite gains on several newly-issued notes, a net loss was reported for structured notes in the first half of 2016, which was mostly driven by a steep drop in interest rates spurred by the United Kingdom's vote to leave the European Union and a tightening of Rabobank's own credit spread. This stood in contrast to the first half of 2015, when a widening of the credit spreads driven by the Greek turmoil resulted in a net gain. Furthermore, at WRR other income was particularly high in the first half of 2015 as a result of positive revaluations in the private equity portfolio and the sale of most of Rabobank's interest in Agricultural Bank of China. Other income at WRR decreased to regular levels in the first half of 2016. Finally, the results from Rabobank's participation in Achmea declined in the first half of 2016 due to extreme weather events and higher healthcare expenses.

Total operating expenses. Rabobank Group's total operating expenses increased €442 million in the first half of 2016 to €4,276 million compared to €3,834 million in the first half of 2015, in particular due to an increase in other administrative expenses.

Staff costs. Staff costs decreased €143 million to €2,264 million in the first half of 2016 compared to €2,407 million in the first half of 2015. The total number of employees (including external hires) at Rabobank Group decreased in the first half of 2016 by 1,888 FTEs to 49,971 FTEs, compared to 51,859

FTEs in the first half of 2015. The largest reduction in staff numbers was at the local Rabobanks. In addition, fringe benefits were reduced.

Other administrative expenses. Other administrative expenses increased by €589 million to €1,803 million in the first half of 2016 compared to €1,214 million in the first half of 2015. Restructuring costs amounted to €190 million in the first half of 2016, compared to €26 million in the first half of 2015. These were mainly due to redundancies at local Rabobanks, Rabobank Nederland and, to a lesser extent, FGH Bank. Furthermore, as discussed below, an additional provision was made in the first half of 2016 after Rabobank adopted the Recovery Framework.

Approximately 9,000 of Rabobank's 800,000 SME customers had one or more interest rate derivatives in place between 1 April 2011 and 1 April 2014. During 2014 and 2015, these interest rate derivatives were subject to a reassessment process. The reassessment on a case by case basis was close to being finalised in December 2015, in accordance with an agreement with the AFM. In December 2015, however, Rabobank and others received notice that, according to the AFM, the interest rate derivatives reassessment conducted by Rabobank had been insufficient and that the AFM had identified flaws in its own scrutiny of reassessments. In the first two months of 2016, Rabobank consulted with the AFM in order to reach an appropriate solution. In March 2016, the Minister of Finance in the Netherlands appointed an independent committee (the Dutch Derivatives Committee), which published its advice and uniform Recovery Framework on 5 July 2016. Rabobank's decision to adopt the Recovery Framework, which was announced on 7 July 2016, resulted in Rabobank taking an additional provision of €514 million in other administrative expenses in the first half of 2016, compared to zero in the first half of 2015.

Depreciation. Depreciation was down by €3 million to €209 million in the first half of 2016 compared to €212 million in the first half of 2015 as a result of lower depreciation on intangible assets.

Loan impairment charges. Loan impairment charges were down €208 million to €148 million in the first half of 2016, compared to €356 million in the first half of 2015. The main reason for this decrease is the recovery of the Dutch economy which resulted in fewer new defaults. Other factors contributing to this positive development include the recovery of existing defaults, foreclosures at better than anticipated collateral values as well as adequate existing allowances. Expressed in basis points of the average loan portfolio, the loan impairment charges amounted to 7 basis points in the first half of 2016, compared to 16 basis points in the first half of 2015. Loan impairment charges are well below the long-term average (2006-2015) of 36 basis points.

Regulatory levies. Regulatory levies led to an expense item for Rabobank Group of €246 million in the first half of 2016, compared to €121 million in the first half of 2015. The increase in the contribution to the resolution fund and Rabobank's inaugural contribution to the Deposit Guarantee Scheme affected net profit negatively.

Income tax. The recognised tax expense was €209 million in the first six months of 2016 compared to €495 million in the first half of 2015, which corresponds to an effective tax burden of 18 per cent. in the first half of 2016 compared to 25 per cent. in the first half of 2015. In the first half of 2015 the tax burden was relatively high as result of the goodwill impairment for Rabobank National Association ("**RNA**").

Net profit. Net profit decreased by 39 per cent. to €924 million in the first half of 2016 compared to €1,522 million in the first half of 2015. The decrease in net profit was primarily the result of the decrease in other income. Also contributing were higher administrative expenses due to the additional provision for adopting the Recovery Framework and higher restructuring costs.

Comparison results of operations for the years ended 31 December 2015 and 31 December 2014

Total income. Rabobank Group's total income increased by €125 million in 2015 to €13,014 million compared to €12,889 million in 2014. The increase was mainly due to an increase in other income.

Net interest income. Net interest income rose by €21 million to €9,139 million in 2015 compared to €9,118 million in 2014. Net interest income at the local Rabobanks decreased because of the contracting loan portfolio and reduced margins on new mortgages. Net interest income at WRR decreased in 2015 because there was no longer a contribution from Bank BGZ. Net interest income at DLL increased because of growth in the lease portfolio and an improved interest margin. Net interest income from the real estate segment was influenced by improved margins on new loans and extensions.

Net fee and commission income. Net fee and commission income increased by €13 million to €1,892 million in 2015 compared to €1,879 million in 2014. Payments fees increased at the local Rabobanks. Net fee and commission income also increased at DLL as a result of growth in the loan portfolio. The rise was tempered by the fall in net fee and commission income from WRR as a result of the sale of Bank BGZ in 2014.

Other income. Other income rose by €91 million in 2015 to €1,983 million compared to €1,892 million in 2014. Other income was positively influenced in a total amount of €276 million in 2015 by the results on the fair value of issued debt instruments (structured notes) and hedge accounting compared to €2 million in 2014. The results from Rabobank's share in Achmea also improved. In 2015, the sale of Rabobank's 9 per cent. interest in United Rural Cooperative bank of Hangzhou China positively contributed to other income, as did the phasing out of illiquid assets and the sale of Bank BGZ in 2014.

Total operating expenses. Rabobank Group's total operating expenses were up by €90 million in 2015 to €8,145 million compared to €8,055 million in 2014, mainly due to an increase in other administrative expenses.

Staff costs. Staff costs fell by €300 million to €4,786 million in 2015 compared to €5,086 million in 2014. The number of employees at Rabobank Group declined by 2,054 FTE in 2015 to 51,859 FTE compared to 53,912 FTE in 2014. The decrease was greatest at the local Rabobanks and at WRR.

Other administrative expenses. Other administrative expenses increased by €384 million to €2,916 million in 2015 compared to €2,532 million in 2014. Domestic retail banking saw an increase in other administrative expenses due to higher contributions to provisions for reorganisation and legal costs. In 2014, other administrative expenses fell by €193 million due to the partial release of a provision previously created for DSB Bank. The remaining €30 million of this provision was released in 2015.

Depreciation. Depreciation was up by €6 million to €443 million in 2015 compared to €437 million in 2014 due to higher amortisation of equipment, software and intangible fixed assets.

Impairment losses on goodwill. Impairment losses on goodwill were up €591 million to €623 million in 2015, compared to €32 million in 2014. Of this sum, €604 million concerned the goodwill impairment for RNA in the United States. The loan portfolio of RNA developed less favourably than expected in 2015. Also, the development of costs and stricter capital requirements led to a deterioration in the outlook for RNA during 2015. Both elements, combined with recent closings of some divisions, gave rise to the adjustment of, among other things, the growth parameters within the impairment test on goodwill.

Loan impairment charges. Loan impairment charges were down €1,600 million at Group level, declining to €1,033 million in 2015 compared to €2,633 million in 2014. At 24 basis points of average lending in 2015 compared to 60 basis points in 2014, loan impairment charges were 12 basis points below the long-term average of 36 basis points (based on the period from 2005 to 2014). Various sectors benefited from the economic growth and the accompanying higher consumer spending and exports. Incidental events and one-off adjustments also caused a reduction in the loan impairment charges posted by Rabobank divisions. Despite the structural problems in commercial real estate, greenhouse horticulture and shipping, loan impairment charges remained limited in these areas as well. Loan impairment charges also fell at DLL. WRR was the only area where loan impairment charges increased – in part due to delayed cyclical effects.

Regulatory levies. The regulatory levies led to an expense item for Rabobank Group of €344 million in 2015, compared to €488 million in 2014, the resolution levy had an adverse effect on Rabobank Group's results of operations.

Income tax. The recognised tax expense was €655 million in 2015 compared to minus €161 million in 2014, which corresponds to an effective tax rate of 23 per cent. in 2015 compared to minus 10 per cent. in 2014. The low tax rate in 2014 was mainly due to deferred tax assets as a result of the past losses incurred at ACC Loan Management.

Net profit. Net profit increased by 20 per cent. to €2,214 million in 2015 compared to €1,842 million in 2014. The decrease in the loan impairment charges by €1,600 million to €1,033 million compared to €2,633 million in 2014 contributed significantly to the increased result, offset by the goodwill impairment for RNA in the amount of €604 million and the €172 million contribution to the resolution fund. Furthermore, the resolution levy of €321 million reduced the result in 2014 because of the nationalisation of SNS Reaal. Unlike the resolution levy, the contribution to the national resolution fund is not a one-off payment.

Comparison results of operations for the years ended 31 December 2014 and 31 December 2013

Total income. Rabobank Group's total income decreased 1 per cent. in 2014, falling to €12,889 million compared to €13,072 million in 2013. The decrease was mainly due to a decrease in commission income resulting from lower commission profit on insurance and investments products at the domestic retail banking business.

Net interest income. Net interest income rose by €23 million to €9,118 million in 2014 compared to €9,095 million in 2013. Interest profit in the domestic retail banking business rose due to a modest restoration of the margin on savings. This increase was partly offset by the decline in interest profit at the wholesale banking and international rural and retail banking business, which was partly due to the sale of Bank BGZ.

Net fee and commission income. Net fee and commission income fell by €122 million to €1,879 million in 2014 compared to €2,001 million in 2013, mainly due to lower commission profit on insurance and investment products at the domestic retail banking business.

Other income. In 2013, other income was affected by impairments on land holdings and negative revaluations of real estate. The result on hedge accounting improved in 2014 due to the development in the yield curve. On the other hand, the result on structured notes was down due to a narrowing of the credit spread. Moreover and in 2013 only, pension income arising from the transition to a new pension scheme was recognised under other income. On balance, other income was down €84 million in 2014 at €1,892 million compared to €1,976 million in 2013.

Total operating expenses. Rabobank Group's total operating expenses were down by 17 per cent. in 2014 to €8,055 million compared to €9,760 million in 2013, mainly due to a decrease in other administrative expenses. This decrease is related to the settlement in 2013 following the LIBOR investigations.

Staff costs. Staff costs fell by €236 million to €5,086 million in 2014 compared to €5,322 million in 2013. The number of employees at Rabobank Group declined by 15 per cent. or 8,616 FTEs in 2014 to 48,254 FTE compared to 56,870 FTE in 2013. 5,276 FTE of the decline was due to the sale of Bank BGZ. The workforce at the local Rabobanks also declined further due to the implementation of Vision 2016 Programme.

Other administrative expenses. Other administrative expenses declined by €1,378 million to €2,532 million in 2014 compared to €3,910 million in 2013. In 2013, the settlement amount of €774 million following the LIBOR investigations was recognised under other administrative expenses.

Reorganisation expenses were also lower in 2014 at both the local Rabobanks and at Rabo Vastgoedgroep. Furthermore, in 2014 Rabobank released a part of the provision made in connection with the bankruptcy of DSB Bank N.V. This release also contributed to the lower administrative expenses.

Depreciation. Depreciation fell by €91 million to €437 million in 2014 compared to €528 million in 2013 due in part to the sale of Bank BGZ.

Impairment losses on goodwill. Impairment losses on goodwill were down €10 million to €32 million in 2014, compared to €42 million in 2013.

Loan impairment charges. Loan impairment charges were down €10 million at Group level, declining to €2,633 million in 2014 compared to €2,643 million in 2013. At 60 basis points of average lending in 2014 compared to 59 basis points in 2013, loan impairment charges were 28 basis points above the long-term average of 32 basis points (based on the period from 2004 to 2013). The asset quality review led to an expense of €448 million. This expense was mainly expressed in the figures for the domestic retail banking business (the local Rabobanks) and in the figures for Rabo Vastgoedgroep (FGH Bank). At the local Rabobanks, sectors such as manufacturing and wholesale benefited from the increase in exports. Other sectors such as commercial real estate and greenhouse horticulture continued to experience difficulties in 2014. The loan impairment charges at the domestic retail banking business rose slightly on balance. At WRR, loan impairment charges at Rural & Retail declined, mainly due to lower loan impairment charges at ACC Loan Management. Loan impairment charges also declined at DLL. Loan impairment charges on commercial real estate at Rabo Vastgoedgroep remained at a high level in 2014 and were higher than in 2013.

Regulatory levies. The bank tax expense and the resolution levy led to an expense item for Rabobank Group of €488 million in 2014, compared to €197 million in 2013. The increase was the result of the resolution levy, which had an adverse effect on Rabobank Group's results of operations in 2014.

Income tax. The recognised tax expense was minus €161 million in 2014 compared to €88 million in 2013, which corresponds to an effective tax rate of minus 9.6 per cent. in 2014 compared to 20.5 per cent. in 2013. The low tax rate in 2014 was mainly due to deferred tax assets as a result of the past losses incurred at ACC Loan Management.

Net profit. Net profit decreased by 8 per cent. to €1,842 million in 2014 compared to €2,007 million in 2013. The result in 2014 was negatively affected by €321 million as a result of the resolution levy, a non-recurring levy by the government on the Dutch banking sector in connection with the nationalisation of SNS Reaal. There were also positive effects on the result in 2013, notably due to the sale of Robeco Groep N.V. ("**Robeco**"). Without these non-recurring items, there was a strong improvement in the result. The net profit from continuing operations, which does not account for the profit from discontinued operations such as the sale of Robeco in 2013, was up €1,500 million, increasing to €1,842 million in 2014 compared to €342 million in 2013.

Segment Discussion

Domestic retail banking

The following table sets forth certain summarised financial information for Rabobank Group's domestic retail banking business for the periods indicated:

(in millions of euro)	**Six-month period ended 30 June*** 2016	2015 (restated)	**Year ended 31 December** 2015	2014 (restated)	2013
Net interest income	2,807	2,827	5,661	5,783	5,605
Net fee and commission income	688	681	1,371	1,318	1,319
Other income[(1)]	47	9	18	131	616
Total income	3,542	3,517	7,050	7,232	7,540
Staff costs	980	1,063	2,134	2,302	2,463
Other administrative expenses	1,684	1,064	2,520	2,233	2,408
Depreciation	55	59	116	127	144
Total operating expenses	2,719	2,186	4,770	4,662	5,015
Gross result	823	1,331	2,280	2,570	2,525
Loan impairment charges	8	(6)	343	1,422	1,384
Regulatory levies	137	63	171	354	90
Operating profit before tax	678	1,274	1,766	794	1,051
Income tax	176	333	445	261	270
Net profit	502	941	1,321	533	781

Note:

(1) For the six-month period ended 30 June 2015, the €132 million dividend that was disbursed to the local Rabobanks is no longer included under 'Other income' of domestic retail banking. This restatement has no impact on the net profit of Rabobank Group.

*Comparison results of domestic retail banking for the six-month periods ended 30 June 2016 and 30 June 2015**

Total income. Domestic retail banking total income increased by 1 per cent., to €3,542 million in the first half of 2016, compared to €3,517 million in the first half of 2015 mainly due to an increase in other income.

Net interest income. Net interest income decreased 1 per cent. to €2,807 million in the first half of 2016, compared to €2,827 million in the first half of 2015. Lending was down and, in line with this development, net interest income decreased. Furthermore, the interest margin on payment accounts decreased compared to the same period of 2015. Many clients refinanced their mortgage loans due to the historically low interest rates, allowing them to take out a new loan at a lower interest rate. This pressure on interest income was partly offset by higher income from penalty interest received in connection with early repayments on mortgage loans.

Net fee and commission income. Net fee and commission income increased by 1 per cent. to €688 million in the first half of 2016, compared to €681 million in the first half of 2015, due to higher commission and fees on new mortgage loans and payments.

Other income. Other income increased by €38 million to €47 million in the first half of 2016, compared to €9 million in the first half of 2015, mainly due to the sale of €1 billion of the local Rabobanks' mortgage portfolio in March 2016 which resulted in a gain.

Total operating expenses. Total operating expenses for domestic retail banking increased 24 per cent. to €2,719 million in the first half of 2016, compared to €2,186 million in the first half of 2015, as a result of an increase in other administrative expenses.

Staff costs. Staff costs were down €83 million to €980 million in the first half of 2016, compared to €1,063 million in the first half of 2015. The virtualisation of services impacted the size of the workforce. The number of internal and external employees in the domestic retail banking division decreased by 2,061 FTEs. As a result of these developments, staff costs were down.

Other administrative expenses. Other administrative expenses increased by €620 million to €1,684 million in the first half of 2016, compared to €1,064 million in the first half of 2015. This increase was mainly the result of the additional provision of €514 million in the interim results following Rabobank adopting the Recovery Framework in July 2016. Furthermore, the provisioning for restructuring costs increased compared to the same period in 2015.

Depreciation. Depreciation decreased 7 per cent. to €55 million in the first half of 2016, compared to €59 million in the first half of 2015, as a result of lower depreciation on intangible fixed assets.

Loan impairment charges. Loan impairment charges increased by €14 million to reach €8 million in the first half of 2016, compared to minus €6 million in the first half of 2015. Expressed in basis points of the average loan portfolio, the loan impairment charges amounted to 1 basis point in the first half of 2016, compared to 0 basis points in the first half of 2015. Loan impairment charges are well below the long-term average (2006-2015) of 23 basis points. The further recovery of the Dutch economy was clearly reflected in the loan impairment charges in the domestic retail banking business in the first half of 2016. In the Netherlands, the number of newly defaulted loans was limited. The allowances for loans, for which a provision had already been taken, also proved to be sufficient.

Regulatory levies. Regulatory levies led to an additional expense item of €137 million in the first half of 2016 compared to €63 million in the first half of 2015.

Income tax. Income tax decreased in the first half of 2016 by €157 million to €176 million compared to €333 million in the first half of 2015.

Net profit. Net profit decreased by €439 million to €502 million in the first half of 2016 compared to €941 million in the first half of 2015. The net result was positively affected by higher other administrative expenses.

Comparison results of domestic retail banking for the years ended 31 December 2015 and 31 December 2014

Total income. Domestic retail banking total income decreased by 3 per cent., falling to €7,050 million in 2015, compared to €7,232 million in 2014. This decrease was mainly due to a decrease in net interest income and other income.

Net interest income. Net interest income decreased 2 per cent. to €5,661 million in 2015, compared to €5,783 million in 2014. Due to the historically low mortgage interest rate, many clients paid off their mortgage early and obtained a new mortgage against a lower interest rate. Net interest income was under pressure due to the contracted loan portfolio and the lower margins on new mortgages. This was partially compensated by higher receivables from penalty interest.

Net fee and commission income. Net fee and commission income increased by 4 per cent. to €1,371 million in 2015, compared to €1,318 million in 2014, specifically due to the higher fees on finance and payments.

Other income. Other income decreased by €113 million to €18 million in 2015, compared to €131 million in 2014. In 2014, the other income was affected upward by an income from the sale of mortgages.

Total operating expenses. Total operating expenses for domestic retail banking increased 2 per cent., increasing to €4,770 million in 2015, compared to €4,662 million in 2014, as a result of an increase in other administrative expenses.

Staff costs. Staff costs were down €168 million to €2,134 million in 2015, compared to €2,302 million in 2014. The virtualisation of services, the decline in the number of local Rabobanks and the closure of some branches has had an impact on the workforce. The number of internal and external employees in the domestic retail banking division fell by 8 per cent. in 2015 to 24,340 (26,475) FTEs. As a result of these developments, staff expenses were down.

Other administrative expenses. Other administrative expenses increased by €287 million to €2,520 million in 2015, compared to €2,233 million in 2014, due to higher reorganisation and legal costs.

Depreciation. Depreciation fell by 9 per cent. to €116 million in 2015, compared to €127 million in 2014, as a result of lower depreciation on intangible fixed assets.

Loan impairment charges. The recovery of the economy was clearly reflected in the development of the loan impairment charges in the domestic retail banking business in 2015. Domestically there were few new loans for which an allowance had to be recorded. Also the allowances on existing items appeared sufficient. Loan impairment charges decreased by €1,079 million to reach €343 million in 2015, compared to €1,422 million in 2014. At 12 basis points in 2015, compared to 48 basis points in 2014, of average lending, loan impairment charges were below the long-term average of 23 basis points, based on the period from 2005 to 2014.

Regulatory levies. The regulatory levies led to an additional expense item of €171 million in 2015 compared to €354 million in 2014.

Income tax. Income tax increased in 2015 by €184 million to €445 million compared to €261 million in 2014.

Net profit. Net profit increased by €788 million to €1,321 million in 2015 compared to €533 million in 2014. The net result was positively affected by lower loan impairment charges.

Comparison results of domestic retail banking for the years ended 31 December 2014 and 31 December 2013

Total income. Domestic retail banking total income decreased by €308 million, falling to €7,232 million in 2014, compared to €7,540 million in 2013. This decrease was mainly due to a decrease in other income.

Net interest income. Net interest income increased 3 per cent. to €5,783 million in 2014, compared to €5,605 million in 2013, which was due to a slight recovery in margins on private savings.

Net fee and commission income. Net fee and commission income was more or less stable at €1,318 million in 2014, compared to €1,319 million in 2013. Commission profit on insurance and investment products was lower in 2014 than in 2013, but was compensated for by higher commission profit on payment services.

Other income. Other income decreased by €485 million to €131 million in 2014, compared to €616 million in 2013. The transition to the new pension scheme positively affected other income in 2013.

Total operating expenses. Total operating expenses for domestic retail banking decreased 7 per cent., declining to €4,662 million in 2014, compared to €5,015 million in 2013, principally as a result of a decrease in staff costs and other administrative expenses.

Staff costs. Staff costs were down 7 per cent. to €2,302 million in 2014, compared to €2,463 million in 2013. The number of staff at the local Rabobanks declined due to the implementation of Vision 2016. The transfer of customers from Friesland Bank N.V. to Rabobank was completed on 1 August

2014. There have been no employees at Friesland Bank N.V. since 1 October 2014. As a result of these developments, staff costs fell in 2014.

Other administrative expenses. Other administrative expenses were affected by reorganisation costs, costs of innovation and group costs. Reorganisation costs were much lower in 2014 than in 2013, although costs of innovation due to the process of automating services and moving them online in 2014 remained at a similarly high level as 2013. With effect from 2014, the costs incurred by Rabobank associated with Group activities are recharged to the local Rabobanks, in addition to the normal amounts recharged. On balance, other administrative expenses decreased 7 per cent. to €2,233 million in 2014, compared to €2,408 million in 2013.

Depreciation. Depreciation fell by 12 per cent. to €127 million in 2014, compared to €144 million in 2013, as a result of lower depreciation on software.

Loan impairment charges. Loan impairment charges rose by €38 million to reach €1,422 million in 2014, compared to €1,384 million in 2013. At 48 basis points in 2014, compared to 45 basis points in 2013, of average lending, Loan impairment charges were above the long-term average of 19 basis points, based on the period from 2004 to 2013. Of total lending, 71 per cent. is comprised of residential mortgage loans. Loan impairment charges on residential mortgage loans stood at 5 basis points in 2014 compared to 6 basis points in 2013.

Regulatory levies. The bank tax and resolution levy led to an additional expense item of €354 million in 2014 compared to €90 million in 2013.

Income tax. Income tax decreased in 2014 by €9 million to €261 million compared to €270 million in 2013.

Net profit. Net profit decreased by €248 million to €533 million in 2014 compared to €781 million in 2013. The net result was negatively affected by the non-recurring resolution levy of €274 million. In 2013, the transition to the new pension scheme positively affected net profit.

Wholesale banking and international rural and retail banking

The following table sets forth certain summarised financial information for Rabobank Group's wholesale banking and international rural and retail banking business for the periods indicated:

	Six-month period ended 30 June*		**Year ended 31 December**		
(in millions of euro)	2016	2015 (restated)	2015	2014 (restated)	2013 (restated)
Net interest income	996	1,083	2,270	2,416	2,606
Net fee and commission income	295	273	513	552	641
Other income	461	543	653	825	835
Total income	1,752	1,899	3,436	3,793	4,082
Staff costs	569	559	1,123	1,164	1,270
Other administrative expenses	402	543	1,101	1,166	1,736
Depreciation	46	50	107	87	126
Total operating expenses	1,017	1,152	2,331	2,417	3,132
Gross result	735	747	1,105	1,376	950
Impairment losses on goodwill	0	600	612	26	42
Loan impairment charges	117	273	526	420	568

	Six-month period ended 30 June*		Year ended 31 December		
(in millions of euro)	2016	2015 (restated)	2015	2014 (restated)	2013 (restated)
Regulatory levies	80	43	139	67	75
Operating profit before tax	538	(169)	(172)	863	265
Income tax	151	121	161	105	219
Net profit	387	(290)	(333)	758	46

Comparison results of wholesale banking and international rural and retail banking for the six-month periods ended 30 June 2016 and 30 June 2015*

Total income. Wholesale banking and international rural and retail banking total income decreased by 8 per cent. to €1,752 million in the first half of 2016 compared to €1,899 million in the first half of 2015. This decrease was attributable to a decline in net interest income and other income.

Net interest income. Net interest income declined by 8 per cent. to €996 million in the first half of 2016, compared to €1,083 million in the first half of 2015, due to lower results within the treasury area, partly caused by the lower interest rate environment.

Net fee and commission income. In line with the strategy of more fee-generating business and as a result of the growth in the loan portfolio, net fee and commission income increased by 8 per cent. to €295 million in the first half of 2016, compared to €273 million in the first half of 2015.

Other income. In the first half of 2015 other income was particularly high as a result of positive revaluations in the private equity portfolio and the sale of most of Rabobank's interest in the Agricultural Bank of China. Other income reverted to more normal levels in the first half of 2016, falling by €82 million to €461 million, compared to €543 million in the first half of 2015.

Total operating expenses. Total operating expenses decreased by 12 per cent. to €1,017 million in the first half of 2016, compared to €1,152 million in the first half of 2015, mainly as a result of a decrease in other administrative expenses.

Staff costs. Regular yearly salary adjustments resulted in a modest increase in staff costs of 2 per cent. to €569 million in the first half of 2016, compared to €559 million in the first half of 2015.

Other administrative expenses. Other administrative expenses were down 26 per cent. to €402 million in the first half of 2016, compared to €543 million in the first half of 2015 due to the release of a provision for legal issues and due to cost-saving initiatives.

Depreciation. As a result of lower depreciation on software developed in-house, depreciation was down 8 per cent. to €46 million in the first half of 2016, compared to €50 million in the first half of 2015.

Impairment losses on goodwill. Impairment losses on goodwill decreased by €600 million to €0in the first half of 2016, compared to €600 million in the first half of 2015. In the first half of 2015 an impairment on goodwill with regard to RNA in the United States lowered the operating profit before taxation by €600 million.

Loan impairment charges. Loan impairment charges at Wholesale banking and international rural and retail banking decreased by 57 per cent. to €117 million in the first half of 2016, compared to €273 million in the first half of 2015. Expressed in basis points of the average loan portfolio, the loan impairment charges amounted to 23 basis points in the first half of 2016, compared to 54 basis points in the first half of 2015. Loan impairment charges are well below the long-term average (2006-2015) of 59 basis points. The additional allowances that had to be made were especially limited in the wholesale banking division in the Netherlands. In the Netherlands the loan impairment charges moved below the long-term average, after a number of years at relatively high levels.

Regulatory levies. The regulatory levies led to an expense item of €80 million in the first half of 2016, compared to €43 million in the first half of 2015.

Income tax. Income tax increased in the first half of 2016 by €30 million to €151 million, compared to €121 million in the first half of 2015.

Net profit. Net profit increased by €677 million to €387 million in the first half of 2016 compared to minus €290 million in the first half of 2015. The goodwill impairment with respect to RNA lowered the operation profit before taxation.

Comparison results of wholesale banking and international retail banking for the years ended 31 December 2015 and 31 December 2014

Total income. Total income at Wholesale banking and international rural and retail banking decreased by 9 per cent. to €3,436 million in 2015 compared to €3,793 million in 2014. This decrease was mainly attributable to a decline in other income.

Net interest income. Net interest income declined by 6 per cent. to €2,270 million in 2015, compared to €2,416 million in 2014. Despite the growth of the loan portfolio, net interest income fell. Due to the low interest rate levels, the margin was under pressure and in addition in 2015 Bank BGZ no longer contributed to net interest income. In 2014, Bank BGZ contributed to the result for about nine months.

Net fee and commission income. Net fee and commission income decreased by 7 per cent. to €513 million in 2015, compared to €552 million in 2014. The sale of Bank BGZ contributed to the decline of net fee and commission income.

Other income. Positive revaluations in the private equity portfolio and the winding down of Rabobank's interest in the Agricultural Bank of China positively affected other income in 2015. The contraction in the illiquid assets portfolio positively affected the results in 2014. On balance, other income fell by €172 million to €653 million in 2015, compared to €825 million in 2014

Total operating expenses. Total operating expenses of Wholesale banking and international retail banking decreased by 4 per cent. to €2,331 million in 2015, compared to €2,417 million in 2014, principally as a result of a decrease in staff expenses and other administrative expenses.

Staff costs. The lower number of employees contributed to staff expenses falling by 4 per cent. to €1,123 million in 2015, compared to €1,164 million in 2014. Especially at Rabobank Indonesia and to a lesser extent at RNA and ACC Loan Management, the number of employees decreased.

Other administrative expenses. As a result of lower costs for IT and publicity other administrative expenses were down 6 per cent. to €1,101 million in 2015, compared to €1,166 million in 2014.

Depreciation. As a result of higher depreciations on software, depreciation fell by 23 per cent. to €107 million in 2015, compared to €87 million in 2014.

Impairment losses on goodwill. Impairment losses on goodwill increased by €586 million to €612 million in 2015, compared to €26 million in 2014. This amount almost solely consisted of the impairment on the goodwill with regard to RNA in the United States.

Loan impairment charges. Loan impairment charges at Wholesale banking and international rural and retail banking increased by 25 per cent. to €526 million in 2015, compared to €420 million in 2014. This increase was primarily for the account of the wholesale banking division, where the loan impairment charges increased to € 271 (160) million. In the Netherlands, for a number of large clients an (additional) allowance was made due to late-cyclic effects. In addition, a number of larger allowances were made for clients in Latin America and in Asia. In Brazil, the general allowance was increased due to the developments in the sugar and ethanol industry. In addition, drought in Chile had an impact on the loan impairment charges. The loan impairment charges at ACC Loan Management were down compared to recent years and came to € 138 (190) million. Loan impairment charges amounted to 53 basis points in 2015, compared to 44 basis points in 2014 of average lending, which is lower than the long-term average of 59 basis points (based on the period 2005 to 2014).

Regulatory levies. The regulatory levies led to an additional expense item of €139 million in 2015, compared to €67 million in 2014.

Income tax. Income tax increased in 2015 by €56 million to €161 million, compared to €105 million in 2014.

Net profit. Net profit decreased by €1,091 million to €(333) million in 2015 compared to €758 million in 2014. The goodwill impairment with respect to RNA lowered the operation profit before taxation in 2015.

Comparison results of wholesale banking and international retail banking for the years ended 31 December 2014 and year ended 31 December 2013

Total income. Total income at Wholesale banking and international rural and retail banking decreased by 7 per cent. to €3,793 million in 2014 compared to €4,082 million in 2013. This decrease was mainly attributable to a decline in interest income.

Net interest income. Net interest income declined by 7 per cent. to €2,416 million in 2014, compared to €2,606 million in 2013. The lower level of activity as a result of the sale of Bank BGZ and the reduction of the high-risk activities contributed to this decline.

Net fee and commission income. Net fee and commission income decreased by 14 per cent. to €552 million in 2014, compared to €641 million in 2013, driven by lower levels of commission generating activity as a result of the sale of Bank BGZ.

Other income. In 2014, other income was more or less stable at €825 million compared to €835 million in 2013.

Total operating expenses. Total operating expenses of Wholesale banking and international retail banking decreased by 23 per cent. to €2,417 million in 2014, compared to €3,132 million in 2013, principally as a result of a decrease in other administrative expenses.

Staff costs. Staff costs decreased by 8 per cent. to €1,164 million in 2014, compared to €1,270 million in 2013. The sale of Bank BGZ led to a decline in the number of employees of 5,289 FTE. The reduction in staff in combination with the lower level of activity contributed to a decline in staff costs.

Other administrative expenses. Other administrative expenses were down 31 per cent. to €1,166 million in 2014, compared to €1,736 million in 2013. This item was high in 2013 because it included the settlements agreed by Rabobank relating to the LIBOR investigations.

Depreciation. Lower amortisation of intangible non-current assets and software led to a decline in depreciation by 31 per cent. to €87 million, compared to €126 million in 2013.

Impairment losses on goodwill. Impairment losses on goodwill decreased by €16 million to €26 million in 2014, compared to €42 million in 2013.

Loan impairment charges. Loan impairment charges at Wholesale banking and international rural and retail banking decreased by 26 per cent. to €420 million in 2014, compared to €568 million in 2013. Loan impairment charges amounted to 44 basis points in 2014, compared to 57 basis points in 2013 of average lending, which is lower than the long-term average of 57 basis points (based on the period 2004 to 2013).

Regulatory levies. The regulatory levies led to an additional expense item of €67 million in 2014, compared to €75 million in 2013.

Income tax. Income tax decreased in 2014 by €114 million to €105 million, compared to €219 million in 2013.

Net profit. Net profit increased by €712 million to €758 million in 2014 compared to €46 million in 2013. Lower operating expenses and lower value adjustments at both the international rural and retail banking and the wholesale banking business led to an increase in net profit.

Leasing

The following table sets forth certain summarised financial information for Rabobank Group's leasing business for the periods indicated:

	Six-month period ended 30 June*		**Year ended 31 December**		
(in millions of euro)	2016	2015	2015	2014	2013
Net interest income	536	536	1,094	1,000	973
Net fee and commission income	41	27	57	30	52
Other income	314	279	568	548	545
Total income	891	842	1,719	1,578	1,570
Staff costs	299	280	601	535	517
Other administrative expenses	129	128	277	251	198
Depreciation	15	21	38	48	49
Total operating expenses	443	429	916	834	764
Gross result	448	413	803	744	806
Impairment losses on goodwill	0	0	10	0	0
Loan impairment charges	44	48	85	131	170
Regulatory levies	11	8	19	9	9
Operating profit before tax	393	357	689	604	627
Income tax	109	110	191	168	205
Net profit	284	247	498	436	422

Comparison results of leasing for the six-month periods ended 30 June 2016 ended 30 June 2015*

Total income. DLL's total income increased by 6 per cent., rising to €891 million in the first six months of 2016, compared to €842 million in the first six months of 2015. The increase was mainly due to a 13 per cent. increase in other income.

Net interest income. Net interest income was stable at €536 million in the first half of 2016, compared to €536 million in the first half of 2015.

Net fee and commission income. Net fee and commission income rose by €14 million to €41 million in the first half of 2016, compared to €27 million in 2015 as a result of a higher activity level.

Other income. Other income consisted mainly of the result from sales of end-of-lease assets and income from operational lease contracts. In the first half of 2016 a one-off gain was booked in other income due to higher than expected residual values of cars. Consequently, other income rose by 13 per cent. to €314 million in the first half of 2016, compared to €279 million in the first half of 2015.

Total operating expenses. Total operating expenses at DLL were up 3 per cent. to €443 million in the first half of 2016, compared to €429 million in the first half of 2015. The increase in the number of employees by 144 FTEs in the first half of 2016 compared to the first half of 2015 contributed to the increase in operating expenses.

Staff costs. Staff costs were up €19 million, reaching €299 million in the first half of 2016, compared to €280 million in the first half of 2015. An increase in the average number of employees contributed to the rise in staff costs.

Other administrative expenses. Other administrative expenses rose 1 per cent. to €129 million in the first half of 2016, compared to €128 million in the first half of 2015 due in part to higher costs for regulation and supervision.

Depreciation. Lower depreciation of intangible assets led to a decline in depreciation by €6 million to €15 million in the first half of 2016, compared to €21 million in the first half of 2015.

Loan impairment charges. DLL's loan impairment charges decreased by 8 per cent. to €44 million in the first half of 2016, compared to €48 million in the first half of 2015. Expressed in basis points of the average loan portfolio, the loan impairment charges amounted to 26 basis points in the first half of 2016, compared to 28 basis points in the first half of 2015. Loan impairment charges are well below the long-term average (2006-2015) of 62 basis points. In the first half of 2016 there were no new significant individual default cases.

Regulatory levies. Regulatory levies led to an expense item of €11 million in the first half of 2016, compared to €8 million in the first half of 2015.

Income tax. Income tax decreased in the first half of 2016 by €1 million to €109 million compared to €110 million in the first half of 2015.

Net profit. Net profit increased 15 per cent. to €284 million in the first half of 2016 compared to €247 million in the first half of 2015 due to the increase in total income and the decrease in loan impairment charges.

Comparison results of leasing for the years ended 31 December 2015 and 31 December 2014

Total income. DLL's total income increased by 1 per cent., rising to €1,719 million in 2015, compared to €1,578 million in 2014. The increase was in particular attributable to a 9 per cent. increase in net interest income.

Net interest income. The lease portfolio grew and the interest rate margin improved. As a result, net interest income was up by 9 per cent. to €1,094 million in 2015, compared to €1,000 million in 2014.

Net fee and commission income. In line with the higher activity level, net fee and commission income rose by €27 million to €57 million in 2015, compared to €30 million in 2014.

Other income. Other income consists mainly of the result from sales or leased products and income from operational lease contracts. The income from these activities increased by 4 per cent. to €568 million in 2015, compared to €548 million in 2014.

Total operating expenses. Total operating expenses at DLL were up 10 per cent. to €916 million in 2015, compared to €834 million in 2014. The depreciation in value of the Euro and the increase in the number of employees contributed to the increase in operating expenses.

Staff costs. Staff costs were up 12 per cent., reaching €601 million in 2015, compared to €535 million in 2014, due to the increase in workforce.

Other administrative expenses. Other administrative expenses rose 10 per cent. to €277 million in 2015, compared to €251 million in 2014. In addition to currency developments, the higher costs for regulation and supervision contributed to this.

Depreciation. Lower depreciation of intangible assets led to a decrease in depreciation by €10 million to €38 million in 2015, compared to €48 million in 2014.

Loan impairment charges. DLL's loan impairment charges decreased by 35 per cent. to €85 million in 2015, compared to €131 million in 2014. Expressed in basis points of average lending, loan impairment charges stood at 25 basis points in 2015 compared to 43 basis points in 2014. Loan impairment charges are far below the long-term average of 66 basis points (based on the period 2005 to 2014).The lease portfolio and related risks of DLL are spread over more than 35 countries and nine industries. The worldwide economic recovery and strict risk management contributed to the decrease in the loan impairment charges: in 2015 there were no new significant problem items.

Regulatory levies. The regulatory levies led to an additional expense item of €19 million in 2015, compared to €9 million in 2014.

Income tax. Income tax decreased in 2015 by €23 million to €191 million compared to €168 million in 2014.

Net profit. Net profit increased 14 per cent. to €498 million in 2015 compared to €436 million in 2014, due to the increase in total income and the decrease in loan impairment charges.

Comparison results of leasing for the years ended 31 December 2014 and 31 December 2013

Total income. DLL's total income increased by 1 per cent., rising to €1,578 million in 2014, compared to €1,570 million in 2013. The increase was in particular attributable to a 3 per cent. increase in interest income.

Net interest income. Net interest income was up by 3 per cent. to €1,000 million in 2014, compared to €973 million in 2013. Growth of the average lease portfolio contributed to the increase.

Net fee and commission income. Net fee and commission income fell by €22 million to €30 million in 2014, compared to €52 million in 2013. Commissions were relatively high in 2013 as a result of the strong growth of the portfolio in Brazil. Commission profit returned to a more normal level in 2014 mainly due to the decline of the portfolio in Brazil.

Other income. Other income increased by 1 per cent. to €548 million, compared to €545 million in 2013. Other income consists mainly of the result from sales of leased products and income from operational lease contracts. Both these items showed a limited increase compared to 2013.

Total operating expenses. Total operating expenses at DLL were up 9 per cent. to €834 million in 2014, compared to €764 million in 2013, principally due to higher other administrative expenses.

Staff costs. Staff costs were up 3 per cent., reaching €535 million in 2014, compared to €517 million in 2013, due to the increase in workforce.

Other administrative expenses. With effect from 2014, the costs incurred by Rabobank for Group activities are recognised at the segments under other administrative expenses. Primarily due to this change, other administrative expenses rose 27 per cent. to €251 million, compared to €198 million in 2013.

Depreciation. Depreciation was more or less stable at €48 million, compared to €49 million in 2013.

Loan impairment charges. DLL's loan impairment charges decreased by 23 per cent. to €131 million, compared to €170 million in 2013. Expressed in basis points of average lending, loan impairment charges stood at 43 basis points in 2014 compared to 59 basis points in 2013. Loan impairment charges are now 25 basis points below the long-term average of 68 basis points (based on the period 2004 to 2013).The diversification of the lease portfolio across countries and sectors in combination with the economic recovery and strict risk management contributed to the lower level of loan impairment charges.

Regulatory levies. The regulatory levies led to an additional expense item of €9 million in 2014, compared to €9 million in 2013.

Income tax. Income tax decreased in 2014 by €37 million to €168 million compared to €205 million in 2013.

Net profit. Net profit increased 3 per cent. to €436 million in 2014 compared to €422 million in 2013. The increase was mainly due to the decrease in loan impairment charges.

Real estate

The following table sets forth certain summarised financial information for Rabobank Group's real estate business for the periods indicated:

	Six-month period ended 30 June*		**Year ended 31 December**		
(in millions of euro)	2016	2015	2015	2014 (restated)	2013 (restated)
Net interest income	155	180	348	313	335
Net fee and commission income	6	20	29	36	29
Other income	178	138	302	267	(556)
Total income	339	338	679	616	(192)
Staff costs	106	95	196	198	193
Other administrative expenses	74	51	124	104	119
Depreciation	3	3	7	9	27
Total operating expenses	183	149	327	311	339
Gross result	156	189	352	305	(531)
Impairment losses on goodwill	0	0	1	6	0
Loan impairment charges	(11)	47	90	656	513
Regulatory levies	7	7	15	8	8
Operating profit before tax	160	135	246	(365)	(1,052)
Income tax	39	37	65	(102)	(238)
Net profit	121	98	181	(263)	(814)

*Comparison results of real estate for the six-month periods ended 30 June 2016 and 30 June 2015**

Total income. Total income in Rabobank Group's real estate business was stable at €339 million in the first half of 2016 compared to €338 million in the first half of 2015.

Net interest income. Net interest income decreased 14 per cent. to €155 million in the first half of 2016 compared to €180 million in the first half of 2015 due to the decrease in the size of the loan portfolio.

Net fee and commission income. The reduction in the loan portfolio influenced net fee and commission income, which fell by €14 million to €6 million in the first half of 2016, compared to €20 million in the first half of 2015.

Other income. The sale of the 'De Rotterdam' building in June 2016, combined with the rise in the number of house sales, resulted in an increase in other income of €40 million to €178 million in the first half of 2016, compared to €138 million in the first half of 2015.

Operating expenses. Total operating expenses in Rabobank Group's real estate business increased by 23 per cent. to €183 million in the first half of 2016, compared to €149 million in the first half of 2015, mainly due to an increase in other administrative expenses.

Staff costs. Staff costs increased 12 per cent. to €106 million in the first half of 2016 compared to €95 million in the first half of 2015 due to an increase in external employees at FGH Bank following its integration with Rabobank.

Other administrative expenses. The restructuring provision taken in the first half of 2016 contributed to an increase in other administrative expenses of 45 per cent. to €74 million in the first half of 2016, compared to €51 million in the first half of 2015.

Depreciation. Depreciation remained stable at €3 million in the first half of 2016, compared to €3 million in the first half of 2015.

Loan impairment charges. Loan impairment charges were minus €11 million in the first half of 2016, compared to €47 million in the first half of 2015. Expressed in basis points of the average loan portfolio, the loan impairment charges amounted to -16 basis points in the first half of 2016, compared to 57 basis points in the first half of 2015. Loan impairment charges are well below the long-term average (2006-2015) of 94 basis points. The economic recovery in the Netherlands has had a positive impact on loan impairment charges in the real estate segment. The economic recovery led to an increased demand for offices and business premises, while the property investment market saw significant activity from both domestic and foreign investors, mainly due to initiatives to convert vacant buildings, the number of vacant offices and retail premises decreased slightly.

Regulatory levies. Regulatory levies led to an expense item of €7 million in the first half of 2016, compared to €7 million in the first half of 2015.

Income tax. Income tax increased by €2 million to €39 million in the first half of 2016 compared to €37 million in the first half 2015.

Net profit. Net profit increased by €23 million to €121 million in the first half of 2016 compared to €98 million in the first half of 2015, primarily due to lower loan impairment charges.

Comparison results of real estate for the years ended 31 December 2015 and 31 December 2014

Total income. Total income in Rabobank Group's real estate business increased by €63 million to €679 million in 2015 compared to €616 million in 2014 due to higher net interest income and higher other income.

Net interest income. Higher receivables from penalty interest at FGH Bank caused net interest income to rise by 11 per cent. to €348 million in 2015 compared to €313 million in 2014.

Net fee and commission income. Net fee and commission income fell by €7 million to €29 million in 2015, compared to €36 million in 2014. In 2014, net fee and commission income was relatively high as a result of some non-recurring income.

Other income. The increase of the number of home sales resulted in an increase in other income of €35 million to €302 million in 2015, compared to €267 million in 2014.

Total operating expenses. Total operating expenses in Rabobank Group's real estate business increased by 5 per cent. in 2015, reaching €327 million, compared to €311 million in 2014, mainly due to an increase in other administrative expenses.

Staff costs. Staff costs fell by 1 per cent. to €196 million compared to €198 million in 2014, due to a decline in the number of employees.

Other administrative expenses. Other administrative expenses increased by 19 per cent. to €124 million in 2015, compared to €104 million in 2014. The demerger of Fondsenbeheer Nederland and SVn in the first half of 2015 led to non-recurring expenses that are incorporated under other administrative expenses. In addition, the integration of FGH Bank into Rabobank was accompanied by the (temporary) hiring of external employees.

Depreciation. Depreciation decreased slightly to €7 million in 2015, compared to €9 million in 2014.

Impairment losses on goodwill. The impairment losses on goodwill led to an additional expense item of €1 million in 2015, compared to €6 million in 2014.

Loan impairment charges. Loan impairment charges were €90 million in 2015, compared to €656 million in 2014, which corresponds to 56 basis points in 2015 compared to 364 basis points in 2014 of average lending. Loan impairment charges are now 33 basis points below the long-term average of 89 basis points (based on the period 2005 to 2014). In particular, the loan impairment charges for commercial real estate are substantially lower than for the same period last year due to the economic recovery, improvement in the residential rental market, and greater foreign investment in the real estate market.

Regulatory levies. The regulatory levies led to an additional expense item of €15 million in 2015, compared to €8 million in 2014.

Income tax. Income tax increased by €167 million to €65 million in 2015 compared to minus €102 million in 2014.

Net profit. Net profit increased by €444 million to €181 million in 2015 compared to minus €263 million in 2014, primarily due to lower impairment charges.

Comparison results of real estate for the years ended 31 December 2014 and 31 December 2013

Total income. Total income in Rabobank Group's real estate business increased by €808 million to €616 million in 2014 compared to minus €192 million in 2013 due to higher other income.

Net interest income. Net interest income decreased by 7 per cent. to €313 million in 2014 compared to €335 million in 2013, due to the contraction of the loan portfolio.

Net fee and commission income. Net fee and commission income increased by 24 per cent. to €36 million, compared to €29 million in 2013, as a result of certain non-recurring income items.

Other income. Contrary to 2013, there were only limited downward valuations of land positions and revaluations of land operations in 2014. Downward valuations of commercial real estate holdings were also down and the sale of the PalaisQuartier was achieved with a book profit in 2014. Residential property sales also rose. Due to these developments other income rose by €823 million to €267 million in 2014, compared to minus €556 million in 2013.

Total operating expenses. Total operating expenses in Rabobank Group's real estate business decreased by 8 per cent. in 2014, reaching €311 million, compared to €339 million in 2013, mainly due to lower administrative expenses.

Staff costs. Staff costs rose by 2 per cent. to €198 million compared to €195 million in 2013, due to the hiring of temporary personnel and higher pension expenses.

Other administrative expenses. A reorganisation provision was formed in 2013 as a result of the phase-out of the activities of MAB Development. The expense associated with this was recognised under other administrative expenses. It was mainly the absence of this item that caused other administrative expenses to decrease by 13 per cent. to €104 million in 2014, compared to €119 million in 2013.

Depreciation. Depreciation decreased by €18 million to €9 million in 2014 compared to €27 million in 2013, primarily because the intangible non-current assets of Bouwfonds Holding had already largely been amortised in 2013.

Loan impairment charges. Loan impairment charges were €656 million in 2014, compared to €513 million in 2013, which corresponds to 364 basis points in 2014 compared to 278 basis points in 2013 of average lending. Loan impairment charges are now 311 basis points above the long-term average of 53 basis points (based on the period 2004 to 2013). Loan impairment charges rose due to the poor state of the Dutch real estate market in 2013 that impacted loan impairment charges in 2014 because the market for real estate finance is late-cyclical in nature meaning that it takes longer for an economic recovery to be reflected in the figures. Furthermore, the market is still dealing with long-term developments that have led to an excess of supply.

Regulatory levies. The regulatory levies led to an additional expense item of €8 million in 2014, compared to €8 million in 2013.

Income tax. Income tax increased by €136 million to minus €102 million in 2014 compared to minus €238 million in 2013.

Net profit. Net profit increased by €551 million to minus €263 million in 2014 compared to minus €814 million in 2013. Contrary to 2013, there were no heavy downward valuations on land positions and land operations.

Loan Portfolio

Early repayments on residential mortgage loans contributed to a decrease in the loan portfolio of the local Rabobanks and the loan portfolio at real estate financier FGH Bank was also reduced. The loan portfolio of WRR grew, partially due to growth in the rural banking portfolio. The private sector loan portfolio also grew as a result of a strong asset growth at the Trade & Commodity Finance business unit. At DLL the loan portfolio grew due to better economic conditions in the Netherlands. In aggregate, the loans and advances to customers item decreased by €3.1 billion, to €463.7 billion at 30 June 2016 from €466.8 billion at 31 December 2015. The private sector loan portfolio increased by €1.3 billion to €427.3 billion at 30 June 2016 from €426.0 billion at 31 December 2015. Loans to private individuals, primarily for mortgage finance, were down €3.6 billion to €204.3 billion at 30 June 2016. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have maturities up to 30 years. Loans to the trade, industry and services sector increased by €4.5 billion to €124.8 billion at 30 June 2016. Lending to the food and agri sector increased by €0.4 billion to €98.2 billion at 30 June 2016.

The following table shows a breakdown of Rabobank Group's total lending outstanding to the private sector at 30 June 2016, 31 December 2015 and 31 December 2014, by category of borrower:

	As at 30 June		**As at 31 December**			
(in billions of euro and as percentage of total private sector lending)	2016*		2015 (restated)		2014 (restated)	
Private individuals	204.3	48%	207.9	49%	210.8	49%
Trade, industry and services	124.8	29%	120.3	28%	127.3	30%

Food and agri	98.2	23%	97.8	23%	92.3	21%
Total private sector lending	427.3	100%	426.0	100%	430.4	100%

The maturities of loans granted by Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of Rabobank Group's total loans and advances to customers (public and private sector) and professional securities transactions at 31 December 2015 and 31 December 2014. These amounts are non-restated for the netting of cash pooling arrangements and correspond to the audited consolidated financial statements for the year ended 31 December 2015:

	As at 31 December			
(in millions of euro and as percentage of total loans and advances to customers)	2015		2014 (restated)	
Less than 1 year	109,363	24%	107,461	23%
More than 1 year	349,255	76%	354,326	77%
Total loans and advances to customers	458,618	100%	461,787	100%

*Funding**

As at 30 June 2016, amounts due to customers of Rabobank Group were €342.9 billion, a decrease of €3.0 billion compared to 31 December 2015. The balance held in savings deposits decreased by €1.1 billion to €139.4 billion, a decrease of 1 per cent. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by €6.4 billion to €203.5 billion at 30 June 2016. At 30 June 2016, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled €171.4 billion compared to €175.0 billion at 31 December 2015. Savings deposits (except fixed-time deposits, from 1 month to 20 years) generally bear interest at rates that Rabobank can unilaterally change.

The following table shows Rabobank Group's sources of funding by source at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013:

	As at 30 June	**As at 31 December**		
(in millions of euro)	2016	2015 (restated)	2014 (restated)	2013 (restated)
Current accounts	78,394	69,675	56,255	46,881
Deposits with agreed maturity	91,943	96,363	96,572	91,015
Deposits redeemable at notice	160,947	162,083	162,857	175,870
Repurchase agreements	990	488	2,025	1,474
Other due to customers	10,666	8,984	8,579	10,982
Change in accounting policy	0	8,291	0	0
Debt securities in issue	171,418	174,991	189,060	195,361
Other financial liabilities at fair value through profit or loss	18,523	16,991	19,744	19,069

(in millions of euro)	As at 30 June 2016	As at 31 December 2015 (restated)	2014 (restated)	2013 (restated)
Total	532,881	537,866	535,092	540,652

Rabobank Group also receives funds from the inter-bank and institutional market. Rabobank Group's total due to other banks was €21.9 billion at 30 June 2016, a 15 per cent. increase from €19.0 billion at 31 December 2015.

Other Financial Assets

Other financial assets comprise debt securities and other assets. Other financial assets are subdivided into the following categories:

- Financial assets held for trading;
- Other financial assets at fair value through profit or loss; and
- Available-for-sale financial assets.

The tables below show Rabobank Group's financial assets in the years indicated.

Other financial assets as at 31 December 2015

(in millions of euro)	Financial assets held for trading	Financial assets designated at fair value	Available-for-sale financial assets	Total
Purchased loans	520	1,006	0	1,526
Short-term government securities	19	0	1,191	1,210
Government bonds	1,073	0	30,053	31,126
Other debt securities	1,637	791	5,594	8,022
Total debt securities	3,249	1,797	36,838	41, 884
Venture capital	0	270	0	270
Equity instruments	223	129	935	1,287
Total other assets	223	399	935	1,557
Total	3,472	2,196	37,773	43,441
Category 1[(1)]	2,385	24	33,068	35,447
Category 2[(2)]	961	1,187	4,111	6,259
Category 3[(3)]	126	985	594	1,705

Other financial assets as at 31 December 2014

(in millions of euro)	Financial assets held for trading	Financial assets designated at fair value	Available-for-sale financial assets	Total
Purchased loans	712	1,090	0	1,802
Short-term government securities	123	0	2,297	2,420
Government bonds	950	12	31,456	32,418

Other financial assets as at 31 December 2014

(in millions of euro)	Financial assets held for trading	Financial assets designated at fair value	Available-for-sale financial assets	Total
Other debt securities	2,117	2,494	4,740	9,351
Total debt securities	3,902	3,596	38,493	45,991
Venture capital	0	274	0	274
Equity instruments	377	455	1,277	2,109
Total other assets	377	729	1,277	2,383
Total	4,279	4,325	39,770	48,374
Category 1(1)	3,059	318	36,974	40,351
Category 2(2)	1,091	2,274	1,805	5,170
Category 3(3)	129	1,733	991	2,853

Other financial assets as at 31 December 2013 (restated)

(in millions of euro)	Financial assets held for trading	Other at fair value through profit or loss	Available-for-sale	Total
Purchased loans	1,171	1,056	0	2,227
Short-term government securities	204	0	1,710	1,914
Government bonds	1,086	63	35,714	36,863
Other debt securities	2,109	2,885	8,170	13,164
Total debt securities	**4,570**	**4,004**	**45,594**	**54,168**
Venture capital	0	549	0	549
Equity instruments	719	386	958	2,063
Total other assets	**719**	**935**	**958**	**2,612**
Total	**5,289**	**4,939**	**46,552**	**56,780**
Category 1(1)	2,959	371	42,597	45,927
Category 2(2)	2,155	2,962	3,645	8,762
Category 3(3)	175	1,606	310	2,091

Note:

(1) Category 1: quoted prices in active markets for identical assets or liabilities;

(2) Category 2: inputs other than quoted prices included in category 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices);

(3) Category 3: inputs for the asset or liability not based on observable market data.

*Credit-related Commitments**

Credit granting liabilities represent the unused portions of funds authorised for the granting of credit in the form of loans, guarantees, letters of credit and other lending-related financial instruments. Rabobank's credit risk exposure from credit granting liabilities consists of potential losses amounting to the unused portion of the authorised funds. The total expected loss is lower than the total of unused funds, however, because credit granting liabilities are subject to the clients in question continuing to meet specific standards of creditworthiness. Guarantees represent irrevocable undertakings that, provided certain conditions are met, Rabobank will make payments on behalf of clients if they are unable to meet their financial obligations to third parties. Rabobank also accepts credit granting liabilities in the form of credit facilities made available to ensure that clients' liquidity requirements can be met, but which have not yet been drawn upon.

	As at 30 June	**As at 31 December**		
(in millions of euro)	**2016**	**2015**	**2014 (restated)**	**2013**
Financial guarantees	10,922	10,402	11,826	11,429
Letters of credit	4,379	4,980	5,392	5,919
Credit granting liabilities	46,124	46,903	36,429	32,126
Other contingent liabilities	—	—	—	82
Total credit related and contingent liabilities	61,425	62,285	53,647	49,556
Revocable credit facilities	50,664	55,189	51,327	45,031
Total credit related commitments	112,089	117,474	104,974	94,587

Investments and Divestments

The most significant acquisitions and divestments during the period covered by this discussion up to the date of this Base Prospectus are the following:

(i) The sale of 90 per cent. plus one of the shares in Rabobank Group's subsidiary Robeco to ORIX Corporation was effected on 1 July 2013. The sale price was approximately €1.9 billion. The transaction has resulted in a book profit of approximately €1.5 billion and increased the core Tier 1 ratio of around 70 basis points. The banking activities of Robeco, which are exclusively located in the Netherlands, were transferred to Rabobank on 21 June 2013. As part of the purchase price, Rabobank Group has received a shareholding in ORIX Corporation in an amount of €150 million.

(ii) Following the public bid in April 2012, virtually all outstanding shares in the Polish Bank Gospodarki Żywnościowej were offered to Rabobank Group. The shares were acquired for €289 million. As a result, Rabobank Group holds an equity interest in Bank Gospodarki Żywnościowej of 98.5 per cent. (as at 30 June 2013). An agreement was reached in December 2013 regarding the sale of the 98.5 per cent. share interest in the Polish based Bank BGZ to BNP Paribas Group for an amount of 4 billion Polish Zloty (approximately €1 billion). The sale of Bank BGZ to BNP Paribas was completed on 23 September 2014.

(iii) On 30 June 2016, DLL signed a sale and purchase agreement with the intention to sell Athlon Car Lease to Daimler Financial Services. On 1 December 2016, DLL confirmed the sale of Athlon Car Lease to Daimler Financial Services. The sale transaction recently received final approvals and consents from the necessary regulatory authorities.

Capital Adequacy

Rabobank wishes to have an adequate solvency position, which it manages based on a number of ratios. The principal ratios are the CET1 Ratio, the Tier 1 ratio, the total capital ratio and the equity capital ratio. Rabobank's internal targets exceed the regulators' minimum requirements as it anticipates market expectations and developments in laws and regulations. Rabobank seeks to stand out from other financial institutions, managing its solvency position based on policy documents. The Risk Management Committee and the Asset and Liability Committee, the Executive Board and the Supervisory Board periodically discuss the solvency position and the targets to be used.

Rabobank must comply with a number of minimum solvency positions stipulated under the law. The solvency position is determined based on ratios. These ratios compare Rabobank's total capital ratio and CET1 Ratio with the total amount of the risk-weighted assets. The minimum required percentages under the CRD IV are 8 per cent. and 4.5 per cent. of the risk-weighted assets, respectively.

The determination of the risk-weighted assets is based on separate methods for credit risk, operational risk and market risk. The risk-weighted assets are determined for credit risk purposes in many different ways. For most assets the risk weight is determined with reference to internal ratings and a number of characteristics specific to the asset concerned. For off-balance sheet items the balance sheet equivalent is calculated first, on the basis of internal conversion factors. The resulting equivalent amounts are then also assigned risk-weightings. An Advanced Measurement Approach Model is used to determine the amount with respect to the risk-weighted assets for operational risk. With the market risk approach, the general market risk is hedged, as well as the risk of open positions in foreign currencies, debt and equity instruments, as well as commodities.

The CET1 Ratio, the Tier 1 ratio and the total capital ratio are the most common ratios used to measure solvency. The CET1 Ratio expresses the relationship between Common Equity Tier 1 Capital and total risk-weighted assets. At 30 June 2016, Rabobank Group's CET1 Ratio stood at 13.4 per cent. (year-end 2015; 13.5 per cent.).

Risk-weighted assets were down €4.0 billion to €209.1 billion at 30 June 2016 compared to €213.1 billion at 31 December 2015. Common Equity Tier 1 Capital decreased by €0.9 billion to €27.9 billion at 30 June 2016 compared to €28.8 billion at 31 December 2015. See "Regulation of Rabobank Group" for further discussion of the Basel standards.

The Tier 1 ratio expresses the relationship between Tier 1 capital and total risk-weighted assets. As at 30 June 2016, Rabobank Group's Tier 1 ratio stood at 16.8 per cent. (year-end 2015: 16.4 per cent.). The minimum requirement set by external supervisors under the CRD IV is 6.5 per cent.

The total capital ratio is calculated by dividing the total of Tier 1 and Tier 2 capital by the total of risk-weighted assets. At 30 June 2016, the total capital ratio stood at 23.5 per cent. (year-end 2015: 23.2 per cent.). The issuance of $1.5 billion Tier 2 notes in July 2016 adds 0.6 per cent. points to the total capital ratio on a pro forma basis. This exceeds the current minimum requirement set by the external supervisors of 8.0 per cent.

The following table sets forth the development in capital and solvency ratios of Rabobank Group at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013:

Development in capital and solvency ratios

	As at 30 June	**As at 31 December**		
(in millions of euro, except percentages)	**2016***	**2015**	**2014**	**2013**
Common Equity Tier 1 Capital	27,932	28,754	28,714	28,551
CET1 Ratio	13.4%	13.5%	13.6%	13.5%
Fully Loaded CET1 Ratio*	12.4%	12.0%	11.8%	11.1%
Tier 1 capital	35,070	35,052	33,874	35,092
Tier 1 ratio	16.8%	16.4%	16.0%	16.6%

	As at 30 June	As at 31 December		
(in millions of euro, except percentages)	**2016***	**2015**	**2014**	**2013**
Qualifying capital	49,192	49,455	45,139	41,650
Total capital ratio	23.5%(1)	23.2%	21.3%	19.8%

Note:

(1) The issuance of $1.5 billion Tier 2 notes in July 2016 adds 0.6 per cent. points to the total capital ratio on a pro forma basis.

Cash flow

The following table sets forth Rabobank Group's cash flow for the six-month periods ended 30 June 2016, 30 June 2015 and the years ended 31 December 2015, 2014 and 2013.

	Six-month period ended 30 June*		Year ended 31 December		
(in millions of euro)	**2016**	**2015**	**2015**	**2014**	**2013**
Net cash flow from operating activities	7,911	(3,715)	15,848	(13,463)	(24,693)
Net cash flow from investing activities	1,083	701	519	9,505	252
Net cash flow from financing activities	584	870	3,131	1,365	(31)
Net change in cash and cash equivalents	**9,578**	**(2,144)**	**19,498**	**(2,593)**	**(24,472)**
Cash and cash equivalents at 1 January	64,943	43,409	43,409	43,039	68,103
Net change in cash and cash equivalents	9,578	(2,144)	19,498	(2,593)	(24,472)
Foreign exchange differences on cash and cash equivalents	(1,302)	1,801	2,036	2,963	(592)
Cash and cash equivalents	**73,219**	**43,066**	**64,943**	**43,409**	**43,039**

Net cash flow from operating activities was €7,911 million in the six-month period ended 30 June 2016, mainly due to a net change in assets and liabilities relating to operating activities.

Net cash flow from investing activities was €1,083 million in the six-month period ended 30 June 2016, mainly due to sales in the available-for-sale financial assets.

Net cash flow from financing activities was €584 million in the six-month period ended 30 June 2016, mainly due to the issue of capital securities minus payments on equity instruments.

Working capital

In the opinion of Rabobank Group, its working capital is sufficient for its present requirements, that is for at least 12 months following the date of this Base Prospectus. Rabobank Group currently complies with the applicable own funds and liquidity requirements as set out in the CRD IV Directive as implemented in the FMSA and CRR.

*Selected Statistical Information**

The following section discusses selected statistical information regarding Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "Results of operations" for an analysis of fluctuations in Rabobank Group's results between periods.

Return on equity and assets

	As at 30 June	As at 31 December				
	2016	**2015**	**2014**	**2013**	**2012**	**2011**
Return on assets (in percentages)[(1)]	0.27	0.32	0.27	0.29	0.27	0.38
Net profit (in millions of euro)	*924*	*2,214*	*1,842*	*2,007*	*2,058*	*2,627*
Total average assets (month-end balances in billions of euro)	*679.5*	*686.1*	*674.8*	*705.2*	*757.8*	*688.0*
Return on equity (in percentages)[(2)]	4.51	5.42	4.69	4.88	4.58	6.17
Net profit (in millions of euro)	*924*	*2,214*	*1,842*	*2,007*	*2,058*	*2,627*
Total average equity (quarter-end balance in billions of euro)	*41.0*	*40.9*	*39.3*	*41.2*	*45.0*	*42.6*
Equity to assets ratio (in percentages)[(3)]	6.03	5.95	5.80	5.82	5.96	6.19
Total average equity (quarter-end balances in billions of euro)	*41.0*	*40.9*	*39.3*	*41.2*	*45.0*	*42.6*
Total average assets (quarter-end balances in billions of euro)	*679.8*	*686.6*	*677.1*	*709.2*	*753.9*	*687.8*

Notes:

(1) The return on assets is a profitability ratio which states net profit as a percentage of total average assets, based on month-end balances.

(2) The return on equity is a profitability ratio which states net profit as a percentage of average equity, based on quarter-end balances.

(3) The equity to assets ratio is a leverage ratio and is calculated by dividing average equity by average total assets, based on quarter-end balances.

The following table presents information relating to payments on Rabobank (Member) Certificates for the six–month period ended 30 June 2016 and for each of the past five years:

	Six-month period ended 30 June	As at 31 December				
(in millions of euro, except percentages)	2016	2015	2014	2013	2012	2011
Outstanding Rabobank (Member) Certificates[(1)]	5,948	5,942	5,910	6,219	6,587	6,551
Payments	193	387	385	309	328	315
Average yield[(2)]	6.50%	6.51%	6.52%	4.96%	4.98%	4.81%

Notes:

(1) Average Outstanding Rabobank (Member) Certificates based on month-end balances.

(2) Average yield is calculated by dividing payments by the number of outstanding Rabobank Certificates and multiplying the result by two. The result is multiplied by two because the payments represent half year payments.

Loan portfolio

Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses Rabobank Group's loan portfolio by sector at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013:

	As at 30 June	**As at 31 December**		
(in billions of euro)	***2016****	***2015 (restated)***	***2014 (restated)***	**2013**
Private sector lending	427.3	426.0	429.7	434.7
Loans to government clients	4.0	3.4	2.1	2.7
Receivables relating to securities transactions	21.5	20.1	18.3	10.7
Hedge accounting	10.9	9.0	11.6	7.9
Change in accounting policy	0	8.3	0	0
Total loans and advances to customers	463.7	466.8	461.8	455.9
Loan impairment allowance loans and advances to customers	(8.0)	(8.4)	(9.3)	(8.6)
Reclassified assets	0.6	0.8	1.3	2.8
Gross loans and advances to customers	471.1	474.4	469.8	461.7

The following table sets forth a geographic breakdown of Rabobank Group's private sector loan portfolio at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013:

	As at 30 June	**As at 31 December**		
(in millions of euro)	***2016****	***2015 (restated)***	***2014 (restated)***	***2013 (restated)***
The Netherlands	311,327	313,785	321,429	335,046
Other European countries in the EU zone	28,910	27,563	27,312	26,972
North America	43,604	42,098	40,198	36,569
Latin America	12,641	12,741	11,273	10,635
Asia	9,644	9,400	9,230	6,631
Australia	20,955	20,116	19,948	18,698
Other countries	266	344	341	140
Total private sector lending	427,348	426,047	429,731	434,691

Risk Elements*

Breakdown of assets and liabilities by repayment date*

The following table shows Rabobank's assets and liabilities grouped by the period remaining between the reporting date and the contract repayment date. These figures are non-restated for the netting of cash pooling arrangements and correspond with the statement of financial position.

	As at 31 December 2015					
Payments due by period (in millions of euro)	On demand	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Total
Cash and balances at central banks	63,650	1,284	9	0	0	64,943
Loans and advances to banks	4,412	23,130	1,878	1,300	490	31,210
Financial assets held for trading	144	397	539	1,669	723	3,472
Financial assets designated at fair value	8	307	33	848	1,000	2,196
Derivatives	6	3,071	2,870	11,226	30,940	48,113
Loans and advances to customers	20,180	51,235	37,948	89,456	259,799	458,618
Available-for-sale financial assets	49	2,385	3,344	19,636	12,359	37,773
Deferred tax assets	2,335	0	0	0	55	2,390
Other assets (excluding employee benefits)	1,030	3,910	1,669	1,113	270	7,992
Total financial assets	**91,814**	**85,719**	**48,290**	**125,248**	**305,636**	**656,707**
Due to banks	2,911	9,459	2,492	3,415	761	19,038
Due to customers	244,194	46,108	12,322	12,550	22,419	337,593
Debt securities in issue	117	32,390	48,306	60,720	33,458	174,991
Derivatives and other trade liabilities	13	4,186	3,392	11,795	35,743	55,129
Other liabilities (excluding employee benefits)	1,363	4,350	1,343	590	48	7,694
Financial liabilities designated at fair value	62	542	2,380	4,464	9,543	16,991
Deferred tax liabilities	575	0	0	0	0	575
Subordinated liabilities	0	48	10	2,008	13,437	15,503
Total financial liabilities	**249,235**	**96,083**	**70,245**	**95,542**	**115,409**	**627,514**
Net liquidity balance	**(157,421)**	**(11,364))**	**(21,955)**	**29,706**	**190,227**	**29,193**

The above breakdown was compiled on the basis of contract information, without taking into account actual behaviour in items in the statement of financial position. This is taken into account, however, for the day-to-day management of liquidity risk. Customer savings are an example. By contract, they are payable on demand. However, historically this has been a stable source of financing at the long-term disposal of Rabobank. The regulations of the supervisory authority also factor this in. Based on the liquidity criteria of the DNB, Rabobank had a substantial liquidity surplus at 30 June 2016 and throughout the first half of 2016. The average liquidity surplus was 31 per cent. of the total liquidity requirement.

The liquidity requirements to meet payments under guarantees and stand-by letters of credit are considerably lower than the size of the liabilities, as Rabobank does not generally expect that third parties to such arrangements will draw funds. The total open position relating to contractual obligations to provide credit does not necessarily represent Rabobank's future cash resource needs, as many of these obligations will lapse or terminate without financing being required. For more information, see note 27 (on page 231) of Rabobank Group's audited consolidated financial statements for the year ended 2015 incorporated by reference into this Base Prospectus.

Interest rate sensitivity

The key indicators used for managing the interest rate risk are the BPV, the Equity at Risk and the Income at Risk.

The BPV is the absolute loss of economic value of equity after a parallel shift of the yield curve with 1 basis point. In 2015, the BPV did not exceed €14 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of Rabobank Group's economic value of equity to interest rate fluctuations. A 100 basis point overnight upward parallel shock of the curve will result in a 1.1 per cent. drop in economic value of equity (figure at 30 June 2016).

Short-term interest rate risk is monitored using the Income at Risk concept. This is the amount of net interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease 10 basis points over a one-year period, net interest income would decrease by €59 million (figure at 30 June 2016).

*Cross-border outstandings**

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At 30 June 2016, there were no cross-border outstandings exceeding 1 per cent. of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings at the end of each of the last three years and as at 30 June 2016, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1 per cent. of total assets, by type of borrower:

	As at 30 June 2016			
(in millions of euro)	Banks	Public authorities	Private sector	Total
France	5,127	3,405	3,823	12,355
United Kingdom	6,683	1	13,226	19,910
Switzerland	147	10,055	2,763	12,965
Germany	2,747	267	5,893	8,907
As at 31 December 2015				
France	6,277	3,441	1,386	11,104
United Kingdom	6,888	7	13,544	20,439
Switzerland	182	9,910	1,969	12,061
United States	1,761	1,388	4,230	7,379
As at 31 December 2014				
France	8,522	3,484	3,343	15,349
United Kingdom	13,641	1	13,245	26,887
Switzerland	382	5,433	1,596	7,411
United States	2,851	1,640	4,411	8,902
As at 31 December 2013				
France	6,622	5,253	5,198	17,073

	As at 30 June 2016			
(in millions of euro)	Banks	Public authorities	Private sector	Total
Germany	3,863	4,855	5,709	14,427
United Kingdom	14,218	6,289	10,446	30,953
Poland	96	2,415	7,592	10,103
United States	5,021	23,699	48,710	77,430
Brazil	1,043	615	5,881	7,539
Australia	953	1,898	13,149	16,000

*Diversification of loan portfolio**

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. Rabobank Group uses the North America Industry Classification System ("**NAICS**") as the leading system to classify industries. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at 30 June 2016:

	At 30 June 2016		
(in millions of euro)	On balance	Off balance	Total
Grain and oilseeds	20,022	664	20,686
Animal protein	15,277	205	15,482
Dairy	21,628	71	21,699
Fruit and vegetables	10,518	220	10,738
Farm inputs	8,538	282	8,820
Food retail and food service	3,896	203	4,099
Beverages	3,158	15	3,173
Flowers	1,579	3	1,582
Sugar	2,737	9	2,746
Miscellaneous crop farming	2,145	8	2,152
Other food and agri	8,749	1,112	9,924
Total private sector lending to food and agri	98,246	2,792	101,101
Lessors of real estate	22,843	39	22,882
Finance and insurance (except banks)	14,896	1,508	16,404
Wholesale	12,822	4,047	16,869
Activities related to real estate	5,144	25	5,169
Manufacturing	9,260	1,015	10,275
Transportation and warehousing	6,224	331	6,555
Construction	5,032	1,181	6,214
Healthcare & social assistance	5,825	41	5,866

	At 30 June 2016		
(in millions of euro)	On balance	Off balance	Total
Professional, scientific and technical services	9,394	272	9,666
Retail (except food and beverages)	4,481	483	4,964
Utilities	3,150	1,010	4,159
Information and communication	897	7	903
Arts, entertainment and recreation	1,150	12	1,162
Other services	23,687	2,136	25,903
Total private sector lending to trade, industry and services	124,805	12,107	136,992
Private individuals	204,297	204	204,501
Total private sector lending	427,348	15,103	442,594

Apart from loans and advances to banks (€24.4 billion at 30 June 2016 which is 3.6 per cent. of total assets), Rabobank's only significant risk concentration is in the portfolio of loans to private individuals which accounted for 48 per cent. of the private sector loan portfolio at 30 June 2016. This portfolio has a relatively low risk profile as evidenced by the actual losses incurred in previous years. The proportion of the total loan portfolio attributable to the food and agri sector was 23 per cent. at 30 June 2016. The proportion of the total loan portfolio attributable to trade, industry and services was 29 per cent. at 30 June 2016. Loans to trade, industry and services and loans to the food and agri sector are both spread over a wide range of industries in many different countries. None of these shares represents more than 10 per cent. of the total loan portfolio.

*Non-performing loans**

Rabobank focuses on non-performing loans. These meet at least one of the following criteria:

- They are material loans in arrears by more than 90 days. The threshold for materiality amounts to €1,000 per facility for retail exposures and expert judgement for other asset classes within Rabobank Group;
- The debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or the number of days past due.

At 30 June 2016, these loans amounted to €18,985 million (2015: €19,503 million). The loan impairment allowance covered 42.2 per cent. (2015: 43.5 per cent.) of the non-performing loans. Over and above the loan impairment allowance, additional coverage is raised through collateral and other securities. Rabobank applies the one-obligor principle for the corporate portfolio, which means that the exposure to all counterparties belonging to the same group is taken into account. In addition, the full exposure to a client is qualified as impaired, even if adequate coverage is available for part of the exposure in the form of security or collateral. At 30 June 2016, non-performing loans corresponded to 4.4 per cent. (2015: 4.6 per cent.) of the private sector loan portfolio.

The following table provides an analysis of Rabobank Group's non-performing loans by business at 30 June 2016, 31 December 2015 and 31 December 2014:

	As at 30 June	As at 31 December	
(in millions of euro)	***2016***	***2015***	***2014***
Domestic retail banking	9,065	9,166	10,492

	As at 30 June	As at 31 December	
(in millions of euro)	***2016***	***2015***	***2014***
Wholesale banking and international retail banking	5,460	5,644	6,437
Leasing	639	681	576
Real estate	3,821	4,012	3,745
Rabobank Group	18,985	19,503	21,250

Summary of loan loss experience

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to customers for 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013:

	As at 30 June	As at 31 December		
(in millions of euro)	***2016***	***2015***	***2014***	***2013***
Domestic retail banking	3,963	4,836	4,561	3,866
Wholesale banking and international retail banking	2,898[(1)]	2,816	2,672	2,893
Leasing	322	378	455	467
Real estate	1,175	1,270	842	376
Other	33	48	51	53
Balance on 1 January	8,391	9,348	8,581	7,655
Domestic retail banking	43	377	1,469	1,397
Wholesale banking and international retail banking	139	556	448	592
Leasing	61	120	185	236
Real estate	(9)	91	657	514
Other	(11)	(10)	3	7
Loan impairment charges from loans and advances to customers	223	1,134	2,762	2,746
Domestic retail banking	(440)	(1,440)	(1,263)	(826)
Wholesale banking and international rural and retail banking	(98)	(478)	(355)	(467)
Leasing	(76)	(167)	(268)	(223)
Real estate	(69)	(218)	(335)	(34)
Other	(23)	(4)	(6)	(10)
Write-down of defaulted loans during the period	(706)	(2,307)	(2,227)	(1,560)
Domestic retail banking	81	190	69	124
Wholesale banking and international retail banking	(1)	14	51	(346)
Leasing	8	(9)	6	(25)
Real estate	22	32	106	(14)
Other	0	(2)	0	1
Interest and other adjustments	110	197	232	(260)
Domestic retail banking	3,647	3,963	4,836	4,561

	As at 30 June	As at 31 December		
(in millions of euro)	***2016***	***2015***	***2014***	***2013***
Wholesale banking and international retail banking	2,939	2,880	2,816	2,672
Leasing	315	322	378	455
Real estate	1,118	1,175	1,270	842
Other	0	32	48	51
Balance on end of period	8,018	8,372	9,348	8,581

Note:

(1) As a result of a correction the figure on 1 January 2016 does not match with 31 December 2015.

*Due to customers**

The following table presents a breakdown of due to customers at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013. Interest rates paid on time deposits and savings deposits reflect market conditions and not all current accounts earn interest.

	As at 30 June	**As at 31 December**		
(in millions of euro)	**2016**	**2015 (restated)**	**2014**	**2013 (restated)**
Current accounts	78,394	69,675	56,255	46,881
Deposits with agreed maturity	91,943	96,363	96,572	91,015
Deposits redeemable at notice	160,947	162,083	162,857	175,870
Repurchase agreements	990	488	2,025	1,474
Other due to customers	10,666	8,984	8,579	10,982
Change in accounting policy	0	8,291	0	0
Total due to customers	342,940	345,884	326,288	326,222

*Short-term borrowings**

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in Rabobank Group's consolidated statement of financial position within the line item "Debt securities in issue". The following table includes an analysis of the balance of short-term borrowings at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013 is provided below.

	30 June	31 December		
(in millions of euro)	2016	2015	2014	2013
End of period balance	52,168	52,953	55,065	54,416
Average balance	55,672	55,087	56,434	53,389
Maximum month-end balance	59,422	65,076	59,842	63,765

*Long-term borrowings**

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in Rabobank Group's consolidated statement of financial position within the line items "Debt securities in issue" and "Other financial liabilities at fair value through profit or loss". The following table includes an analysis of the balance of long-term borrowings at 30 June 2016, 31 December 2015, 31 December 2014 and 31 December 2013 is provided below.

	As at 30 June	As at 31 December		
(in millions of euro)	2016	2015	2014	2013
End of period balance	137,773	139,029	153,739	160,015
Average balance	139,881	151,383	156,859	172,906
Maximum month-end balance	142,230	160,664	160,014	185,952

SELECTED FINANCIAL INFORMATION

The following selected financial data for the year ended 31 December 2014 is derived from the audited consolidated financial statements of Rabobank Group for the year ended 31 December 2015, which have been audited by Ernst & Young Accountants LLP. The following consolidated statement of income data for the year ended 31 December 2015 is derived from the audited consolidated financial statements of Rabobank Group for the year ended 31 December 2015, which have been audited by Ernst & Young Accountants LLP. The following consolidated statement of financial position data for the year ended 31 December 2015 is derived from the unaudited condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2016, which has been reviewed by PricewaterhouseCoopers Accountants N.V. In addition, the selected financial data for the six-month periods ended 30 June 2016 and 30 June 2015 is derived from the unaudited condensed consolidated interim financial information of Rabobank Group for the six-month period ended 30 June 2016. The financial ratios are derived from the audited consolidated financial statements of Rabobank Group for the years ended 31 December 2015 and 31 December 2014, with the exception of the financial ratios for the six-month period ended 30 June 2016, which are derived from pages 2 and 3 ("Key Figures") of Rabobank Group's interim report for the six-month period ended 30 June 2016, which are incorporated by reference into this Base Prospectus.

The data should be read in conjunction with the Audited Consolidated Financial Statements and the Unaudited Condensed Consolidated Interim Financial Information (and related notes), incorporated by reference herein and "Important Information—Presentation of Financial and other Information", "Capitalisation and indebtedness of Rabobank Group" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in this Base Prospectus. Rabobank Group's Audited Consolidated Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and comply with Part 9 of Book 2 of the DCC. The Unaudited Condensed Consolidated Interim Financial Information has been prepared in accordance with IAS 34 'Interim financial reporting', as adopted by the European Union.

Pursuant to mandatory audit firm rotation rules in The Netherlands, PricewaterhouseCoopers Accountants N.V. has succeeded Ernst & Young Accountants LLP as Rabobank's independent auditor for financial periods beginning 1 January 2016.

The financial data in the (sub) paragraphs in this chapter marked with an asterisk (*) has not been directly extracted from the Audited Consolidated Financial Statements but instead is derived from the Unaudited Condensed Consolidated Interim Financial Information, the interim or annual reports or other accounting records of Rabobank.

Consolidated statement of financial position

	As at 30 June*	As at 30 June*	As at 31 December*	As at 31 December	As at 31 December
	2016	***2015 (restated)***	***2015 (restated)***	**2014 (*restated*)**	**2013 *(restated)***
(in millions of euro)					
Assets					
Cash and balances at central banks	73,219	43,066	64,943	43,409	43,039
Loans and advanced to banks	24,378	41,611	31,210	45,962	40,787
Financial assets held for trading	3,867	3,776	3,472	4,279	5,289

(in millions of euro)	**As at 30 June*** ***2016***	**As at 30 June*** ***2015 (restated)***	**As at 31 December*** ***2015 (restated)***	**As at 31 December** **2014 (*restated*)**	**As at 31 December** ***2013 (restated)***
Financial assets designated at fair value	1,567	3,593	2,196	4,325	4,939
Derivatives	57,339	50,210	48,113	56,489	39,703
Loans and advances to customers(1)	463,686	477,454	466,799	461,787	455,909
Available-for-sale financial assets	35,838	38,476	37,773	39,770	46,552
Investments in associates and joint ventures	3,567	3,776	3,672	3,807	3,747
Goodwill and other intangible assets	1,127	1,508	1,493	2,059	1,991
Property and equipment	4,512	7,363	7,765	7,148	6,901
Investment properties	334	440	381	452	1,055
Current tax assets	184	150	193	211	170
Deferred tax assets	2,398	2,268	2,390	2,501	1,910
Other assets	10,223	11,234	7,999	8,560	8,030
Non-current assets held for sale and discontinued operations	4,354	164	155	327	9,073
Total assets(1)	**686,593**	**685,089**	**678,554**	**681,086**	**669,095**

(in millions of euro)					
Liabilities					
Due to banks	21,903	20,967	19,038	18,066	14,745
Due to customers(1)	342,940	338,514	345,884	326,288	326,222
Debt securities in issue	171,418	186,274	174,991	189,060	195,361
Derivatives and other trade liabilities	64,910	57,585	55,129	67,560	50,171
Other liabilities	7,902	8,599	8,050	8,047	7,749
Financial liabilities designated at fair value	18,523	18,035	16,991	19,744	19,069
Provisions	1,433	719	993	794	1,050
Current tax liabilities	263	131	203	255	266
Deferred tax liabilities	520	484	575	473	288
Subordinated liabilities	15,165	12,462	15,503	11,928	7,815
Liabilities held for sale and discontinued operations	857	0	0	0	7,825
Total liabilities	**645,834**	**643,770**	**637,357**	**642,215**	**630,561**

(in millions of euro)

Equity

(in millions of euro)					
Reserves and retained earnings	25,387	25,676	25,623	24,894	23,731
Equity instruments issued directly					
Rabobank Certificates	5,949	5,948	5,949	5,931	5,823
Capital Securities	7,655	7,846	7,826	6,349	7,029
	13,604	**13,794**	**13,775**	**12,280**	**12,852**
Equity instruments issued by subsidiaries					
Capital Securities	179	170	176	181	236
Trust Preferred Securities III to VI	1,062	1,145	1,131	1,043	1,269
	1,241	1,315	1,307	1,224	1,505
Other non-controlling interests	527	534	492	473	446
Total equity[(2)]	**40,759**	**41,319**	**41,197**	**38,871**	**38,534**
Total equity and liabilities[(1)]	**686,593**	**685,089**	**678,554**	**681,086**	**669,095**

Note:

(1) Rabobank has changed its accounting policy for the netting of cash pooling arrangements due to an agenda decision of the IFRS Interpretations Committee in March 2016. This change in accounting policy is accounted for retrospectively in the consolidated interim financial information 2016 by reversing the netting that took place in 2015. In 2016 the netting procedures have been adjusted resulting in the netting of cash pools per June 2016. In this Base Prospectus the comparable cash pool balances in total assets, loans and advances to customers and due to customers in 2015 are still presented on a net basis in order to provide consistent information with the netted balances per June 2016, except for the figures in the Consolidated Statement of Financial Position.

(2) Receivables were overstated by €110 million. This amount has been reported as income in years prior to 2013. In accordance with IAS 8, the opening balance of equity as per 1 January 2015 has been adjusted retrospectively from €24,894 miillion to €24,811 million. The 'Loans and advances to customers' line item decreased by €110 million and the 'Current tax liabilities' line item decreased by €27 million at June 2015 and December 2015.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Change in accounting policies and presentation" for a comparison of the 'Total assets', 'Loans and advances to customers', 'Amounts due to customers', 'Current tax liabilities', 'Reserves and retained earnings' and 'Total equity' line items on 31 December 2015 and 30 June 2015 as stated in the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016 and as stated in the audited consolidated financial statements for the year ended 31 December 2015.

Condensed Consolidated Statement of Income

	Six-month period ended 30 June*		Year ended 31 December		
(in millions of euro)	***2016***	***2015 (restated)***	***2015***	***2014 (restated)***	***2013 (restated)***
Net interest income	4,375	4,482	9,139	9,118	9,095
Net fee and commission income	982	962	1,892	1,879	2,001
Other income	446	1,483	1,983	1,892	1,976

	Six-month period ended 30 June*		Year ended 31 December		
(in millions of euro)	***2016***	***2015 (restated)***	***2015***	***2014 (restated)***	***2013 (restated)***
Income	**5,803**	**6,927**	**13,014**	**12,889**	**13,072**
Staff costs	2,264	2,407	4,786	5,086	5,322
Other administrative expenses	1,803	1,214	2,916	2,532	3,910
Depreciation	209	212	443	437	528
Operating expenses	**4,276**	**3,833**	**8,145**	**8,055**	**9,760**
Impairment losses on goodwill(2)	0	600	623	32	42
Loan impairment charges	148	356	1,033	2,633	2,643
Regulatory levies	246	121	344	488	197
Operating profit before tax	**1,133**	**2,017**	**2,869**	**1,681**	**430**
Income tax	209	495	655	(161)	88
Net profit from continued operations	924	1,522	2,214	1,842	342
Net profit from discontinued operations	0	0	0	0	1,665
Net profit	**924**	**1,522**	**2,214**	**1,842**	**2,007**
Of which attributed to Rabobank	270	868	880	620	929
Of which attributed to holders of Rabobank Certificates	193	193	387	385	309
Of which attributed to Capital Securities	399	393	809	705	655
Of which attributed to Trust Preferred Securities III to VI	30	31	63	74	67
Of which attributed to non-controlling interests	32	37	75	58	47
Net profit for the period	**924**	**1,522**	**2,214**	**1,842**	**2,007**

Note:

(2) On 31 December 2015, the presentation of the impairment of goodwill in the profit and loss account has changed from 'Other income' to 'Impairment losses on goodwill'. Comparative figures for the years ended 31 December 2015 and 2014 have been adjusted accordingly.

Financial Ratios:

	As at 30 June	**As at 31 December**		
	*2016** (3)	*2015*	*2014*	*2013*
Total capital ratio	23.5%	23.2%	21.3%	19.8%
Tier 1 ratio	16.8%	16.4%	16.0%	16.6%
CET1 Ratio	13.4%	13.5%	13.6%	13.5%
Fully Loaded Common Equity Tier 1 ratio*	12.4%	12.0%	11.8%	11.1%
Equity capital ratio	14.9%	14.7%	14.4%	16.1%
Leverage ratio*	5.1%	5.1%	4.9%	4.8%

	As at 30 June	As at 31 December		
	*2016**	*2015*	*2014*	*2013*
Loan impairment charges (in basis points of average lending)*	7	24	60	59

Note:

(3) The issuance of $1.5 billion Tier 2 notes in July 2016 adds 0.6 per cent. points to the total capital ratio on a pro forma basis.

RISK MANAGEMENT

Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within Rabobank Group, the risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Risk Management Committee Rabobank Group (the "**RMC**") in cooperation with the Risk Management Department. The RMC is responsible for financial and non-financial risk management, establishing risk policy, setting risk measurement standards, broadly determining limits and monitoring developments, and advising the Executive Board on all relevant issues regarding risk management. See pages 314 up to (and including) 318 of Rabobank Group's annual report for the year ended 31 December 2015 ("Risk management organisation", "Risk management framework", "Risk Measurement" and "(Regulatory) Developments") incorporated by reference into this Base Prospectus for more information on the risk management organisation, the risk management framework and risk measurement.

Rabobank Group maintains a robust risk management framework to identify, assess, manage, monitor and report risks. It makes decisions based on a conscious and careful risk-return trade-off in line with the bank's strategy and within the formulated risk appetite. See page 40 of Rabobank Group's interim report for the six-month period ended 30 June 2016 incorporated by reference into this Base Prospectus for more information under "Risk strategy", "Risk culture" and "Risk appetite".

The principal risks faced by Rabobank Group are credit risk, country risk, interest rate risk, liquidity risk, market risk, operational risk, legal risk and currency risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also "Risk Factors".

Risk Adjusted Return on Capital

The risk adjusted return on capital ("**RAROC**") is a ratio which shows the relationship between the profit achieved on a certain activity and the capital required for that activity. RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across Rabobank Group's business activities and entities assists Rabobank Group in striking a balance between risk, returns and capital for both Rabobank Group and its constituent parts. This approach encourages each individual group entity to ensure appropriate compensation for the risks it runs. RAROC is therefore an essential instrument for positioning products in the market at the right price.

The use of the RAROC model to classify Rabobank Group's activities also plays a role in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the year ended 31 December 2015, Rabobank realised a RAROC, which is the ratio between net profit and average economic capital, after tax of 8.3 per cent.

From 2016 onwards Rabobank has decided to use the ROIC instead of the RAROC and therefore will no longer publish RAROC figures. An ROIC of at least 8 per cent. is one of the core objectives in Rabobank's Strategic Framework 2016-2020. For the six-month period ended 30 June 2016, Rabobank's the ROIC was 5.0 per cent.

Credit risk

Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. As at 30 June 2016, 48 per cent. of Rabobank Group's private sector lending consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms (year-end 2015: 49 per cent.; year-end 2014: 49 per cent.; year-end 2013: 50 per cent.). The remaining 52 per cent. was a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

Approval of larger credit applications is decided on by committees. A structure consisting of various committees has been established, with the total exposure including the requested financing determining the applicable committee level. The Executive Board itself decides on the largest credit applications. The RMC establishes Rabobank Group's credit risk policy. Rabobank Group entities define and establish their own credit policies within this framework. In this context, the RMC Retail NL is responsible for domestic retail banking and the RMC WRR for wholesale banking and international rural and retail banking. For corporate loans, a key concept in Rabobank Group's policy for accepting new clients is the "know your customer" principle, meaning that loans are granted only to corporate clients whose management, including their integrity and expertise, is known and considered acceptable by Rabobank Group. In addition, Rabobank Group is familiar with the industry in which a client operates and can assess its clients' financial performance. Corporate social responsibility implies responsible financing; accordingly, corporate social responsibility guidelines apply to the lending process as well.

With respect to the management of Rabobank Group's exposure to credit risk, Rabobank's Credit Risk Management Department and overall Risk Management Department play a key role. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

Rabobank Group uses the Advanced Internal Rating-Based ("**IRB**") approach for credit risk. This is the most risk-sensitive form of the CRD IV Credit Risk approaches. Rabobank Group has professionalised its risk management even further by combining Basel II (as defined in "Regulation of Rabobank Group") compliance activities with the implementation of a best-practice framework for Economic Capital. The main Basel II parameters as far as credit risk is concerned are Exposure At Default, Probability of Default and Loss Given Default. It is partly on the basis of these parameters that Rabobank Group determines the economic capital and the RAROC. These CRD IV parameters are an important element of management information. A significant advantage associated with the use of economic capital is a streamlined and efficient approval process. The use of the CRD IV parameters and RAROC support credit analysts and the Credit Committees in making well-considered decisions. Every Rabobank Group entity has established a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications.

Rabobank Group believes it has a framework of policies and processes in place that is designed to measure, manage and mitigate credit risks. Rabobank Group's policy for accepting new clients is characterised by careful assessment of clients and their ability to make repayments on credit granted. Rabobank Group's objective is to enter into long-term relationships with clients which are beneficial for both the client and Rabobank Group.

Exposure At Default is the expected exposure to the client in the event of, and at the time of, a counterparty's default. As at 30 June 2016, the Exposure At Default of the total Advanced IRB loan portfolio was €601 billion (year-end 2015: €594 billion; year-end 2014: €582 billion; year-end 2013: €574 billion). This Exposure At Default includes the expected future usage of unused credit lines. As part of its approval process Rabobank Group uses the Rabobank Risk Rating system, which indicates the counterparty's Probability of Default over a one-year period. The counterparties have been assigned to one of the 25 rating classes, including four default ratings. These default ratings are assigned if the customer defaults, the form of which varies from payment arrears of 90 days to bankruptcy. As at 30 June 2016, the weighted average Probability of Default of the total Advanced IRB loan portfolio was 0.92 per cent. (year-end 2015: 0.98 per cent; year-end 2014: 1.05 per cent; year-end 2013: 1.12 per cent.).

The table below shows the impaired loans (i.e., the amount of loans for which an allowance has been taken) as at 31 December 2015, 2014 and 2013 per business unit as a percentage of private sector loans:

Impaired Loans/Private Sector Lending per Business Unit

	As at 31 December		
	2015	*2014*	*2013*
		(in percentages)	
Domestic retail banking	3.0	3.0	3.0
Wholesale banking and international retail banking	5.4	3.9	4.1
Leasing	2.3	2.3	2.9
Real estate	22.7	18.8	15.1
Rabobank Group	4.2	3.8	3.7

Loan Impairment Charges*

Once a loan has been granted, ongoing credit management takes place as part of which new information, both financial and non-financial, is assessed. Rabobank monitors if the client meets all its obligations and whether it can be expected the client will continue to do so. If this is not the case, credit management is intensified, monitoring becomes more frequent and a closer eye is kept on credit terms. Guidance is provided by a special unit within Rabobank Group, particularly in case of larger and more complex loans granted to businesses whose continuity is at stake. If it is likely that the debtor will be unable to fulfil its contractual obligations, this is a matter of impairment and an allowance is made which is charged to income. The loan impairment charges in basis points is a credit risk indicator which relates the annualised loan impairment charges to the average private sector loan portfolio in a certain period.

The table below sets forth Rabobank Group's loan impairment charges for the six-month periods ended 30 June 2016, 30 June 2015 and for the three years ended 31 December 2015, 2014 and 2013, for Rabobank Group and per business segment as a percentage of private sector lending (private sector lending calculated as the average of the month-end balances), the loan impairment charges (in millions of euro) and the average private sector loan portfolio (in billions of euro):

	Six-month period ended 30 June	Six-month period ended 30 June	Year ended 31 December		
	2016	2015	2015	2014	2013
Domestic retail banking (in percentages)	0.01	0.00	0.12	0.48	0.45
Loan impairment charges (in millions of euro)	8	(6)	343	1,422	1,384
Average private sector loan portfolio (in billions of euro)	279.7	288.6	286.5	298.2	304.7
Wholesale banking and international retail banking (in percentages)	0.23	0.54	0.53	0.44	0.57
Loan impairment charges (in millions of euro)	117	273	526	420	568
Average private sector loan portfolio (in billions of euro)	100.3	100.7	99.9	88.8	99.5
Leasing (in percentages)	0.26	0.28	0.25	0.43	0.59
Loan impairment charges (in millions of euro)	44	48	85	131	170
Average private sector loan portfolio (in billions of euro)	34.5	33.7	33.9	30.4	28.8
Real estate (in percentages)	(0.16)	0.57	0.56	3.64	2.78
Loan impairment charges (in millions of euro)	(11)	47	90	656	513
Average private sector loan portfolio (in billions of euro)	14.6	16.4	16.1	18.0	18.5
Rabobank Group (in percentages)	0.07	0.16	0.24	0.60	0.59
Loan impairment charges (in millions of euro)	148	356	1,033	2,633	2,643
Average private sector loan portfolio (in billions of euro)	424.7	434.0	432.0	431.5	448.1

Country Risk

Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

Transfer limits are determined according to the net transfer risk, which is defined as total loans granted, less loans granted in local currency, less guarantees and other collateral obtained to cover transfer risk, and less a reduced weighting of specific products. The limits are allocated to the offices, which are themselves responsible for the day-to-day monitoring of the loans granted by them and for reporting on this to Risk Management.

At Rabobank Group level, the country risk outstanding, including additional capital requirements for transfer risk, is reported every quarter to the Risk Management Committee and the Country Limit Committee. The calculations of additional capital requirements for transfer risk are made in accordance with internal guidelines and cover all countries where transfer risk is relevant. Special Basel II parameters, specifically Exposure at Transfer Event, Probability of Transfer Event and Loss Given Transfer Event, are used to calculate the additional capital requirement for transfer risk. These calculations are made in accordance with internal guidelines and cover all countries where risk is relevant.

As at 31 December 2015, the ultimate collective debtor risk for non-OECD countries was €24.7 billion (31 December 2014: €26.9 billion; 31 December 2013: €23.8 billion) and the net ultimate transfer risk before provisions for non-OECD countries was €15.4 billion (31 December 2014: €18.2 billion; 31 December 2013: €14.2 billion); which corresponds to 2.3 per cent. of total assets (31 December 2014: 2.7 per cent.; 31 December 2013: 2.1 per cent.). It should be noted that reduced weighting of specific products is no longer included in this transfer risk figure.

Risk in non-OECD countries*

in millions of euro						31 December 2015
Regions	**Europe**	**Africa**	**Latin America**	**Asia/ Pacific**	**Total**	**In % of total assets**
Ultimate country risk (excluding derivatives)	818	466	10,335	13,123	24,742	3.7%
- of which in local currency exposure	148	178	5,604	3,377	9,307	
Net ultimate country risk before allowance	670	288	4,731	9,746	15,435	2.3%
						In % of total allowance
Total allowance for ultimate country risk	10	—	144	191	346	4.1%

Since concerns about the euro increased, the outstanding country risk, including the sovereign risk for relevant countries, has been reported on a monthly basis. Compared to exposures to Dutch, German and French government bonds, exposures to government bonds issued by other European countries are relatively low.

Interest Rate Risk

Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, among other things, mismatches in assets and liabilities, for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. Rabobank Group uses three indicators for managing, controlling and limiting short- and long-term interest rate risk: Basis Point Value (the "**BPV**"), Income at Risk and Equity at Risk. Based on the BPV, Income at Risk and Equity at Risk analyses, the Executive Board forms an opinion with regard to the acceptability of losses related to projected interest rate scenarios, and decides upon limits with regard to Rabobank Group's interest rate risk profile.

Rabobank Group's short-term interest rate risk can be quantified by looking at the sensitivity of net interest income (interest income less interest expenses, before tax) for changes in interest rates. This

Income at Risk figure represents the decline in net interest income for the coming 12 months, due to parallel increases/decreases in interest rates, assuming no management intervention. The Income at Risk calculation also takes account of changes in client savings behaviour in reaction to interest rate movements and changes in the pricing policy of savings products. In the past, the applied interest rate scenarios were based on the assumption that all money and capital market interest rates will show an even and parallel increase/decline by 200 basis points during the first 12 months. However, given the current low interest rate environment and the assumption that interest rates will not fall further sharply if they are already (partially) negative, the 200 basis points down scenario has been replaced by a scenario that envisages interest rates declining by only a smaller number of basis points. At the end of 2015, a decline of two basis points for euro loans was assumed. This assumption was the same as at 31 December 2014. However, in 2016 Rabobank adjusted its "Income at Risk" methodology in such a way that the size of the applied downward shock would be at least ten basis points, meaning that interest rates could go further into negative territory. The simulation of the possible net interest income development is based on an internal interest rate risk model. This model includes certain assumptions regarding the interest rate sensitivity of products with interest rates that are not directly linked to a certain money or capital market rate, such as savings of private customers.

Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of Equity at Risk, which is the sensitivity of Rabobank Group's economic value of equity to an instant parallel change in interest rates of 100 basis points. The economic value of equity is defined as the present value of the assets less the present value of the liabilities plus the present value of the off-balance sheet items. In the Equity at Risk calculation, client behaviour and the bank's pricing policy are supposed to show no changes, while all market interest rates are assumed to increase by 100 basis points at once. Just as in the Income at Risk calculation, the impact analysis of these scenarios is based on an internal interest rate risk model. In that model, balance sheet items without a contractual maturity, like demand savings deposits and current accounts, are included as a replicating portfolio. Equity at Risk is expressed as a percentage. This percentage represents the deviation from the economic value of equity at the reporting date.

At 30 June 2016, 31 December 2015 and 31 December 2014, the Income at Risk and Equity at Risk for Rabobank Group were as follows:

	Six-month period ended 30 June	**Year ended 31 December**	
(in millions of euro, except percentages)	2016	2015	2014
Income at Risk	59 (decline by 10 basis points)	19 (decline by 2 basis points)	15 (decline by 2 basis points)
Equity at Risk	1.1%	2.4%	0.4%

As in 2015, the low interest rate environment has received significant attention in the first half of 2016. For a bank in general, a low interest rate environment is challenging for profitability. Non-interest bearing liabilities, such as equity and current account balances, are less profitable when interest rates are low. In the first half of 2016 interest rates continued to be below zero, both at the short and the longer end of the curve. In addition, the current environment of low interest rates is often accompanied by a flattening of the curve, causing banks to make less profit on the transformation of short-term liabilities into longer term assets. This impact will intensify if the low interest rate environment persists or the yield curve shifts further down to more negative levels.

Liquidity Risk

Liquidity risk is the risk that a bank will not be able to fulfil all its payment and repayment obligations on time, as well as the risk that it will at some time be unable to fund increases in assets at a reasonable price, if at all.

Responsibility for the day-to-day management of liquidity exposures, the raising of professional funding on the money market and the capital market, and the management of the structural position lies with Rabobank Group's Treasury Department. In keeping with the Basel principles, the policy is aimed at financing long-term loans by means of stable funding, specifically amounts due to customers and long-term funding from the professional markets. Rabobank Group's funding and liquidity risk policy also entails strictly limiting outgoing cash flows at the wholesale banking business, maintaining a large liquidity buffer and raising sufficient long-term funding in the international capital market. The retail banking division is assumed to be largely self-funding as a result of money raised from customers. The division raised more than enough money to fund operations in 2015 given low lending demand. Retail savings declined due to prepayments on mortgages.

Liquidity risk is an organisation-wide matter and managed by Treasury within Rabobank Group. Rabobank has developed several methods to measure and manage liquidity risk, including a method for calculating the survival period, i.e. the period that the liquidity buffer will hold up under severe market-specific or idiosyncratic stress. In the most severe stress scenario, it is assumed that Rabobank no longer has access to the capital markets, i.e. no long- or short-term debt can be issued or refinanced. During 2015, Rabobank more than satisfied the minimum survival period of three months in all the internally used scenarios. For more information, see pages 50 (under "Liquidity risk") and 51 (under "Liquidity position") of Rabobank Group's interim report for the six-month period ended 30 June 2016 incorporated by reference into this Base Prospectus.

Market Risk

Market risk relates to the change in value of Rabobank Group's trading portfolio as a consequence of changes in market prices, such as interest rates, foreign exchange rates, credit spreads, commodity prices and equity share prices. The RMC is responsible for developing and supervising market risk policies and monitors Rabobank Group's worldwide market risk profile. On a daily basis, the Market Risk Department measures and reports the market risk positions. Market risk is calculated based on internally developed risk models and systems, which are approved and accepted by the DNB. The internal 'Value at Risk' model forms a key part of Rabobank's market risk framework. Value at Risk describes the maximum possible loss that Rabobank Group can suffer within a defined holding period, based on historical market price changes and a given certain confidence interval. Value at Risk within Rabobank Group is based on actual historical market circumstances. To measure the potential impact of strong adverse market price movements, stress tests are applied. These "event risk scenarios" measure the effect of sharp and sudden changes in market prices. Value at Risk and event risk are tied to limits that are set by the Executive Board on an annual basis.

For the six-month period ended 30 June 2016, the Value at Risk, based on a one-day holding period and 97.5 per cent. confidence level, fluctuated between €3.5 million (31 December 2015: €2.5 million; 31 December 2014: €2.4 million; 31 December 2013: €3.5 million) and €6.9 million (31 December 2015: €8.7 million; 31 December 2014: €22.5 million; 31 December 2013: €8.9 million), with an average of €4.2 million (31 December 2015: €4.8 million; 31 December 2014: €3.8 million; 31 December 2013: €6.4 million). Movements in the Value at Risk were limited and mostly driven by fluctuations in financial markets. The Value at Risk remained well within the internal limit of €40 million throughout the first half of 2016.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate. The performance of the Value at Risk models is regularly reviewed by means of back testing. These back testing results are reported both internally, as well as to the regulator. In addition to Value at Risk, other risk indicators are also used for market risk management. Some of them are generated by using statistical models. All these indicators assist the Market Risk Department, as well as the RMC, in evaluating Rabobank Group's market positions.

Operational Risk

Operational risk is the risk of direct or indirect losses arising from inadequate or failed internal processes, people and systems or from external events. Possible legal and reputational risks are included while assessing and managing operational risks. Rabobank Group has a group-wide operational risk policy and it applies the Advanced Measurement Approach to its operational risk framework. The group-wide operational risk policy is based upon the principle that the primary responsibility for managing operational risks lies with Rabobank Group entities and should be part and parcel of the strategic and day-to-day decision-making process. The objective of operational risk management is to identify, measure, mitigate and monitor operational risk. The management of each Rabobank Group entity is responsible for developing policies and procedures to manage their specific operational risks in line with the Rabobank Group Operational Risk Management policy. Group Risk Management - Operational Risk Management offers overview, support tools, expertise and challenge to the group entities and provides transparency in Rabobank Group to senior management. Examples of the instruments made available to facilitate operational risk management within each Rabobank Group entity include risk assessment and scenario analysis. All entities record operational incidents and report them on a quarterly basis to the Group Operational Risk Department which are, in turn, used for both operational risk management and measurement.

Legal Risk

Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. Rabobank Group faces risk where legal proceedings, whether private litigation or regulatory enforcement actions are brought against it. The outcome of such proceedings is inherently uncertain and could result in financial loss. Defending or responding to such proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if Rabobank Group is successful.

Currency Risk

Currency risk is the risk of changes in income or equity as a result of currency exchange movements. In currency risk management, a distinction is made between positions in trading books and positions in banking books. In the trading books, currency risk is part of market risk and is controlled using Value at Risk and other limits, as are other market risks. This risk is monitored on a daily basis. The policy aims to prevent open positions whenever possible. The value at risk from currency risk exposure in the trading books stood at €0.4 million at 31 December 2015 (31 December 2014: €0.1 million; 31 December 2013: €0.6 million). The non-trading books are only exposed to the translation risk on capital invested in foreign activities and on issues of hybrid equity instruments not denominated in euro. For the monitoring and management of translation risk, Rabobank uses a policy designed to protect the CET1 Ratio against the effects of exchange rate movements. Unhedged translation risks are measured using the Value at Risk method. Translation risks are measured using a confidence interval of 99.99 per cent. and an assumed horizon of one year.

GOVERNANCE OF RABOBANK GROUP

Members of Supervisory Board and Executive Board

Supervisory Board of Rabobank

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Supervisory Board:

Name	Born	Year Appointed	Term Expires	Nationality
Ron (R.) Teerlink, Chairman	1961	2013	2017	Dutch
Marjan (M.) Trompetter, Vice Chairman	1963	2015	2019	Dutch
Irene (I.P.) Asscher-Vonk	1944	2009	2017	Dutch
Leo (L.N.) Degle	1948	2012	2020	German
Petri (P.H.M.) Hofsté	1961	2016	2020	Dutch
Arian (A.A.J.M.) Kamp	1963	2014	2018	Dutch
Leo (S.L.J.) Graafsma	1949	2010	2018	Dutch
Jan (J.) Nooitgedagt	1953	2016	2020	Dutch
Pascal (P.H.J.M.) Visée	1961	2016	2020	Dutch

Mr. R. Teerlink (Ron)

Date of birth	28 January 1961
Profession	Independent Management Consultant (until 14 September 2016)
Main position	Chairman of the Supervisory Board of Rabobank
Nationality	Dutch
Auxiliary positions	– Member of the Supervisory Board of Takeaway.com
Date of first appointment to the Supervisory Board	September 2013
Current term of appointment to the Supervisory Board	September 2013 – June 2017

Mrs. M. Trompetter (Marjan)

Date of birth	1 November 1963
Profession	– Supervisory Director – Self-employed Management Consultant
Main position	Supervisory Director
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Vice chairman of the Supervisory Board of Rabobank – Member of Supervisory Board of Friesland Mental Health

	Care Association – Member of Supervisory Board of Rijnstate Hospital, Arnhem – Member of Supervisory Board of Salvation Army Foundation for Welfare and Health Care Services Other auxiliary position: – Chairman of the Board of the Dutch Cancer Society, Elburg Division
Date of first appointment to the Supervisory Board	September 2015
Current term of appointment to the Supervisory Board	September 2015 - September 2019

Mrs. I.P. Asscher-Vonk (Irene)

Date of birth	5 September 1944
Profession	Professional supervisory director
Main position	None
Nationality	Dutch
Auxiliary positions	<u>Supervisory Directorships:</u> – Member of the Supervisory Board of Rabobank – Member of the Supervisory Board of KLM – Member of the Supervisory Board of Arriva Nederland – Member of the Supervisory Board of Philip Morris Holland <u>Other auxiliary positions:</u> – Chair of the National Arbitration Board for Schools (*Landelijke Geschillencommissie Scholen*) – Chair of The Dutch Museum Association (*Museumvereniging*) – Chair of the Arbitration Board for the Collective Labor Agreement in Sport (*Geschillencommissie Sport CAO*)
Date of first appointment to the Supervisory Board	June 2009
Current term of appointment to the Supervisory Board	June 2013 - June 2017

Mr. L.N. Degle (Leo)

Date of birth	15 August 1948
Profession	Professional director/supervisory director
Main position	None
Nationality	German
Auxiliary positions	<u>Supervisory Directorships:</u>

	– Member of the Supervisory Board of Rabobank – Member of the Supervisory Board of Berlage B.V. – Member of the Supervisory Board of Ten Kate B.V. – Member of the Supervisory Board of Egeria Investments B.V.
Date of first appointment to the Supervisory Board	September 2012
Current term of appointment to the Supervisory Board	September 2016 - September 2020

Ms. P.H.M. Hofsté (Petri)

Appointment is conditional upon approval by external supervisors

Date of birth	6 April 1961
Profession	Supervisory Director
Main position	None
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board of Rabobank – Member of the Supervisory Board and Audit Committee of Fugro N.V. – Member of the Supervisory Board and Audit Committee of Achmea B.V. – Member of the Supervisory Board of Achmea's Pensions en Life Insurance business – Chair of the Supervisory Board of Achmea Bank N.V. – Member of the Supervisory Board of Achmea Investment Management – Member of the Supervisory Board and Chair of the Audit Committee of Kasbank N.V. – Member of the Supervisory Board and Audit Committee of BNG Bank Other auxiliary positions: – Member of the Advisory Board of Amsterdam Institute of Finance – Member of the Advisory Committee of the Vrije Universiteit's accounting & control master science education – Member of the program council of the NBA-VRC – Member of the board and Chair of the Audit Committee of Nyenrode Foundation – Member of the board and treasurer of 'Vereniging Hendrick de Keyser'
Date of first appointment to the Supervisory Board	December 2016

Current term of appointment to the Supervisory Board	December 2016 - December 2020

Mr. A.A.J.M. Kamp (Arian)

Date of birth	12 June 1963
Profession	Entrepreneur, owner of a cattle farm
Main position	Cattle farmer and professional supervisory director
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: • Member of the Supervisory Board of Rabobank • Vice-chairman of the Supervisory Board Koninklijke Coöperatie Agrifirm UA • Member of the Board of Stichting Beheer Flynth
Date of first appointment to the Supervisory Board	December 2014
Current term of appointment to the Supervisory Board	December 2014 – December 2018

Mr. S.L.J. Graafsma (Leo)

Date of birth	29 March 1949
Former profession	Public accountant/partner of audit, tax and advisory firm KPMG
Main position	– Member of the Supervisory Board of Rabobank
Nationality	Dutch
Auxiliary positions	– Member of the "Accountantskamer" (disciplinary court for accountants)
Date of first appointment to the Supervisory Board	September 2010
Current term of appointment to the Supervisory Board	September 2014 - June 2018

Mr. J. Nooitgedagt (Jan)

Date of birth	17 July 1953
Profession	Professional Supervisory Director
Main position	None
Nationality	Dutch
Auxiliary positions	Supervisory Directorships: – Member of the Supervisory Board Rabobank – Vice chairman of the Supervisory Board Telegraaf Media Group – Vice chairman of the Supervisory Board BNG Bank – Member of the Supervisory Board Robeco Other auxiliary positions:

	– Chairman of the Nyenrode Foundation – Chairman of the VEUO (Association of listed companies in the Netherlands) – Chairman of the Foundation Shares Administration Office KAS Bank – Member of the Commission Financial Reporting and Accountancy, Authority Financial Markets (AFM) – Member of the Audit Committee Ministery of Security and Justice – Member of the Governance, Risk & Compliance Committee and Member Ethics Committee for Accountants in Business, Dutch Institute of Chartered Accountants (NBA) – Member of the Fiep Westerdorp Foundation
Date of first appointment to the Supervisory Board	September 2016
Current term of appointment to the Supervisory Board	September 2016 - September 2020

Mr. P.H.J.M. Visée (Pascal)

Date of birth	11 July 1961
Profession	Professional Supervisory Director and independent advisor
Main position	None
Nationality	Dutch
Auxiliary positions	<u>Supervisory Directorships</u>: – Member of the Supervisory Board Rabobank – Member of the Supervisory Board of Mediq B.V. – Member of the Supervisory Board of PLUS Retail B.V. <u>Other auxiliary positions</u>: – Member of the Supervisory Council Erasmus University – Chairman of the VEUO (Association of listed companies in the Netherlands) – Board Member of Albron Foundation – Senior advisor (external) of McKinsey Company Inc. – Senior advisor (external) of Genpact Inc. – Chair of the Supervisory Council 'Stedelijk Museum Schiedam' – Board Member of Prins Claus Fund
Date of first appointment to the Supervisory Board	December 2016
Current term of appointment to the Supervisory Board	December 2016 - December 2020

Executive Board of Rabobank

The following persons, all of whom are resident in the Netherlands, are appointed as members of the Executive Board of Rabobank:

Name	Born	Year Appointed	Nationality
Wiebe (W.) Draijer, Chairman	1965	2014	Dutch
Bas (B.C.) Brouwers, member	1972	2016	Dutch
Berry (B.J.) Marttin, member	1965	2009	Dutch and Brazilian
Ralf (R.J.) Dekker, member	1957	2013	Dutch
Rien (H.) Nagel, member	1963	2013	Dutch
Jan (J.L.) van Nieuwenhuizen, member	1961	2014	Dutch
Petra (P.C.) van Hoeken, member	1961	2016	Dutch

Wiebe (W.) Draijer

Mr. Draijer was appointed as chairman of the Executive Board of Rabobank as of 1 October 2014. From 1 January 2016 until 1 April 2016, Mr. Draijer performed the role of interim CRO. Mr. Draijer served as President of the Social and Economic Council of the Netherlands from 2012 to 2014. Prior to that, he held several positions within management-consulting firm McKinsey & Company and worked as a researcher at Philips Research Laboratories and as a freelance journalist.

Auxiliary positions

- Member of the board of the Dutch Banking Association (*Nederlandse Vereniging van Banken)*
- Member of the supervisory board of Unico Banking Group
- Member of the Board of the European Association of Cooperative Banks (EACB)
- Member of the supervisory board of Museum Nemo/National Centre for Science and Technology
- Member of the supervisory board of the Kröller-Müller Museum
- Member of the supervisory board of Staatsbosbeheer (national nature conservation)

Bas (B.C.) Brouwers

Mr Brouwers was appointed to the Executive Board as of 1 January 2016. Mr Brouwers started his career at KPMG Audit in 1995. He then held various positions within ING from 1998 until 2008. He was head of Controlling & Risk Management of ING-DiBa AG (Germany) from 2007 until 2008 and CFO of ING-DiBa AG (Germany) from 2008 until 2013. From 2013 until 2015, Mr Brouwers was CFO of ING Netherlands. At the date of this Base Prospectus, Mr Brouwers holds no auxiliary positions.

Ralf (R.J.) Dekker

Mr Dekker was appointed to the Executive Board as of 1 November 2013. He joined Rabofacet in 1993 as the manager of IT Policy & Consultancy. From 1996 until 1998, he was the director of IT of Rabofacet and from 1998 until 2000, he was the managing Director of Rabofacet. In 2000 he was appointed to the managing board of Rabobank International. In the past he also acted as Chief Operating Officer and member of the Wholesale and Rural & Retail management teams of Rabobank.

Auxiliary position	- Member of the supervisory board of Rabohypotheekbank

Berry (B.J.) Marttin

Mr. Marttin was appointed to Rabobank's Executive Board as of 1 July 2009. Within the Executive Board, Mr. Marttin is responsible for international Rural & Retail, Sustainability, Rabobank Development and the Rabobank Foundation. He is co-chairman of the Management Team for WRR. Mr. Marttin joined Rabobank in 1990. From 1990 until 2004 he fulfilled a number of international positions within Rabobank. After several positions in Brazil and Curacao he served as Head of International Corporates in Hong Kong, Head of Risk Management in Indonesia and as Deputy General Manager Rural Banking for Rabobank Australia and New Zealand. From 2004 until 2009 he was Chairman of the board of directors of Rabobank Amsterdam.

Auxiliary positions

- Board Member, Unico Banking Group
- First Vice President of the Executive Team, American Chamber of Commerce
- Chairman of the International Advisory Board, Amsterdam University College
- Member of the Supervisory Board, Wageningen University
- Member of the Supervisory Board of IDH (Initiatief Duurzame Handel/Dutch Sustainable Trade Initiative)
- Member of the Dutch Trade Board
- Chairman of the Supervisory Board of DLL International
- Member of the Supervisory Board of Rabohypotheekbank N.V.
- Member of the Board of Directors Rabobank International Holding B.V.
- Member of the Board of Directors RI Investment Holding B.V.
- Member of the Board of Rabobank Foundation
- Non-executive member of the Board Rabobank Australia Ltd.
- Non-executive member of the Board Rabobank New Zealand Holdings
- Member of the North America Board
- Chairman of the Shareholders Council of Rabo Development
- Member of the Board of Directors of Arise
- Chairman of the Supervisory Board of Obvion N.V.
- Board member Hanss Neumann Stiftung
- 50 per cent. shareholder of Sawah Agropecuaria, Brazil

Rien (H.) Nagel

Mr. Nagel was appointed to Rabobank's Executive Board as of 1 November 2013, where he is responsible for services to retail banking, private banking and businesses in the Netherlands, as well as for the Cooperative and Governance division. Since 1987, Mr. Nagel held several managing positions in local Rabobanks (including Account Manager Business Banking, Head of Businesses and Managing Director) before becoming director Retail Banking of Rabobank in 2013.

Auxiliary positions

- Member of the Supervisory Board, DLL
- Member of the Supervisory Board, FGH Bank
- Member of General Management and Board of Directors, VNO-NCW

(Confederation of Netherlands Industry and Employers)

- Board Member, Dutch Banking Association (NVB)
- Member of the Supervisory Board, Dutch Council for Cooperatives
- Member of the Supervisory Board, Het Utrechts Landschap
- Board Member, Utrecht Development Board
- Member of the Advisory Board, University Centre for Sports Medicine

Jan (J.L.) van Nieuwenhuizen

Mr. Van Nieuwenhuizen was appointed to Rabobank's Executive Board as of March 24, 2014. In the Executive Board Mr. Van Nieuwenhuizen is responsible for Rabobank's Dutch and international Wholesale Banking activities. From 1986 until 2009, Mr. Van Nieuwenhuizen fulfilled several international positions at JP Morgan, Morgan Stanley and NIBC. Since 2009, Mr. Van Nieuwenhuizen has been a member of the Management Team of Rabobank International, currently known as Wholesale, Rural & Retail, responsible for Trade and Commodity Finance, Corporate Finance and Private Equity until his appointment to the Executive Board.

Auxiliary positions

- Member of the Supervisory Board of Rabo Vastgoedgroep
- Chairman of the Supervisory Board of FGH Bank

Mrs. P.C. Van Hoeken (Petra)

Mrs. Van Hoeken is a member of the Rabobank Executive Board and Chief Risk Officer since 1 April 2016. Mrs. Van Hoeken has over 30 years of experience in the global financial sector. From 1986 until 2008, Mrs. Van Hoeken held several positions of increasing responsibility, at ABN Amro Bank, in Amsterdam, Madrid, Singapore, Frankfurt and New York. She worked both in business as well as in Risk management roles, and Sustainable Development and Public Affairs. After the acquisition of ABN Amro, she held the position of Chief Risk Officer, including regulatory Compliance, of Europe, Middle East and Africa of RBS Group. In late 2011 she joined the Managing Board of NIBC bank as their Chief Risk Officer.

Auxiliary positions

- Member of the Supervisory Board and the Audit & Risk Committee of the Nederlandse Waterschapsbank (NWB)

Administrative, management and supervisory bodies — conflicts of interests

The Issuer is not aware of any potential conflicts of interest between the duties to Rabobank and their private interests or other duties of the persons listed above under "Supervisory Board of Rabobank" and "Executive Board of Rabobank".

Administrative, management and supervisory bodies — business address

The business address of the members of Rabobank's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF RABOBANK GROUP

Rabobank is a bank organised under Dutch law. The principal Dutch law on supervision applicable to Rabobank is the FMSA, which entered into force on 1 January 2007 and under which Rabobank is supervised by the DNB and the AFM. Further, as of 4 November 2014, the ECB assumed certain supervisory tasks from the DNB and is now the competent authority responsible for supervising Rabobank Group's compliance with prudential requirements. Rabobank and the various Rabobank Group entities are also subject to certain EU legislation, which has a significant impact on the regulation of Rabobank Group's banking, asset management and broker-dealer businesses in the EU, and to the regulation and supervision of local supervisory authorities of the various countries in which Rabobank Group does business.

Basel Standards

The Basel Committee develops international capital adequacy guidelines based on the relationship between a bank's capital and its risks, including, *inter alia,* credit, market, operational, liquidity and counterparty risks.

Credit Risk

To assess their credit risk, banks can choose between the "Standardised Approach", the "Foundation Internal Ratings Based Approach" and the "Advanced Internal Ratings Based Approach". The Standardised Approach is based on standardised risk weights set out in the Basel II capital guidelines and external credit ratings; it is the least complex. The two Internal Ratings Based Approaches allow banks to use internal credit rating systems to assess the adequacy of their capital. The Foundation Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the "Probability of Default". In addition to this component of credit risk, the Advanced Internal Ratings Based Approach allows banks to use their own credit rating systems with respect to the "Exposure at Default" and the "Loss Given Default". Rabobank Group has chosen the most sophisticated approach, the Advanced Internal Ratings Based Approach.

In December 2014, the Basel Committee announced its intention to revisit the system of capital floors for internal models for credit risk. The Basel II framework ("**Basel II**") originally introduced a capital floor as part of the transitional arrangements for banks using the Internal Ratings Based Approach for credit risk. The objective of the floor was to ensure capital requirements did not fall below a certain percentage of banks' capital requirements under the previous Basel I framework. In its December 2014 consultation paper entitled "Capital floors: the design of a framework based on standardised approaches", the Basel Committee states that it views the role of a capital floor as an integral component of the capital framework.

Further, on 10 December 2015, the Basel Committee issued a second consultation document entitled 'Revisions to the Standardised Approach for credit risk', which reintroduces the use of external ratings, in a non-mechanistic manner, for exposures to banks and corporates. This consultation document forms part of the Basel Committee's broader review of the capital framework to balance simplicity and risk sensitivity, and to promote comparability by reducing variability in risk-weighted assets across banks and jurisdictions.

This consultation is especially important given the proposed upcoming capital floors which will be based on the standardised approaches. The impact could be significant for internal ratings-based banks like Rabobank as its capital will be 'floored' based on simplistic standardised approaches. A capital floor complements the leverage ratio introduced as part of Basel III. In March 2016, the Basel Committee issued a consultation on setting additional constraints on the use of internal model approaches for credit risk, in particular through the use of input floors. Together, these measures aim to reinforce the risk-weighted capital framework and promote confidence in the regulatory capital framework. The Basel Committee will conduct a comprehensive quantitative impact study ("**QIS**") in 2016. All calibrations in the consultative document are preliminary, and will be subject to review based on evidence from the QIS, to ensure adequate capitalisation and overall consistency with other components of the capital framework. For further information, see "Recent Developments" below.

Prior to finalising the revised standardised approach by the end of 2016, the Basel Committee will evaluate appropriate implementation arrangements, and will provide sufficient time for such implementation, taking into account the range of other reforms that have been, or are due to be, agreed by the Basel Committee. The implementation date has not yet been confirmed. Rabobank expects that the implementation date would not be until 2019 at the earliest, together with a phased-in implementation schedule.

See the risk factor entitled "*Minimum regulatory capital and liquidity requirements*" above.

Market Risk

To assess their market risk, banks can choose between a "Standardised approach" or an alternative methodology based on own internal risk management models. Rabobank has permission from its supervisor to calculate the general and specific exposures using its internal Value-at-Risk (VaR) models.

Operational Risk

To assess their operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined of which is the "Advanced Measurement Approach". Rabobank Group has chosen the Advanced Measurement Approach.

Basel III Reforms

The Basel III framework, which is implemented in the EU by means of the CRD IV Directive and CRR (see "European Union Standards – The CRD IV Directive and CRR" below) sets out rules for higher and better quality capital, better risk coverage, the introduction of a leverage ratio as a backstop to the risk-based requirements, measures to promote the build-up of capital that can be drawn down in periods of stress, and the introduction of two liquidity standards. The Basel III Reforms include increasing the minimum Common Equity (or equivalent) requirement from 2 per cent. of the total risk exposure amount (before the application of regulatory adjustments) to 4.5 per cent. (after the application of stricter regulatory adjustments (which, under CRD IV, are gradually phased in from 1 January 2014 until 1 January 2018)). The total Tier 1 capital requirement has increased from 4 per cent. of the total risk exposure amount to 6 per cent. under CRD IV and the total capital requirement is 8 per cent of the total risk exposure amount under CRD IV. In addition, banks will be required to maintain, in the form of Common Equity (or equivalent), a capital conservation buffer of 2.5 per cent. of the total risk exposure amount to withstand future periods of stress, bringing the total Common Equity (or equivalent) requirements to 7 per cent. If there is excess credit growth in any given country resulting in a system-wide build-up of risk, a countercyclical capital buffer (generally of up to 2.5 per cent. of the total risk exposure amount and also comprised of Common Equity (or other fully loss absorbing capital)) may be applied as an extension of the capital conservation buffer. Furthermore, banks considered to have systemic importance should have loss absorbing capacity beyond these standards.

Capital requirements have been further supplemented by the introduction of a non-risk based leverage ratio of 3 per cent. in order to limit an excessive build-up of leverage on a bank's balance sheet. During the period from 1 January 2013 to 1 January 2017, the Basel Committee will monitor banks' leverage data on a semi-annual basis in order to assess whether the proposed design and calibration of a minimum leverage ratio of 3 per cent. is appropriate over a full credit cycle and for different types of business models. This assessment will include consideration of whether a wider definition of exposures and an off-setting adjustment in the calibration would better achieve the objectives of the leverage ratio. The Basel Committee will also closely monitor accounting standards and practices to address any differences in national accounting frameworks that are material to the definition and calculation of the leverage ratio. The Dutch government has indicated that Dutch systemically important banks, including Rabobank, should have a leverage ratio of at least 4 per cent. by 2018. As at 30 June 2016, the leverage ratio of Rabobank was 5.1 per cent.

In addition, the Basel III Reforms have introduced two international minimum standards intended to promote resilience to potential liquidity disruptions over a 30 day horizon and limit over-reliance on short-term wholesale funding during times of buoyant market liquidity. The first one is referred to as the liquidity coverage ratio (the "**LCR**") which is being gradually phased in from 1 January 2015. The LCR tests the short-term resilience of a bank's liquidity risk profile by ensuring that it has sufficiently high-quality liquid assets to survive a significant stress scenario lasting for 30 days. The second one is referred to as a net stable funding ratio (the "**NSFR**"), which will be introduced on 1 January 2018. The NSFR tests resilience over a longer period by requiring banks to hold a minimum amount of stable sources of funding relative to the liquidity profiles of the assets and the potential contingent liquidity needs arising from off-balance sheet commitments.

Recent Developments

In January 2016, the GHOS (Central Bank Governors and Heads of Supervision, which is the oversight body of the Basel Committee) agreed that the Basel Committee would complete its work to address the problem of excessive variability in risk-weighted assets by the end of 2016. The Basel Committee's programme will include the following key elements:

- consultation on the removal of internal model approaches for certain risks (such as the removal of the Advanced Measurement Approach for operational risk); and
- consultation on setting additional constraints on the use of internal model approaches for credit risk, in particular through the use of input floors.

The GHOS will review the Basel Committee's proposals on the risk-weighted framework and the design and calibration of capital floors at or around the end of 2016.

There can be no assurance that the Basel Committee will not further amend the package of reforms described above. Further, the European Commission, the ECB and the DNB or the Dutch legislator may implement the package of reforms in a manner that is different from that which is currently envisaged, or may impose additional capital and liquidity requirements on Dutch banks. For example, the Basel Committee is currently undertaking a review of the complete regulatory capital framework. In the market, this review has been colloquially described as 'Basel IV' given the potentially significant reforms.

European Union Legislation

The CRD IV Directive and CRR

As of 1 January 2014, EC Directive 2006/48 and EC Directive 2006/49 were repealed by the CRD IV Directive. The CRD IV Directive, together with the CRR, implements the Basel III Reforms in the EEA. Both texts were published in the Official Journal of the European Union on 27 June 2013 and became effective on 1 January 2014 (except for capital buffer provisions which became effective on 1 January 2016). The CRD IV Directive was implemented into Dutch law by amendments to the FMSA pursuant to an amendment act (the "**CRD IV/CRR Implementation Act**") which entered into force on 1 August 2014. The CRR has established a single set of harmonised prudential rules which apply directly to all banks in the EEA as of 1 January 2014, but with particular requirements being phased in over a period of time, to be fully applicable by various dates up to 2021. The harmonised prudential rules include own funds requirements, an obligation to maintain a liquidity coverage buffer (similar to the LCR, although the CRR obligation does not yet include a requirement to meet a ratio), a requirement to ensure that long-term obligations are adequately met under both normal and stressed conditions and the requirement to report on these obligations. The competent supervisory authorities will evaluate whether capital instruments meet the criteria set out in the CRR. The CRR also includes the obligation to report on a bank's leverage ratio (this requirement is similar to the leverage ratio requirement introduced by Basel III, however, the CRR does not yet include a requirement to meet a minimum ratio).

On 17 January 2014, a regulation on specific provisions set out in the CRD IV Directive and the CRR (Regeling specifieke bepalingen CRD IV en CRR) ("**Dutch CRD IV and CRR Regulation**"), as published by the DNB, entered into force. The Dutch CRD IV and CRR Regulation contains specific provisions relating to the CRD IV Directive and the CRR, such as the required CET1 Ratio of 4.5 per cent., tier 1 ratio of 6 per cent., total capital ratio of 8 per cent. and the capital conservation measures set out in CRD IV (restriction on distributions if a bank does not meet the combined buffer requirement). On 29 April 2014, the DNB announced that, pursuant to the CRD IV/CRR Implementation Act, it intends to impose an additional capital buffer requirement for Rabobank. This systematic risk buffer is equal to 3 per cent. of risk-weighted assets and will be phased in between 2016 and 2019.

On 23 November 2016, the European Commission published the Proposals (as discussed and defined in the risk factor entitled "Minimum regulatory capital and liquidity requirements") which comprise certain legislative proposals for amendments to the CRR, the CRD IV Directive, the BRRD, Regulation (EU) 806/2014 (the "**SRM Regulation**") and a proposed new directive to facilitate the creation of a new asset class of "non-preferred" senior debt. The Proposals cover multiple areas, including the Pillar 2 framework, the leverage ratio, permission for reducing own funds and eligible liabilities, macroprudential tools, a new category of "non-preferred" senior debt, the MREL framework and the integration of the TLAC standard into EU legislation. The Proposals are to be considered by the European Parliament and the Council of the European Union and therefore remain subject to change; they are expected to enter into force no earlier than 2019 (or 2017 in the case of the proposal for a new asset class of "non-preferred" senior debt). The final new package of legislation may not include all elements of the Proposals and new or amended elements may be introduced throughout the course of the legislative process.

Pursuant to the 2017 SREP, the ECB has determined that the CET1 Ratio of Rabobank Group should be maintained at a minimum level of 7.5 per cent. This 7.5 per cent. CET1 capital requirement for Rabobank Group comprises the minimum Pillar 1 requirement (4.5 per cent.), the Pillar 2 additional own funds requirement (1.75 per cent.) and the phasing-in of the capital conservation buffer (1.25 per cent.). In addition, Rabobank Group is subject to a systemic risk buffer that needs to be applied on top of these CET1 capital requirements and will result in a 1.5 per cent. surcharge on a transitional basis for 2017 (bringing the minimum CET1 capital requirement at 1 January 2017 to 9 per cent.). The systemic risk buffer is expected to be phased-in up to a level of 3 per cent. on a fully-loaded basis in 2019. The capital conservation buffer is expected to be phased-in up to a level of 2.5 per cent. on a fully-loaded basis in 2019.

Bank Recovery and Resolution Directive

The BRRD entered into force in July 2014. The bail-in tool with respect to eligible liabilities and the other measures set out in the BRRD (outlined below) were implemented into Dutch law on 26 November 2015. The stated aim of the BRRD is to provide relevant authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The BRRD provides competent authorities with early intervention powers and resolution authorities with pre-resolution powers, including the power to write down or convert capital instruments to ensure relevant capital instruments (including the Notes) fully absorb losses at the point of non-viability of the issuing institution or group and the power to convert existing instruments of ownership or transfer them to bailed-in creditors. Moreover, when the conditions for resolution are met, resolution authorities can apply a bail-in tool, which comprises a more general power for resolution authorities to write down the claims of unsecured creditors (including holders of the Notes) of a failing institution or to convert unsecured debt claims to equity or other instruments of ownership.

In addition, the BRRD provides resolution authorities with broader powers to implement other resolution measures with respect to distressed banks which satisfy the conditions for resolution, which may include (without limitation) the sale of the bank's business, the creation of a bridge bank, the separation of assets, the replacement or substitution of the bank as obligor in respect of debt instruments, modifications to the terms of debt instruments (including altering the maturity or the amount of interest payable or imposing a temporary suspension on payments) and discontinuing the listing and admission to trading of financial instruments. See further the risk factor entitled "*Minimum requirement for own funds and eligible liabilities under BRRD*".

On 9 November 2015, the FSB published its final principles regarding the TLAC of G-SIBs in resolution. The FSB's TLAC principles seek to ensure that G-SIBs will have sufficient TLAC available in a resolution of such an entity, in order to minimise any impact on financial stability, ensure the continuity of critical functions and avoid exposing taxpayers to loss. Work is currently ongoing in the EU to implement the TLAC standard into EU legislation. In particular, the European Commission has proposed to incorporate TLAC into the capital requirements framework, as an extension to the own funds requirements and as part of the Proposals (as discussed and defined in the risk factor entitled "Minimum regulatory capital and liquidity requirements").

In order to ensure the effectiveness of bail-in and other resolution tools introduced by the BRRD, the BRRD requires that, with effect from 1 January 2016 all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. On 23 May 2016, the European Commission adopted RTS on the criteria for determining the MREL under the BRRD. The RTS were published in the EU Official Journal on 3 September 2016. The RTS provide for resolution authorities to allow institutions an appropriate transitional period to reach the applicable MREL requirements.

The required level of MREL for the Rabobank Group has yet to be set by the SRB. On the basis of the RTS, it is possible that Rabobank Group may have to issue a significant amount of additional MREL eligible liabilities in order to meet the new requirements within the required timeframes. Moreover, the MREL framework may be subject to substantial change over the coming years, in particular when harmonised with the requirements for TLAC. For instance, in the Proposals, the European Commission has proposed that any systemically important banks in a member state, such as Rabobank, be subject to a firm-specific MREL regime under which they would be required to issue a sufficient amount of own funds and eligible liabilities to absorb expected losses in resolution and to recapitalise the institution or the surviving part thereof.

As a result, it is not possible to give any assurances as to the ultimate scope and nature of any resulting obligations, or the impact that they will have on Rabobank once implemented. If Rabobank Group were to experience difficulties in raising MREL eligible liabilities, it may have to reduce its lending or investments in other operations.

See also the risk factors entitled *"Minimum requirement for own funds and eligible liabilities under BRRD"*, *"Risks relating to the FSB's proposals regarding TLAC"*, *"Minimum regulatory capital and liquidity requirements"* and *"Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes"*.

Supervision

In 2010, agreement was reached at EU level on the introduction of a new supervisory structure for the financial sector. The new European architecture combines the existing national authorities, the newly created European Systemic Risk Board and the following three European Authorities: the EBA, the European Insurance and Occupational Pensions Authority and the European Securities and Markets Authorities. These institutions have been in place since 1 January 2011.

However, as part the European Banking Union, two further regulations have been enacted: (i) a regulation for the establishment of a single supervisory mechanism (the "**SSM**") on the basis of which specific tasks relating to the prudential supervision of the most significant banks in the Euro area are conferred to the ECB; and (ii) a regulation amending the regulation which sets up the EBA. Regulation 1024/2013 (the "**SSM Framework Regulation**"), which establishes the SSM, was published in the Official Journal of the European Union on 29 October 2013 and entered into force on 4 November 2013. The SSM provides that the ECB carries out its tasks within a single supervisory mechanism comprised of the ECB and national competent authorities. The ECB and relevant competent authorities have formed joint supervisory teams ("**JST**") for the supervision of each significant bank or significant banking group within the Euro area. As the Rabobank Group qualifies as a significant group under the SSM and the SSM Framework Regulation, with effect from 4 November 2014, the day-to-day supervision of the Rabobank Group is now carried out by a JST. The ECB and national competent authorities are subject to a duty of cooperation in good faith, and an obligation to exchange information. Where appropriate, and without prejudice to the responsibility and accountability of the ECB for the tasks conferred on it by the SSM, national competent authorities shall be responsible for assisting the ECB. In view of the assumption of these supervisory tasks, in 2014 the ECB (together with the national competent authorities) carried out a comprehensive assessment, including a balance sheet assessment, as well as a related asset quality review and stress tests, of the banks in respect of which it took on responsibility for formal supervision. The ECB supervises Rabobank Group's compliance with prudential requirements, including (i) its own funds requirements, LCR, NSFR and the leverage ratio and the reporting and public disclosure of information on these matters, as set out in the CRR and (ii) the requirement to have in place robust governance arrangements, including fit and proper requirements for the persons responsible for the management of a bank, remuneration policies and practices and effective internal capital adequacy assessment processes, as set out in the FMSA. The ECB is also the competent authority which assesses notifications of the acquisition of qualifying holdings in banks and has the power to grant a declaration of no objection for such holdings.

To complement the European Banking Union and the SSM, on 14 July 2014 the European Commission adopted the SRM Regulation to establish the SRM (as defined, and further described, in the risk factor entitled "*Recovery and resolution measures may affect the ownership rights of holders of the Notes as well as the market value of the Notes*"). The SRM establishes 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. On the basis of the SRM, the SRB is granted the same resolution tools as those set out in the BRRD, including a bail-in tool. The SRM applies directly to banks covered by the SSM, including Rabobank.

Dutch regulation

Scope of the FMSA

The ECB is formally the competent authority that supervises the majority of Rabobank Group's activities. The day-to-day supervision of the Rabobank Group is carried out by the JST. The AFM supervises primarily the conduct of business. Set forth below is a brief summary of the principal aspects of the FMSA.

Licensing

Under the FMSA, a bank established in the Netherlands is required to obtain a licence before engaging in any banking activities. Now that the ECB has assumed its supervisory tasks under the SSM, the ECB is the formal supervisory authority to grant and revoke a banking licence for banks in the Euro area including the Netherlands. The DNB shall prepare a draft decision if in its view a licence should be granted and the ECB will take the formal decision. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a supervisory board; and (iii) the bank must have a minimum level of own funds (*eigen vermogen*) of €5,000,000. In addition, a licence may be refused if, among other things, the competent authority is of the view that (i) the persons who determine the day-to-day policy of the bank have insufficient expertise to engage in the business of the bank (fit and proper requirement), (ii) the policy of the bank is not (co-)determined by persons whose integrity is beyond doubt, or (iii) through a qualified holding in the bank, influence on the policy of such enterprise or institution may be exercised which is contrary to 'prudent banking policy' (*gezonde en prudente bedrijfsvoering*). The Dutch Central Bank is still competent to make the decision to refuse to grant a licence on its own. In addition to certain other grounds, the licence may be revoked if a bank fails to comply with the requirements for maintaining its licence.

Reporting and investigation

A significant bank or significant banking group is required to file its annual financial statements with the ECB in a form approved by the ECB, which includes a statement of financial position and a statement of income that have been certified by an appropriately qualified auditor. In addition, a bank is required to file quarterly (and some monthly) statements, on a basis established by the ECB. The ECB has the option to demand additional reports.

Rabobank must file consolidated quarterly (and some monthly) reports as well as annual reports that provide a true and fair view of their respective financial position and results with the ECB. Rabobank's independent auditor audits these reports annually.

Solvency

The CRR regulations on solvency supervision entail - in broad terms minimum standards on bank capital adequacy and capital buffers. These regulations also impose limitations on the aggregate amount of claims (including extensions of credit) a bank may have against one debtor or a group of related debtors. Over time, the regulations have become more sophisticated, being derived from the capital measurement guidelines of first Basel II and then Basel III as described under "Basel Standards" above and as laid down in EU directives described above under "European Union legislation". The regulations of the DNB on solvency supervision have been repealed by the Dutch CRD IV and CRR Regulation.

Liquidity

The regulations relating to liquidity supervision require that a bank maintains sufficient liquid assets against certain liabilities of the bank. The basic principle of the liquidity regulations is that liquid assets must be held against 'net' liabilities of banks (after netting out claims and liabilities in a maturity schedule) so that the liabilities can be met on the due dates or on demand, as the case may be. These regulations impose additional liquidity requirements if the amount of liabilities of a bank with respect to one debtor or group of related debtors exceeds a certain limit.

Structure

The FMSA provides that a bank must obtain a declaration of no-objection before, among other things, (i) acquiring or increasing a qualifying holding in a bank, investment firm or insurer with its statutory seat in a state which is not part of the EEA, if the balance sheet total of that bank, investment firm or insurer at the time of the acquisition or increase amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (ii) acquiring or increasing a qualifying holding in an enterprise, not being a bank, investment firm or insurer with its statutory seat in the Netherlands or in a state which is part of the EEA or in a state which is not part of the EEA, if the amount paid for the acquisition or increase, together with the amounts paid for a previous acquisition or increase of a holding in such enterprise, amounts to more than 1 per cent. of the consolidated own funds of the bank, (iii) taking over all or a major part of the assets and liabilities of another enterprise or institution, directly or indirectly, if the total amount of the assets or the liabilities to be taken over amounts to more than 1 per cent. of the bank's consolidated balance sheet total, (iv) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1 per cent. of the bank's consolidated balance sheet total or (v) proceeding with a financial or corporate reorganisation. Decisions on the abovementioned declarations of no-objection are made by the DNB. As of 1 January 2014, the definition of "qualifying holding" as set out in the CRR applies. "Qualifying holding" in the CRR is defined to mean a direct or indirect holding in an undertaking which represents 10 per cent. or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that undertaking.

In addition, any person is permitted to hold, acquire or increase a qualifying holding in a Dutch bank, or to exercise any voting power in connection with such holding, only after such person has obtained a declaration of no objection from the ECB.

Governance and administrative organisation

The ECB supervises the governance of significant banks and significant banking groups within the Netherlands. This includes the administrative organisation of banks, their financial accounting system and internal controls. The administrative organisation must be such as to ensure that a bank has at all times a reliable and up-to-date overview of its rights and obligations. Furthermore, the electronic data processing systems, which form the core of the accounting system, must be secured in such a way as to ensure optimum continuity, reliability and security against fraud.

Intervention

Pursuant to the Intervention Act, the DNB has the power to request the application of emergency regulations in respect of banks if it perceives a dangerous development regarding the entity's own funds, solvency, liquidity or technical provisions and there is a reasonable probability that this development cannot be sufficiently or promptly reversed.

In addition to the Intervention Act, and partly amending it, on 26 November 2015 the Act on implementing the European framework for the recovery and resolution of banks and investment firms (*Implementatiewet Europees kader voor herstel en afwikkeling van banken en beleggingsondernemingen*) came into force, implementing the BRRD. While the Intervention Act was amended following the adoption and implementation of the BRRD and the SRM Regulation, granting to the DNB powers including resolution tools contemplated by the BRRD, the powers of the Minister of Finance have remained. Under the Intervention Act the Dutch Minister of Finance may, with immediate effect, take measures or expropriate assets, liabilities, or securities issued by or with the consent of a financial enterprise (*financiële onderneming*) or its parent, in each case if it has its corporate seat in the Netherlands, if in the Minister of Finance's opinion, the stability of the financial system is in serious and immediate danger as a result of the situation in which the entity finds itself. In taking these measures, provisions in relevant Dutch legislation and the entity's articles of association may be set aside. Examples of immediate measures include the suspension of voting rights or of board members. The measures that can be taken by the Minister of Finance may only be used if other measures would not work, would no longer work, or would be insufficient. In addition, to ensure such measures are utilised appropriately the Minister of Finance must consult with the DNB in advance and the Dutch Prime Minister must agree with the decision to intervene. The Minister of Finance must further inform the AFM of his intentions, whereupon the AFM must give an instruction to Euronext Amsterdam to stop the trading in any securities that are expropriated. In the case of expropriation, the beneficiary of the relevant asset will be compensated for any damage that directly and necessarily results from the expropriation. It is unlikely that such compensation will cover all losses of the relevant beneficiary.

The SRB has additional intervention powers including the power to operate the bail-in tool as set out in the SRM and the Bank Recovery and Resolution Directive (see "- Bank Recovery and Resolution Directive").

Emergencies

The FMSA contains an "emergency regulation" which can be declared in respect of a bank by a Dutch court at the request of the DNB if it finds *prima facie* evidence of a dangerous development regarding the bank's own funds, solvency or liquidity and there is a reasonable probability that this development cannot be sufficiently or promptly reversed. As of the date of the emergency, only the court-appointed administrators have the authority to exercise the powers of the bodies of the bank. A bank can also be declared in a state of bankruptcy by the court.

U.S. Regulation

Regulation and Supervision in the U.S.

Rabobank Group's operations are subject to federal and state banking and securities regulation and supervision, as well as federal derivatives regulation in the U.S. Rabobank Group engages in U.S. banking activities through Rabobank, New York Branch (the "**New York Branch**"). It controls a U.S. banking subsidiary, Rabobank, N.A., and a U.S. broker-dealer, Rabo Securities USA, Inc., as well as other U.S. non-bank subsidiaries.

Rabobank and Utrecht-America Holdings, Inc. are bank holding companies that are financial holding companies within the meaning of the U.S. Bank Holding Company Act of 1956. As such, they are subject to the regulation and supervision of the Federal Reserve. The New York Branch is licensed and supervised by the New York State Department of Financial Services, and it is also supervised by the Federal Reserve. Rabobank, N.A. is a national bank subject to regulation, supervision and examination by the OCC.

Under U.S. law, Rabobank Group's activities and those of its subsidiaries in the U.S. are generally limited to the business of banking, and managing or controlling banks and certain other activities that are closely related to banking. As long as Rabobank and Utrecht-America Holdings, Inc. are financial holding companies under U.S. law, Rabobank Group may also engage in non-banking activities in the U.S. that are financial in nature, or incidental or complementary to such financial activity, including securities, merchant banking, insurance and other financial activities, subject to certain limitations on the conduct of such activities and to prior regulatory approval in some cases.

As a non-U.S. bank, Rabobank is generally authorised under U.S. law and regulations to acquire a non-U.S. company engaged in non-financial activities as long as the company's U.S. operations do not exceed certain thresholds and certain other conditions are met. Rabobank is required to obtain the prior approval of the Federal Reserve before directly or indirectly acquiring the ownership or control of more than 5 per cent. of any class of voting shares of U.S. banks, certain other depository institutions, and bank or depository institution holding companies.

State-licensed branches and agencies of non-U.S. banks (such as the New York Branch) may not, with certain exceptions that require prior regulatory approval, engage as a principal in any type of activity not permissible for their federally chartered or licensed counterparts. Likewise, the U.S. federal banking laws also subject state branches and agencies to the same single-borrower lending limits that apply to federal branches or agencies, which are substantially similar to the lending limits applicable to national banks. These single-borrower lending limits are based on the worldwide capital of the entire non-U.S. bank.

The Federal Reserve may terminate the activities of any U.S. office of a non-U.S. bank if, among other things, it determines that the non-U.S. bank is not subject to comprehensive supervision on a consolidated basis in its home country or that there is reasonable cause to believe that such non-U.S. bank or its affiliate has violated the law or engaged in an unsafe or unsound banking practice in the U.S. or, for a non-U.S. bank that presents a risk to the stability of the U.S. financial system, the home country of the non-U.S. bank has not adopted, or made demonstrable progress toward adopting, an appropriate system of financial regulation to mitigate such risk. In addition, the Superintendent of Financial Services of the State of New York (the "**Superintendent**") may revoke any licence for a branch of a non-U.S. bank issued under New York Banking Law if, among other things, the Superintendent finds that the licensed bank has violated any provision of any law, rule or regulation of the State of New York.

A major focus of U.S. governmental policy relating to financial institutions is aimed at preventing money laundering and terrorist financing and compliance with economic sanctions in respect of designated countries or activities. Failure of an institution to have policies and procedures and controls in place to prevent, detect and report money laundering and terrorist financing could in some cases have serious legal, financial and reputational consequences for the institution.

New York Branch

The New York Branch is licensed by the Superintendent to conduct a commercial banking business. Under New York Banking Law, the New York Branch is subject to the asset pledge requirements and is required to maintain eligible high-quality assets with banks in the State of New York. The Superintendent may also establish asset maintenance requirements for branches of non-U.S. banks. Currently, no such requirement has been imposed upon the New York Branch.

New York Banking Law authorises the Superintendent to take possession of the business and property of a New York branch of a non-U.S. bank under certain circumstances, including violations of law, conduct of business in an unsafe manner, impairment of capital, suspension of payment of obligations, or initiation of liquidation proceedings against the non-U.S. bank at its domicile or elsewhere. In liquidating or dealing with a branch's business after taking possession of a branch, only the claims of depositors and other creditors which arose out of transactions with a branch are to be accepted by the Superintendent for payment out of the business and property of the non-U.S. bank in the State of New York (which includes but is not limited to assets, or other property of the New York branch, wherever situated and any assets of the non-U.S. bank located in the State of New York, regardless of whether such assets are assets of the New York branch), without prejudice to the rights of the holders of such claims to be satisfied out of other assets of the non U.S. bank. After such claims are paid, the Superintendent will turn over the remaining assets, if any, to the non U.S. bank or its duly appointed liquidator or receiver.

The Dodd-Frank Act

The Dodd-Frank Act provides a broad framework for significant regulatory changes that extend to almost every area of U.S. financial regulation. The Dodd-Frank Act and other post-financial crisis regulatory reforms in the United States have increased costs, imposed limitations on activities and resulted in an increased intensity in regulatory enforcement.

Among other things, the Dodd-Frank Act requires that the lending and affiliate transaction limits applicable to Rabobank N.A. and the New York Branch take into account credit exposures arising from derivative transactions, securities borrowing and lending transactions, and repurchase and reverse repurchase agreements with counterparties.

Additionally, the Dodd-Frank Act provides U.S. regulators with tools to impose greater capital, leverage and liquidity requirements and other prudential standards, particularly for financial institutions that pose significant systemic risk, which include any non-U.S. banking organisation, such as the Rabobank Group, with a branch or agency in the U.S. or a U.S. bank subsidiary and US$50 billion or more in total consolidated assets. On 18 February 2014, the Federal Reserve issued a final rule implementing these heightened standards. Under the final rule, the New York Branch will be subject to liquidity, risk management requirements, and in certain circumstances, asset maintenance requirements.

The Volcker Rule, adopted as part of the Dodd-Frank Act, limits the ability of banking entities and their affiliates to engage as principal in proprietary trading or to sponsor or invest in hedge, private equity or other similar funds or enter into certain covered transactions with certain covered funds, subject to certain exceptions and exemptions. However, certain non-U.S. banking organisations, such as certain non-U.S. banking entities within the Rabobank Group, are exempt from these limitations with respect to activities that are solely outside of the U.S., subject to certain conditions.

On 10 December 2013, five U.S. federal financial regulatory agencies released the final version of the regulations implementing the Volcker Rule. The conformance period for the Volcker Rule generally ended on 21 July 2015, although the Federal Reserve has granted an extension for certain legacy funds until 21 July 2017. The Rabobank Group has brought its activities and investments into compliance and implemented a specific compliance program. During the conformance period that ended on 21 July 2015, the Rabobank Group analysed the final rule, assessed how it would affect its relevant businesses and devised and implemented the related compliance strategy. With respect to the extended conformance period for certain legacy funds, the Rabobank Group will continue to analyse the final rule, assess how it will affect any relevant businesses and devise and implement an appropriate compliance strategy. Further implementation efforts may be necessary based on subsequent regulatory interpretations, guidelines or examinations.

In addition, Title VII of the Dodd-Frank Act, and the regulations adopted thereunder implementing the statutory requirements of Title VII, provide an extensive framework for the regulation of the derivatives market. While U.S. regulators have adopted many of the regulations governing the derivatives markets as contemplated by the Dodd-Frank Act, the implementation process is still ongoing and regulators continue to review and refine their initial rulemakings through additional interpretations and supplemental rulemakings. Under the Dodd-Frank Act, entities that qualify as swap dealers or major swap participants are required to register with the CFTC, while entities that qualify as security-based swap dealers and/or majority security-based swap participants will be required to register with the SEC. At this time, no Rabobank Group entity is registered or required to be registered as a swap dealer, major swap participant, security-based swap dealer or majority security-based swap participant (a "**Registered Entity**"). As a Registered Entity, an entity within Rabobank Group would be subject to additional regulatory requirements with respect to capital, margin requirements for OTC derivative transactions, business conduct standards and other requirements. As a Registered Entity, compliance with such regulatory requirements under Title VII of the Dodd-Frank Act may be costly and have an adverse impact on Rabobank Group. For instance, under the so-called swap "push-out" provisions of the Dodd-Frank Act, certain ABS swaps activities of FDIC-insured banks and uninsured U.S. branches of non-U.S. banks, such as Rabobank, N.A. and the New York Branch, respectively, could be restricted if such entities are Registered Entities. The Dodd-Frank Act also requires all swap market participants (notwithstanding any registration requirement) to (i) maintain records and report certain information to swap data repositories in real-time and on an ongoing basis and (ii) clear certain categories of derivatives through a derivatives clearing organization and execute such derivatives on a registered exchange (e.g., a designated contract market or swap execution facility. The Dodd-Frank Act and the rules of the SEC, CFTC and U.S. federal banking regulators promulgated thereunder would also require Rabobank Group to comply with certain initial and variation margin requirements in respect of its OTC derivative contracts (the "**Uncleared Swap Margin Rules**"). Phased-in compliance with the Uncleared Swap Margin Rules began on September 1, 2016. The Uncleared Swap Margin Rules may have an adverse effect on the liquidity of Rabobank Group and/or its ability to continue to invest and/or hedge in the OTC derivatives market.

Additionally, the Dodd-Frank Act requires systemically important non-bank financial companies and large, interconnected financial institutions, including any non-U.S. bank with US$50 billion or more in total consolidated assets that has a branch or agency in the U.S. (such as the Rabobank Group) to prepare and periodically submit to the Federal Reserve, the FDIC and the Financial Stability Oversight Council a plan for such company's rapid and orderly resolution in the event of material financial distress or failure. The resolution plan requirements have been implemented through regulations issued by the Federal Reserve and the FDIC that establish rules and requirements regarding the submission and content of a resolution plan and procedures for review by the Federal Reserve and the FDIC. The

Federal Reserve and the FDIC must determine that a company's resolution plan is credible and would facilitate an orderly resolution of the company. A company that fails to submit a credible resolution plan may be subject to a range of measures imposed by the Federal Reserve and the FDIC, including more stringent capital, leverage or liquidity requirements; restrictions on growth, activities or operations; and requirements to divest assets or operations, as directed by the Federal Reserve and the FDIC.

Implementation of the Dodd-Frank Act and related final regulations is ongoing and has resulted in significant costs and potential limitations on the Rabobank Group's businesses and may have a material adverse effect on the Rabobank Group's results of operations.

CAPITALISATION AND INDEBTEDNESS OF RABOBANK GROUP

The table with respect to the capitalisation and indebtedness of Rabobank Group below sets out Rabobank Group's consolidated own funds and consolidated long-term and short-term debt securities as at 30 June 2016 and 31 December 2015. All information has been derived from and should be read in conjunction with the unaudited condensed consolidated interim financial information for the six-month period ended 30 June 2016, the information included in "Selected Financial Information", the information in "Management's Discussion and Analysis of Financial Condition and Results of Operations" and other financial data appearing elsewhere in this Base Prospectus.

There has been no material change in the capitalisation and indebtedness of Rabobank Group since 30 June 2016.

	As at 30 June	**As at 31 December**
	2016	**2015 (restated)**
	(in millions of euro)	
Capitalisation and Indebtedness of Rabobank Group		
Reserves and retained earnings	25,387	25,623
Equity instruments issued directly		
Rabobank Certificates	5,949	5,949
Capital Securities	7,655	7,826
	13,604	13,775
Equity instruments issued by subsidiaries		
Capital Securities	179	176
Trust Preferred Securities III to VI	1,062	1,131
	1,241	1,307
Other non-controlling interests	527	492
Total equity	**40,759**	**41,197**
Subordinated liabilities	15,149	15,443
Debt securities in issue – unsecured	78,151	81,053
Debt securities in issue – secured	12,255	13,444
Total non-current debt (excluding current portion of long-term debt)	105,554	109,939
Subordinated liabilities	16	60
Debt securities in issue - unsecured	72,675	73,687
Debt securities in issue - secured	8,338	6,808
Total current debt (maturity up to one year)	81,029	80,555
Total capitalisation	**227,342**	**231,691**
Breakdown of reserves and retained earnings		

	As at 30 June	As at 31 December
	2016	**2015 (restated)**
	(in millions of euro)	
Capitalisation and Indebtedness of Rabobank Group		
Revaluation reserve – available-for-sale financial assets	581	512
Revaluation reserve – pensions	(174)	(175)
Other reserves	(70)	(37)
Foreign currency translation reserves	(208)	(76)
Retained earnings	25,258	25,399
Total reserves and retained earnings	**25,387**	**25,623**

The table below sets forth Rabobank Group's net indebtedness in the short term and in the medium-long term. All information has been derived from and should be read in conjunction with Rabobank Group's audited consolidated financial statements for the year ended 31 December 2015 and the notes thereto incorporated by reference in this Base Prospectus.

	As of December 31
	2015
(in millions of euro)	
Indebtedness of Rabobank Group	
Cash[(1)]	64,943
Cash equivalents[(2)]	29,420
Trading securities[(3)]	1,080
Total liquidity	95,443
Current financial receivables[(4)]	130,380
Current bank debt[(5)]	14,862
Current portion of issued debt[(6)]	80,871
Other current financial debt[(7)]	320,830
Total current financial debt	416,563
Net current financial indebtedness	190,740

	As of December 31
	2015
(in millions of euro)	
Non-current bank debt[(8)]	4,176
Non-current portion of issued debt[(9)]	109,623
Other non-current financial debt[(10)]	97,152
Non-current financial indebtedness	210,951
Net financial indebtedness	401,691

Note:

(1) Cash and balances at central banks.

(2) Loans and advances to banks with a maturity of up to one year.

(3) Financial assets held for trading with a maturity of up to one year.

(4) Total financial assets with a maturity of up to one year excluding cash balances at central banks, loans and advances to banks and financial assets held for trading.

(5) Due to banks with a maturity of up to one year.

(6) Debt securities in issue and subordinated liabilities with a maturity of up to one year.

(7) Total financial liabilities with a maturity of up to one year excluding due to banks, debt securities in issue and subordinated liabilities.

(8) Due to banks with a maturity of more than one year.

(9) Debt securities in issue and subordinated liabilities with a maturity of more than one year.

(10) Total financial liabilities with a maturity of more than one year excluding due to banks, debt securities in issue and subordinated liabilities.

TAXATION

The following summary describes the principal Dutch and Swiss tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary, includes Coupons and Talons. This summary does not purport to be a comprehensive description of all Dutch and Swiss tax considerations that may be relevant to a decision to acquire, to hold and to dispose of the Notes. Each prospective Noteholder should consult a professional adviser in respect of the tax consequences of an investment in the Notes. The discussion of certain Dutch and Swiss taxes set forth below is included for general information purposes only.

This summary is based on the Dutch and Swiss tax legislation, published case law, treaties, rules, regulations and similar documentation in force as of the date of this Base Prospectus, without prejudice to any amendments introduced at a later date and implemented with retroactive effect. The comments in this summary assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes).

Netherlands Taxation

The following is intended as general information only and it does not purport to present a comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of Notes. Prospective holders of a Note ("**Noteholder**") should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof; it does not take into account any amendments introduced at a later date and implemented with or without retroactive effect.

With the exception of the section on withholding tax below, this summary does not address the Dutch Tax consequences of a Noteholder:

(i) which is a corporate entity and a resident of Aruba, Curaçao or Sint Maarten;

(ii) having a substantial interest (*aanmerkelijk belang*) in the Issuer; or

(iii) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Notes and/or the benefits derived from the Notes.

For the purpose of this paragraph, "**the Netherlands**" shall mean the part of the Kingdom of the Netherlands in Europe and "**Dutch Taxes**" shall mean taxes of whatever nature levied by or on behalf of the Netherlands or any of its subdivisions or taxing authorities.

Withholding tax

All payments in respect of the Notes can be made by the Issuer without withholding or deduction for or on account of any Dutch Taxes provided that the Notes do not in fact function as equity of the Issuer within the meaning of art. 10, paragraph 1, letter d, of the Netherlands Corporate Income Tax Act 1969 (*Wet op de vennootschapsbelasting 1969*).

Taxes on income and capital gains

(a) Residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Noteholders:

(i) individuals who are resident or deemed to be resident in the Netherlands ("**Dutch Individuals**"); and

(ii) entities that are subject to the Dutch Corporate Tax Act 1969 ("**CITA**") and are resident or deemed to be resident of the Netherlands for the purposes of the CITA, excluding:

- pension funds (*pensioenfondsen*) and other entities, that are in full or in part exempt from Dutch corporate tax; and
- investment institutions (*beleggingsinstellingen*), ("**Dutch Corporate Entities**").

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who holds Notes (i) that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, or (ii) from which he derives benefits which are not taxable as benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*), must record the Notes as assets for purposes of the regime for income from savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realised, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the Notes, is set at a fixed amount. The fixed amount equals 4 per cent. of the net fair market value of these assets and liabilities measured, in general, at the beginning of every calendar year, insofar the net fair market value of these assets and liabilities exceeds a certain threshold. As from January 2017, instead of the deemed income of 4 per cent three graduated rates (presently 2.87 per cent, 4.6 per cent and 5.39 per cent), which will be adjusted annually, will apply. The current tax rate under the regime for savings and investments is a flat rate of 30 per cent.

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at progressive rates with a maximum of 52 per cent. with respect to any benefits derived or deemed to be derived from Notes (including any capital gains realised on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of normal, active portfolio management (*normaal, actief vermogensbeheer*).

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate tax at statutory rates up to 25 per cent. with respect to any benefits derived or deemed to be derived (including any capital gains realised on the disposal thereof) from Notes.

(b) Non-residents of the Netherlands

A Noteholder other than a Dutch Individual or Dutch Corporate Entity will generally not be subject to any Dutch Taxes on income or capital gains in respect of the ownership and disposal of the Notes, except if:

- the Noteholder derives profits from an enterprise, in case of an individual Noteholder as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the Notes are attributable; or

- the Noteholder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) as defined in the Personal Income Tax Act 2001 performed in the Netherlands in respect of the Notes, including, without limitation, activities which are beyond the scope of normal, active portfolio management (*normaal, actief vermogensbeheer*); or
- the Noteholder is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities, to which the Notes are attributable.

Gift tax or inheritance tax

No gift or inheritance taxes will arise in the Netherlands in respect of the transfer or deemed transfer of the Notes by way of a gift by, or on the death of, a Noteholder who is not a resident or deemed resident of the Netherlands for the purpose of the relevant provisions, provided that:

(i) the transfer is not construed as an inheritance or bequest or as a gift made by or on behalf of a person who, at the time of the gift or death, is or is deemed to be a resident of the Netherlands for the purpose of the relevant provisions; and

(ii) in the case of a gift of Notes by an individual holder who at the date of the gift was neither resident nor deemed to be resident in the Netherlands, such individual holder does not die within 180 days after the date of the gift, while being resident or deemed to be resident of the Netherlands.

Where a gift of Notes only takes place if certain conditions are met, no gift tax will arise if the Noteholder is neither (i) a resident or deemed resident of the Netherlands nor (ii) a resident or deemed resident within 180 days after the date on which the conditions are fulfilled.

For purposes of Dutch gift and inheritance tax, an individual who is of Dutch nationality will be deemed to be a resident of the Netherlands if he has been a resident in the Netherlands at any time during the 10 years preceding the date of the gift or his death. For purposes of Dutch gift tax, an individual will, irrespective of his nationality, be deemed to be resident of the Netherlands if he has been a resident in the Netherlands at any time during the 12 months preceding the date of the gift.

Other taxes

No other Dutch Taxes, such as turnover tax, or other similar taxes or duties (including stamp duty and court fees), are due by a Noteholder by reason only of the issue, acquisition or transfer of the Notes.

Residency

A Noteholder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding and/or disposal of the Notes.

Switzerland

The following discussion is a summary of certain material Swiss tax considerations relating to (i) Notes issued by any of the Issuers where the Holder is tax resident in Switzerland or has a tax presence in Switzerland or (ii) Notes where the Paying Agent, custodian or securities dealer is located in Switzerland. The discussion is based on legislation as of the date of this Base Prospectus. It does not aim to be a comprehensive description of all the Swiss tax considerations that may be relevant to a decision to invest in Notes. The tax treatment for each investor depends on the particular situation. All investors are advised to consult with their professional tax advisors as to the respective Swiss tax *consequences of the purchase, ownership, disposition, lapse, exercise or redemption of Notes (or options embedded therein) in light of their particular circumstances.*

Swiss Federal Withholding Tax

Payments by the Issuer, of interest on, and repayment of principal of, the Notes, will not be subject to Swiss federal withholding tax, provided that the Issuer is at all times resident and managed outside Switzerland for Swiss tax purposes.

On November 4, 2015 the Swiss Federal Council announced a mandate to the Swiss Federal Finance Department to institute a group of experts tasked with the preparation of a new proposal for a reform of the Swiss withholding tax system. The new proposal is expected to include in respect of interest payments the replacement of the existing debtor-based regime by a paying agent-based regime for Swiss withholding tax similar to the one published on 17 December 2014 by the Swiss Federal Council and repealed on 24 June 2015 following the negative outcome of the legislative consultation with Swiss official and private bodies. Under such a new paying agent-based regime, if enacted, a paying agent in Switzerland may be required to deduct Swiss withholding tax on any payments or any securing of payments of interest in respect of a Note for the benefit of the beneficial owner of the payment unless certain procedures are complied with to establish that the owner of the Note is not an individual resident in Switzerland.

Swiss Federal Stamp Taxes

The issue and redemption of Notes by the Issuer are not subject to Swiss federal stamp duty on the issue of securities.

Purchases or sales of Notes with a maturity in excess of 12 months where a Swiss domestic bank or a Swiss domestic securities dealer (as defined in the Swiss federal stamp duty act) is a party, or acts as an intermediary, to the transaction may be subject to Swiss federal stamp duty on dealings in securities at a rate of up to 0.3 per cent. of the purchase price of the Notes. Where both the seller and the purchaser of the Notes are non-residents of Switzerland or the Principality of Liechtenstein, no Swiss federal stamp duty on dealing in securities is payable.

Income Taxation on Principal or Interest

(i) Notes held by non-Swiss holders

Payments by the Issuer of interest and repayment of principal to, and gains realised on the sale or redemption of Notes by, a holder of Notes who is not a resident of Switzerland and who during the relevant taxation year has not engaged in a trade or business through a permanent establishment or a fixed place of business in Switzerland to which the Notes are attributable and who is not subject to income taxation in Switzerland for any other reason will not be subject to any Swiss federal, cantonal or communal income tax.

(ii) Notes held by Swiss holders as private assets

Notes without a "predominant one-time interest payment": An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from periodic interest payments and not from a one-time-interest-payment such as an original issue discount or a repayment premium, is required to include all payments of interest received on such Note as well as an original issue discount or a repayment premium in his or her personal income tax return for the relevant tax period, and will be taxed on the net taxable income (including the payment of interest on the Note) for such tax period at the then prevailing tax rates.

Notes with a "predominant one-time interest payment": An individual who resides in Switzerland and privately holds a Note the yield-to-maturity of which predominantly derives from a one-time-interest-payment such as an original issue discount or a repayment premium and not from periodic interest payments, is required to include in his or her personal income tax return for the relevant tax period any periodic interest payments received on the Note and, in addition, any amount equal to the difference between the value of the Note at redemption or sale, as applicable, and the value of the Note at issuance or secondary market purchase, as applicable, realised on the sale or redemption of such Note, and converted into Swiss Francs at the exchange rate prevailing at the time of sale or redemption, issuance or purchase, respectively, and will be taxed on any net taxable income (including such amounts) for the relevant tax period. A holder of a Note may offset any value decrease realised by him or her on such a Note on sale or redemption against any gains (including periodic interest payments) realised by him or her within the same taxation period on the sale or redemption of other debt securities with a predominant one-time interest payment.

Capital gains and losses: Swiss resident individuals who sell or otherwise dispose of privately held Notes realise either a tax-free private capital gain or a non-tax-deductible capital loss. See the preceding paragraph for a summary of the tax treatment of a gain or a loss realized on Notes with a "predominant one-time interest payment." See "*Notes held as Swiss business assets*" below for a summary on the tax treatment of individuals classified as "professional securities dealers."

(iii) Notes held as Swiss business assets

Individuals who hold Notes as part of a business in Switzerland and Swiss-resident corporate taxpayers and corporate taxpayers residing abroad holding Notes as part of a permanent establishment or fixed place of business in Switzerland are required to recognise the payments of interest and any capital gain or loss realised on the sale or other disposition of such Notes in their income statement for the respective tax period and will be taxable on any net taxable earnings for such tax period. The same taxation treatment also applies to Swiss-resident individuals who, for income tax purposes, are classified as "professional securities dealers" for reasons of, *inter alia*, frequent dealings and leveraged transactions in securities.

Taxes withheld by Switzerland for other countries

(i) Savings Tax based on agreement between the European Community and Switzerland – Paying Agents in Switzerland

In accordance with the agreement of October 26, 2004 between the European Community and Switzerland (the "**Agreement**"), which provides for measures equivalent to those laid down in Council Directive 2003/48EC on the taxation of savings income in the form of interest payments or similar income (the "**EU Savings Directive**"), interest payments in respect of the Notes by paying agents in Switzerland are subject to EU savings tax at a rate of 35 per cent. (with the option of the individual to have the paying agent in Switzerland and the relevant Swiss authorities provide to the tax authorities of the EU Member State in which the individual resides, the details of the interest payments in lieu of the withholding). In accordance with the terms of the Notes or any new notes, holders of Notes or new notes will not be entitled to receive any Additional Amounts to compensate them from any such withholding.

In the context of the repeal of the EU Savings Directive by the European Commission by Council Directive (EU) 2015/2060 of 10 November 2015 with effect from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates), on 27 May 2015 Switzerland and the European Community signed an amendment protocol to the Agreement, which would introduce, if ratified, an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014, in lieu of the withholding system, and expand the range of payments covered. The amendment is pending approval by the Swiss Parliament and, subject to approval and an optional referendum, is expected to enter into force on 1 January 2017. Subject to these conditions, the EU and Switzerland intend to collect account data from 2017 and exchange it from 2018 once the necessary Swiss implementing legislation enters into effect.

(ii) Foreign Final Withholding Tax

The Swiss Federal Council recently signed treaties with the United Kingdom and Austria providing, inter alia, for a final withholding tax. The treaties entered into force on 1 January 2013 and might be followed by similar treaties with other European countries.

According to the treaties, a Swiss paying agent may levy a final withholding tax on capital gains and on certain income items deriving, inter alia, from Notes. The final withholding tax will substitute the ordinary income tax due by an individual resident of a contracting state on such gains and income items. In lieu of the final withholding, individuals may opt for a voluntary disclosure of the relevant capital gains and income items to the tax authorities of their state of residency.

Holders of Notes who might be in the scope of the abovementioned treaties should consult their own tax adviser as to the tax consequences relating to their particular circumstances.

FATCA Withholding

Pursuant to certain provisions of the Code, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The issuer is a foreign financial institution for these purposes. A number of jurisdictions (including the Netherlands) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to foreign passthru payments prior to 1 January 2019 and Notes that have a fixed term and are not treated as equity for U.S. federal income tax purposes issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the Issuer). However, if additional notes (as described under "Terms and Conditions of the Notes – Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

SUBSCRIPTION AND SALE

Summary of Distribution Agreement

Subject to the terms and on the conditions contained in a Distribution Agreement dated 20 December 2016 (the "**Distribution Agreement**") as further amended or supplemented at the Issue Date, between the Issuer, the Permanent Dealers (as defined in the Distribution Agreement) and the Arranger, the Notes will be offered by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell Notes directly on its own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers in respect of such issue of Notes against certain liabilities in connection with the offer and sale of such Notes and to contribute for payments that such Dealers may be required to make in respect thereof. The Distribution Agreement entitles the Dealers to terminate any agreement that they make to purchase Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will, in the case of Exempt Notes only, be set out in the Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms.

Australia

This Base Prospectus has not and no prospectus or other disclosure document (as defined in the Australian Corporations Act) in relation to the Programme or the Notes has been or will be or is required to be lodged with ASIC or the ASX Limited ("**ASX**"). Each Dealer has represented and agreed that, and unless the relevant Final Terms or supplement to this Base Prospectus otherwise provides, in connection with the primary distribution of the Notes, it:

(a) has not (directly or indirectly) offered or invited applications, and will not offer or invite applications, for the issue, sale or purchase of the Notes in Australia (including an offer or invitation which is received by a person in Australia); and

(b) has not distributed or published, and will not distribute or publish, this Base Prospectus or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the aggregate consideration payable by each offeree is at least AUD 500,000 (or its equivalent in an alternate currency, in either case disregarding moneys lent by the offeror or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 or Part 7.9 of the Australian Corporations Act and complies with the terms of any authority granted under the Banking Act 1959 of Australia, (ii) the offer or invitation does not constitute an offer to a "retail client" as defined for the purposes of section 761G of the Australian Corporations Act, (iii) such action complied with all applicable laws, regulations and directives in Australia and (iv) such action does not require any document to be lodged with ASIC or the ASX.

Hong Kong

Each Dealer has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

The Netherlands

Each Dealer has represented and agreed that Exempt Notes may not be offered to the public in the Netherlands in reliance on Article 3(2) of the Prospectus Directive unless (i) such offer is made exclusively to persons or entities which are qualified investors as defined in the FMSA or (ii) standard exemption wording and a logo is disclosed as required by Section 5:20(5) of the FMSA, provided that no such offer of Exempt Notes shall require the publication of a prospectus pursuant to Article 3 of the Prospectus Directive or supplement to a prospectus pursuant to Article 16 of the Prospectus Directive.

New Zealand

This Base Prospectus has not been, nor will be, lodged as a product disclosure statement under the New Zealand Financial Markets Conduct Act 2013 (the "**Act**"). Accordingly, the Notes must not be offered to any person or entity in New Zealand in breach of that Act. Without limitation, no person may (directly or indirectly) offer for subscription or purchase or issue invitations to subscribe for or buy, or sell the Notes, or distribute this Base Prospectus or any other advertisement or offering material relating to the Notes in New Zealand, or to any resident of New Zealand, except that the Notes may be offered:

(i) to persons or entities who are wholesale investors as defined in clauses 3(2) or 3(3)(b)(iii) of Schedule 1 of the Act; or

(ii) otherwise as permitted under the Act and any other applicable laws.

Norway

This Base Prospectus does not constitute a public offer in Norway and has not been approved by or notified to the Financial Supervisory Authority of Norway. Each Dealer has represented and agreed that it (a) has not offered or sold and will not offer or sell any Notes directly or indirectly in Norway or to residents or citizens of Norway; and (b) that it has not distributed and will not distribute this Base Prospectus or any other offering material relating to the Notes in or from Norway, except in circumstances which will not result in a requirement to prepare a prospectus pursuant to the provisions of the Norwegian Securities Trading Act (*lov 29. juni 2007 nr. 75 Lov om verdipapirhandel*).

Singapore

Each Dealer has acknowledged that this Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Sweden

Each Dealer has represented and agreed that it has not and will not, directly or indirectly, offer for subscription or purchase or issue invitations to subscribe for or buy Notes or distribute any draft or final document in relation to any such offer, invitation or sale except in circumstances that will not result in a requirement to prepare a prospectus pursuant to the provisions of the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*).

United Kingdom

Each Dealer has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the Code and U.S. Treasury regulations promulgated thereunder.

Each Dealer has represented and agreed that, except as permitted by the Distribution Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver the Notes of any identifiable Tranche, (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the Issuer and the relevant Dealer, by the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and only in accordance with Rule 903 of Regulation S. Each Dealer has further agreed that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of an offering of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such Notes) may violate the registration requirements of the Securities Act.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States.

FORM OF FINAL TERMS – PD NOTES

FINAL TERMS

COÖPERATIEVE RABOBANK U.A.

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

EUR 30,000,000,000 Tier 2 Notes Programme

SERIES NO: [●]
TRANCHE NO: [●]
[●] Notes [year of issue] due [●][1] (the "Notes")

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer/Manager(s)]

The date of these Final Terms is [●]

1 For Floating Rate Notes, insert relevant month and year only, not the date within the month of maturity.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] 2016 [and the Supplemental Prospectus[es] dated [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and www.bourse.lu.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the base prospectus dated [original date] (the "**Conditions**"), which are incorporated by reference in the base prospectus dated [●] 2016 [and the supplemental prospectus[es] dated [●]] ([together,] the "**Base Prospectus**") which [together] constitute[s] a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and www.bourse.lu.][2]

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs, save in respect of the items in Part B, which may be deleted in accordance with the relevant footnotes. Italics denote guidance for completing the Final Terms.*]

1	Issuer:		Coöperatieve Rabobank U.A.
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [(*insert description of the Series)*] (the "**Existing Notes**") on [(*insert date)*/the Issue

[2] This alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.

		Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected to occur on or about [(*insert date)*]]].
3	Specified Currency or Currencies:	[●]
4	Aggregate nominal amount:	
	(i) Series:	[●]
	(ii) Tranche:	[●]
5	Issue Price:	[●] per cent. of the aggregate nominal amount [plus accrued interest in respect of the period from, and including, [(*insert date)*/the Interest Commencement Date] to, but excluding, [(*insert date)*/the Issue Date] (*if applicable*)]
6	(i) Specified Denominations:[3]	[●] [and integral multiples of [●] in excess thereof, up to and including [●].]
	(ii) Calculation Amount:	[●]
7	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[As specified in Condition 1][[●] (*specify if other than the Issue Date*)]/[Not Applicable]
8	Maturity Date:	[*Specify date or (for Floating Rate Notes) The Specified Interest Payment Date falling in or nearest to [●]*] *(insert the relevant month and year)* *(N.B. it will be necessary to use the second option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification)*
9	Interest Basis:	[[●] per cent. Fixed Rate] [[●] per cent. to be reset on [●] [and [●]] and every [●] anniversary thereafter Fixed Rate Reset] [(*specify applicable rate)*] +/- [●] per cent. Floating Rate] [(further particulars specified below)]
10	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
11	Call Option:	[Call Option]

[3] Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".

			[Further particulars specified below]
12	Status of the Notes:		Subordinated
	PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
13	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii)	Interest Payment Date(s):	[[●] in each year, commencing on [●] up to and including the Maturity Date] [[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including the Maturity Date There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) the Maturity Date] (*N.B. Condition 7(h) will apply if an Interest Payment Date falls on a non-business day)* *(N.B. The alternative text below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]
	(iii)	Fixed Coupon Amount[(s)]:	[[●] per Calculation Amount/[except in respect of the [Short/Long] [First/Last]

		Coupon]/Not Applicable] *(N.B. The alternative text below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]
	(iv) Broken Amount:	[In respect of the [Short/Long] [First/Last] Coupon, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]/Not Applicable]
	(v) Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA, RBA Bond Basis / Australian Bond Basis] (*Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed*)
	(vi) Determination Date(s) (Condition 1(a)):	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* (*Determination Date must be specified if Actual/Actual-ICMA is specified in Item 13(v)*)
	(vii) [Business Day Convention:]	[Applicable — Modified Following Business Day Convention] *(Only applicable where Notes are denominated in Renminbi, otherwise delete this item)*
14	**Fixed Rate Reset Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Initial Rate of Interest:	[●] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[●] [and [●]] in each year [from and including [●]] [until and excluding [●]]

	[[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including the Maturity Date There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) [(*insert final Interest Payment Date*)]] (*N.B. Condition 7(h) will apply if an Interest Payment Date falls on a non-business day)* *(N.B. The alternative text below should only be used in the case of Fixed Rate Reset Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]
(iii) First Reset Rate:	[●]
(iv) Second Reset Rate:	[[●]/Not Applicable]
(v) Anniversary Date(s):	[[●]/Not Applicable]
(vi) Reset Determination Dates:	[●]
(vii) Reset Rate:	[[Semi-annual][Annualised]Mid-Swap Rate] [Benchmark Gilt Rate]
(viii) Swap Rate Period:	[[●]/Not Applicable]
(ix) Screen Page:	[ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/ [ISDAFIX4]/[ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable]
(x) Fixed Leg:	[[Semi-annual]/[Annual] calculated on a[n Actual/365]/[30/360]/[●] day count basis]/[Not Applicable]

	(xi) Floating Leg:	[[3]/[6]/[●]-month [LIBOR]/[EURIBOR] rate calculated on an[Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable]
	(xii) Margin(s):	[+/–] [●] per cent. per annum
	(xiii) Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[●] per Calculation Amount] *(N.B. The alternative text below should only be used in the case of Fixed Rate Reset Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]
	(xiv) Broken Amount(s):	[In respect of the [Short/Long] [First/Last] Coupon, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]/Not Applicable]
	(xv) Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA, RBA Bond Basis / Australian Bond Basis] (*Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed*)
	(xvi) Determination Date(s) (Condition 1(a)):	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* (*Determination Date must be specified if Actual/Actual-ICMA is specified in Item 13(v)*)
	(xvii) Party responsible for calculating the Rates of Interest and Interest Amounts:	[Calculation Agent/[●]]
15	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(i)	Interest Period(s):	[As specified in Condition 1][●]
(ii)	Specified Interest Payment Dates:	[[●] in each year, commencing on [●] up to and including [(*insert final interest payment date*)]] [[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including [(*insert final interest payment date*)] There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) [(*insert final interest payment date*)]] [See Linear Interpolation below.]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(iv)	Business Centre(s) (Condition 1(a)):	[●] *(please provide all the relevant Business Centres in relation to the interest determination)*
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(vi)	Interest Period Date(s):	[Not Applicable/(*specify dates)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent/[●]]
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
	– Reference Rate(s):	[● month] [●]
	– Interest Determination Date:	[[[●] [TARGET] Business Days [in [(*specify city)*] for [(*specify currency*)]] prior to the first day in each [Interest Accrual Period/Interest Period]]
	– Relevant Screen Page(s):	[●]
	– Location of Reference Banks:	[[●]/As per the Conditions]
(ix)	ISDA Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
	– Floating Rate Option(s):	[●]
	– Designated Maturity(ies):	[●]
	– Reset Date:	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of

		Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
	(xi) Margin(s):	[+/-] [●] per cent. per annum
	(xii) Minimum Rate of Interest:	[●]
	(xiii) Maximum Rate of Interest:	[●]
	(xiv) Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA, RBA Bond Basis / Australian Bond Basis]
	PROVISIONS RELATING TO REDEMPTION	
16	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s):	[●] per Calculation Amount
	(iii) If redeemable in part:	
	Minimum Redemption Amount:	[●] per Calculation Amount
	Maximum Redemption Amount:	[●] per Calculation Amount
	(iv) Notice period:	[Condition 6(b)(iii) shall apply]/[The notice period referred to in Condition 6(b)(iii) shall be [●] [days/Business Days]]
17	**Regulatory Call**	[Applicable/Not Applicable]
18	**Early Redemption**	
	Early Redemption Amount(s) payable per Calculation Amount on redemption (a) following a Capital Event (Condition 6(e)); or (b) following a Tax Law Change (Condition 6(d)):	[●] per Calculation Amount
	Notice period (a) following a Capital Event (Condition 6(e)); or (b) following a Tax Law Change (Condition 6(d)):	[Condition 6(b)(iii) shall apply]/[The notice period referred to in Condition 6(b)(iii) shall be [●] [days/Business Days]]
19	**Final Redemption Amount of each Note**	[●] per Calculation Amount
20	**Taxation**	
	Condition 8 applicable to payments of principal:	[Yes/No]
	GENERAL PROVISIONS APPLICABLE TO THE NOTES	
21	**Form of Notes**	[Bearer Notes/Registered Notes] *(Delete as appropriate)* [Temporary Global Note exchangeable for a permanent Global Note not earlier than 40

		days after the completion of the distribution of the Tranche of which such Note is a part nor later than 40 days prior to the first anniversary of the Issue Date (i.e. [●]) which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note]
		[Temporary Global Note exchangeable for Definitive Notes not earlier than 40 days after the completion of the distribution of the Tranche of which such Note is a part nor later than 40 days prior to the first anniversary of the Issue Date (i.e. [●])][4]
		[Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note][11]
		[Global Certificate [registered in the name of [a common depositary for Euroclear and Clearstream Luxembourg] [a common safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the NSS)] exchangeable for Definitive Certificates in the limited circumstances specified in the unrestricted Global Certificate]
		[AMTN Global Certificate [registered in the name of Austraclear] that is held by the Australian Fiscal Agent.]
22	New Global Notes:	[Yes/No]
23	Financial Centre(s) (Condition 7(h)):	[Not Applicable/[●]]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 30,000,000,000 Tier 2 Notes Programme of Rabobank.]

Signed on behalf of the Issuer

By:

Duly authorised

4 The exchange at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note/Certificate exchangeable for Definitive Notes, other than in the limited circumstances specified in the permanent Global Note/Certificate.

1 PART B – OTHER INFORMATION	**Listing**	
	(i) Listing:	Euronext Amsterdam/Luxembourg Stock Exchange
	(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from [●]/No application for admission to trading has been made]. *(Where documenting a fungible issue, indicate that original Notes are already admitted to trading.)*
	(iii) Estimate of total expenses related to admission to trading:	[[●]/Not Applicable]
	(iv) In the case of Notes listed on Euronext Amsterdam:	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(a) Amsterdam Listing Agent:	Coöperatieve Rabobank U.A.
	(b) Amsterdam Paying Agent:	Coöperatieve Rabobank U.A.
2	**Ratings**	
	Rating:	[Not Applicable] [The Notes to be issued [have been][/][are expected to be] rated:] [Fitch: [●]] [Moody's: [●]] [Standard & Poor's: [●]] [[Other: [●]] *(the above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)* *Insert one (or more) of the following options, as applicable:* **Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:** [*Insert legal name of particular credit rating agency entity providing*

rating] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the registration decision has not yet been provided.

Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/ 2009 (the "**CRA Regulation**").

Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but the rating it has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU and registered under the CRA Regulation.

3 Interests of natural and legal persons involved in the offer

[(*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)*]

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

4 Yield *(Fixed Rate Notes and Fixed Rate Reset Notes only)*

Indication of yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.

5 Operational information

(i) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs[5] as common safekeeper[, and registered in the name of a

5 The International Central Securities Depositories.

	nominee of one of the ICSDs acting as common safekeeper,][(*include this text for registered notes*]] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /
	[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(ii) ISIN:	[●] [(*If fungible with an existing Series insert*:) [Pending consolidation with the Existing Notes: [●] Following consolidation with the Existing Notes: [●]]
(iii) Common Code:	[●] [(*If fungible with an existing Series insert*:)

			[Pending consolidation with the Existing Notes: [●] Following consolidation with the Existing Notes: [●]]
	(iv)	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s):	[Not Applicable/(*give name(s) and number(s))*]
	(v)	Delivery:	Delivery [against/free of] payment
	(vi)	Names and addresses of additional Paying/Delivery Agent(s) (if any):	Not Applicable/[●]
	(vii)	Names (and addresses) of Calculation Agent(s):[6]	[Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]/[●]
6	**Distribution**		
	(i)	Method of distribution:	[Syndicated/Non-syndicated]
	(ii)	If syndicated, names and addresses of Managers:	[Not Applicable*/(give names and addresses)*]
	(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/[●](*give names and addresses)*] *[If the sole Dealer in respect of Notes issued by Rabobank is Rabobank (in its capacity as Dealer), such Dealer will not subscribe for the Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from the Dealer to the subscriber and the Dealer receives funds from the subscriber on behalf of Rabobank]*
	(iv)	Applicable TEFRA exemption:	[TEFRA C /TEFRA D /Not Applicable]

[6] Separate Calculation Agency Agreement needed if the Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch.

FORM OF FINAL TERMS – EXEMPT NOTES

FINAL TERMS[7]

COÖPERATIEVE RABOBANK U.A.

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

EUR 30,000,000,000 Tier 2 Notes Programme

SERIES NO: [●]
TRANCHE NO: [●]
[●] Notes [year of issue] due [●][8] (the "Notes")

Issue Price: [●] per cent.

[Publicity Name(s) of Dealer/Manager(s)]

The date of these Final Terms is [●]

7 Dealer(s)/Manager(s) to include any necessary legending required by article 5:20, paragraph 5 of the Netherlands Financial Supervision Act (*Wet op het financieel toezicht*) in case of an offer to the public of Exempt Notes in the Netherlands.

8 For Floating Rate Notes, insert relevant month and year only, not the date within the month of maturity.

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the Base Prospectus dated [●] 2016 [and the Supplemental Prospectus[es] dated [●]] ([together,] the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and www.bourse.lu.

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions set forth in the base prospectus dated [original date] (the "**Conditions**"), which are incorporated by reference in the base prospectus dated [●] 2016 [and the supplemental prospectus[es] dated [●]] ([together,] the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Base Prospectus and the Conditions. The Base Prospectus is available for viewing at, and copies may be obtained from, Rabobank at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office of the Paying Agent in Luxembourg, Amsterdam and www.bourse.lu.][9]

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

[*Include whichever of the following apply or specify as "Not Applicable". Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs, save in respect of the items in Part B, which may be deleted in accordance with the relevant footnotes. Italics denote guidance for completing the Final Terms.*]

1	Issuer:		Coöperatieve Rabobank U.A.
2	(i)	Series Number:	[●]
	(ii)	Tranche Number:	[●]
	(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [(*insert description of the Series)*] (the "**Existing Notes**") on [(*insert date)*/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 22 below [which is expected to occur on or about [(*insert date)*]]].

[9] This alternative language applies if the first tranche of an issue which is being increased was issued under an offering circular/base prospectus with an earlier date.

3	Specified Currency or Currencies:		[●]
4	Aggregate nominal amount:		
	(i)	Series:	[●]
	(ii)	Tranche:	[●]
5	Issue Price:		[●] per cent. of the aggregate nominal amount [plus accrued interest in respect of the period from, and including, [(*insert date)/*the Interest Commencement Date] to, but excluding, [(*insert date)/*the Issue Date] (*if applicable*)]
6	(i)	Specified Denominations:[10]	[●] [and integral multiples of [●] in excess thereof, up to and including [●].]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[As specified in Condition 1][[●] (*specify if other than the Issue Date*)]/[Not Applicable]
8	Maturity Date:		[*Specify date or (for Floating Rate Notes) The Specified Interest Payment Date falling in or nearest to [*●*]*] *(insert the relevant month and year)* *(N.B. it will be necessary to use the second option for Renminbi denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification)*
9	Interest Basis:		[[●] per cent. Fixed Rate] [[●] per cent. to be reset on [●] [and [●]] and every [●] anniversary thereafter Fixed Rate Reset] [(*specify applicable rate)*] +/- [●] per cent. Floating Rate] [Other (*specify*)] [(further particulars specified below)]
10	Redemption/Payment Basis:		Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount /The Final Redemption Amount shall be determined as provided below]
11	Call Option:		[Call Option] [Further particulars specified below]

[10] Where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000]".

12	Status of the Notes:	Subordinated
	PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE	
13	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[[●] in each year, commencing on [●] up to and including the Maturity Date] [[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including the Maturity Date There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) the Maturity Date] (*N.B. Condition 7(h) will apply if an Interest Payment Date falls on a non-business day)* *(N.B. The alternative text below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]
	(iii) Fixed Coupon Amount[(s)]:	[[●] per Calculation Amount/[except in respect of the [Short/Long] [First/Last] Coupon]/Not Applicable]

		(N.B. The alternative text below should only be used in the case of Fixed Rate Notes denominated in Renminbi where the Interest Payment Dates are subject to modification) [Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]
	(iv) Broken Amount:	[In respect of the [Short/Long] [First/Last] Coupon, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]/Not Applicable]
	(v) Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; RBA Bond Basis / Australian Bond Basis; *other*] (*Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed*)
	(vi) Determination Date(s) (Condition 1(a)):	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)* (*Determination Date must be specified if Actual/Actual-ICMA is specified in Item 13(v)*)
	(vii) [Business Day Convention:]	[Applicable — Modified Following Business Day Convention] *(Only applicable where Notes are denominated in Renminbi, otherwise delete this item)*
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/(*give details*)]
14	**Fixed Rate Reset Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Initial Rate of Interest:	[●] per cent. per annum [payable [annually/semi annually/quarterly/monthly/ other *(specify)*] in arrear]
	(ii) Interest Payment Date(s):	[●] [and [●]] in each year [from and including [●]] [until and excluding [●]]

	[[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including the Maturity Date There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) [(*insert final Interest Payment Date*)]] (*N.B. Condition 7(h) will apply if an Interest Payment Date falls on a non-business day)* *(N.B. The alternative text below should only be used in the case of Fixed Rate Reset Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)* [Provided that, if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month, in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day on which commercial banks and foreign exchange markets settle payment and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong.]
(iii) First Reset Rate:	[●]
(iv) Second Reset Rate:	[[●]/Not Applicable]
(v) Anniversary Date(s):	[[●]/Not Applicable]
(vi) Reset Determination Dates:	[●]
(vii) Reset Rate:	[[Semi-annual][Annualised]Mid-Swap Rate] [Benchmark Gilt Rate][Screen Page Gilt Rate][other *(specify)*]
(viii) Swap Rate Period:	[[●]/Not Applicable]
(ix) Screen Page:	[ISDAFIX1]/[ISDAFIX2]/[ISDAFIX3]/ [ISDAFIX4]/[ISDAFIX5]/[ISDAFIX6]/[●]/[Not Applicable][other *(specify)*]
(x) Fixed Leg:	[[Semi-annual]/[Annual] calculated on a[n Actual/365]/[30/360]/[●] day count

		basis]/[Not Applicable][other *(specify)*]
(xi)	Floating Leg:	[[3]/[6]/[●]-month [LIBOR]/[EURIBOR] rate calculated on an[Actual/365]/[Actual/360]/[●] day count basis]/[Not Applicable][other *(specify)*]
(xii)	Margin(s):	[+/–] [●] per cent. per annum
(xiii)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[●] per Calculation Amount]
		(N.B. The alternative text below should only be used in the case of Fixed Rate Reset Notes denominated in Renminbi where the Interest Payment Dates are subject to modification)
		[Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, with CNY0.005 being rounded upwards.]
(xiv)	Broken Amount(s):	[In respect of the [Short/Long] [First/Last] Coupon, [●] per Calculation Amount, payable on the Interest Payment Date falling on [●]/Not Applicable]
(xv)	Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; RBA Bond Basis / Australian Bond Basis; other *(specify)*]
		(*Day Count Fraction should be Actual/Actual ICMA for all fixed rate issues other than those denominated in U.S. Dollars or Renminbi, unless otherwise agreed*)
(xvi)	Determination Date(s) (Condition 1(a)):	[●] in each year *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon)*
		(*Determination Date must be specified if Actual/Actual-ICMA is specified in Item 13(v)*)
(xvii)	Party responsible for calculating the Rates of Interest and Interest Amounts:	[Calculation Agent/[●]]
(xviii)	Other terms relating to the method of	[Not Applicable/(*give details*)]

	calculating interest for Fixed Rate Reset Notes:	
15	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Interest Period(s):	[As specified in Condition 1][●]
(ii)	Specified Interest Payment Dates:	[[●] in each year, commencing on [●] up to and including [(*insert final interest payment date*)]] [[●] in each year, commencing on [●] (the "**First Interest Payment Date**") up to and including [(*insert final interest payment date*)] There will be a [short/long] [first/last] fixed interest period (the "**[Short/Long] [First/Last] Coupon**") in respect of the period [from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date]/[from (and including) [(*insert penultimate Interest Payment Date*)] to (and including) [(*insert final interest payment date*)]] [See Linear Interpolation below.]
(iii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*specify*)]]
(iv)	Business Centre(s) (Condition 1(a)):	[●] *(please provide all the relevant Business Centres in relation to the interest determination)*
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/(*Include details of any other formula, in each case to be used for calculating the Rate(s) of Interest and Interest Amounts(s)*)]
(vi)	Interest Period Date(s):	[Not Applicable/(*specify dates)*]
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[Calculation Agent/[●]]
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	[Applicable/Not Applicable]
	– Reference Rate(s):	[● month] [●]
	– Interest Determination Date:	[[[●] [TARGET] Business Days [in [(*specify city)*] for [(*specify currency*)]] prior to the first day in each [Interest Accrual Period/Interest Period]]

	– Relevant Screen Page(s):	[●]
	– Location of Reference Banks:	[[●]/As per the Conditions]
(ix)	ISDA Determination (Condition 5(c)(iii)(A)):	[Applicable/Not Applicable]
	– Floating Rate Option(s):	[●]
	– Designated Maturity(ies):	[●]
	– Reset Date:	[●]
	– ISDA Definitions (if different from those set out in the Conditions):	[●]
(x)	Linear Interpolation:	[Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
(xi)	Margin(s):	[+/-] [●] per cent. per annum
(xii)	Minimum Rate of Interest:	[●]
(xiii)	Maximum Rate of Interest:	[●]
(xiv)	Day Count Fraction (Condition 1(a)):	[Actual/Actual; Actual/Actual-ISDA; Actual/365 (Fixed); Actual/365 (Sterling); NL/365; Actual/360; 30/360; 360/360; Bond Basis; 30E/360; Eurobond Basis; 30E/360 (ISDA); Actual/Actual-ICMA; RBA Bond Basis / Australian Bond Basis; other (*specify*)]
(xv)	Fall back provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[●]

PROVISIONS RELATING TO REDEMPTION

16	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s):	[●] per Calculation Amount
(iii)	If redeemable in part:	
	Minimum Redemption Amount:	[●] per Calculation Amount
	Maximum Redemption Amount:	[●] per Calculation Amount
(iv)	Notice period:	[Condition 6(b)(iii) shall apply]/[●]/[The notice period referred to in Condition 6(b)(iii) shall be [●] [days/Business Days]]
17	**Regulatory Call**	[Applicable/Not Applicable]
18	**Early Redemption**	

	Early Redemption Amount(s) payable per Calculation Amount on redemption (a) following a Capital Event (Condition 6(e)); or (b) following a Tax Law Change (Condition 6(d)):	[●] per Calculation Amount
	Notice period (a) following a Capital Event (Condition 6(e)); or (b) following a Tax Law Change (Condition 6(d)):	[Condition 6(b)(iii) shall apply]/[●]/[The notice period referred to in Condition 6(b)(iii) shall be [●] [days/Business Days]]
19	**Final Redemption Amount of each Note**	[●] per Calculation Amount
20	**Taxation**	
	Condition 8 applicable to payments of principal:	[Yes/No]
21	**Any other terms relating to the redemption of the Notes, if different from those set out in the Conditions**	[Not Applicable/[●]]
	GENERAL PROVISIONS APPLICABLE TO THE NOTES	
22	**Form of Notes**	[Bearer Notes/Registered Notes] *(Delete as appropriate)* [Temporary Global Note exchangeable for a permanent Global Note not earlier than 40 days after the completion of the distribution of the Tranche of which such Note is a part nor later than 40 days prior to the first anniversary of the Issue Date (i.e. [●]) which is exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes not earlier than 40 days after the completion of the distribution of the Tranche of which such Note is a part nor later than 40 days prior to the first anniversary of the Issue Date (i.e. [●])][11] [Permanent Global Note exchangeable for Definitive Notes at any time/in the limited circumstances specified in the permanent Global Note][11] [Global Certificate [registered in the name of [a common depositary for Euroclear and Clearstream Luxembourg] [a common safekeeper for Euroclear and Clearstream, Luxembourg] (that is, held under the NSS)] exchangeable for Definitive Certificates in the limited circumstances specified in the

[11] The exchange at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note/Certificate exchangeable for Definitive Notes, other than in the limited circumstances specified in the permanent Global Note/Certificate.

		unrestricted Global Certificate]
23	New Global Notes:	[Yes/No]
24	Financial Centre(s) (Condition 7(h)) or other special provisions related to payment dates:	[Not Applicable/[●]/*give details*]
25	Other terms or special conditions:	[[●]/Not Applicable]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 30,000,000,000 Tier 2 Notes Programme of Rabobank.]

Signed on behalf of the Issuer

By:

Duly authorised

PART B – OTHER INFORMATION

1 Listing[12]

(i) Listing:	[None/[●] (*specify an exchange-regulated market or a stock exchange located outside the EEA*)]
(ii) Admission to trading:	[Application has been made for the Notes to be admitted to trading on [●] with effect from [●]/No application for admission to trading has been made]. *(Where documenting a fungible issue, indicate that original Notes are already admitted to trading.)*

2 Ratings

Rating:	[Not Applicable] [The Notes to be issued [have been][/][are expected to be] rated:] [Fitch: [●]] [Moody's: [●]] [Standard & Poor's: [●]] [[Other: [●]] *(the above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)* *Insert one (or more) of the following options, as applicable:* **Option 1: CRA is (i) established in the EU and (ii) registered under the CRA Regulation:** [*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"). **Option 2: CRA is (i) established in the EU, (ii) not registered under the CRA Regulation; but (iii) has applied for registration:** [*Insert legal name of particular credit rating agency entity providing rating*] is established

[12] Listing of Exempt Notes may only be on an exchange regulated market or on a stock exchange located outside the EEA.

in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"), although notification of the registration decision has not yet been provided.

Option 3: CRA is (i) established in the EU; and (ii) has not applied for registration is not registered under the CRA Regulation:

[Insert legal name of particular credit rating agency entity providing rating] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/ 2009 (the "**CRA Regulation**").

Option 4: CRA is not established in the EU but the relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but the rating it has given to the Notes is endorsed by [*insert legal name of credit rating agency*], which is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

Option 5: CRA is not established in the EU and the relevant rating is not endorsed under the CRA Regulation, but the CRA is certified under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU but is certified under Regulation (EC) No 1060/2009 (the "**CRA Regulation**").

Option 6: CRA is neither established in the EU nor certified under the CRA Regulation and the relevant rating is not endorsed under the CRA Regulation:

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU and is not certified under Regulation (EC) No 1060/2009 (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EU

	and registered under the CRA Regulation.

3 Interests of natural and legal persons involved in the offer

[(*Include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:)*]

[Save for any fees payable to the [Managers/Dealer], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealer] and [their/its] affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. *(Amend as appropriate if there are other interests)*]

4 Yield *(Fixed Rate Notes and Fixed Rate Reset Notes only)*

Indication of yield:	[●] The yield is calculated at the Issue Date on the basis of the Issue Price. It is NOT an indication of future yield.

5 Operational information

(i) Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs[13] as common safekeeper[, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][(*include this text for registered notes]*] and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] / [No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the

13 The International Central Securities Depositories.

	name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]
(ii) ISIN:	[●] [(*If fungible with an existing Series insert*:) [Pending consolidation with the Existing Notes: [●] Following consolidation with the Existing Notes: [●]]
(iii) Common Code:	[●] [(*If fungible with an existing Series insert*:) [Pending consolidation with the Existing Notes: [●] Following consolidation with the Existing Notes: [●]]
(iv) Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant number(s):	[Not Applicable/(*give name(s) and number(s))*]
(v) Delivery:	Delivery [against/free of] payment
(vi) Names and addresses of additional Paying/Delivery Agent(s) (if any):	Not Applicable/[●]
(vii) Names (and addresses) of Calculation Agent(s):[14]	[Deutsche Bank AG, London Branch, Winchester House, 1 Great Winchester Street, London EC2N 2DB, United Kingdom]/[Citigroup Pty Limited (ABN 88 004 325 080), Level 16, 120 Collins Street, Melbourne VIC 3000, Australia]/[●]

6 Distribution

(i) Method of distribution:	[Syndicated/Non-syndicated]
(ii) If syndicated, names and addresses of Managers:	[Not Applicable*/(give names and*

[14] Separate Calculation Agency Agreement needed if the Calculation Agent is not a Dealer or one of its affiliates or Deutsche Bank AG, London Branch or (in relation to AMTNs) if the Calculation Agent is not a Dealer or one of its affiliates or Citigroup Pty Limited (ABN 88 004 325 080).

		addresses)]
(iii)	Stabilising Manager(s) (if any):	[Not Applicable/[●] (*give names*)]
(iv)	If non-syndicated, name and address of Dealer:	[Not Applicable/[●](*give names and addresses)*] *[If the sole Dealer in respect of Notes issued by Rabobank is Rabobank (in its capacity as Dealer), such Dealer will not subscribe for the Notes, but will act as agent for the placement of Notes. Such Notes will be deemed to be issued at the time when the Notes are transferred from the Dealer to the subscriber and the Dealer receives funds from the subscriber on behalf of Rabobank]*
(v)	Applicable TEFRA exemption:	[TEFRA C /TEFRA D /Not Applicable]
(vi)	Additional selling restrictions:	[Not Applicable/[●] (*give details*)]

GENERAL INFORMATION

1. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The establishment of the Programme was authorised by Rabobank by a resolution of the Executive Board of Rabobank passed on 10 November 2015 and by a resolution of the Supervisory Board of Rabobank passed on 30 November 2015, as confirmed by a secretary's certificate dated 15 December 2016.

2. There has been no significant change in the financial or trading position of the Issuer or of Rabobank Group since 30 June 2016, and there has been no material adverse change in the financial position or prospects of the Issuer or of Rabobank Group, since 31 December 2015.

3. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability. Investors should refer to the section entitled "Legal and arbitration proceedings" on pages 95 to 96 of this Base Prospectus.

4. Each Bearer Note, Coupon and Talon will bear the following legend: "Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the Internal Revenue Code".

5. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg, Luxembourg. The address of any Alternative Clearing System will be specified in the relevant Final Terms.

6. The AMTNs have been accepted for clearance through the Austraclear System operated by Austraclear Ltd (ABN 94 002 060 773) ("**Austraclear**") (which is the entity in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of AMTNs will be set out in the relevant Final Terms.

   The address of Austraclear is 20 Bridge Street. Sydney NSW 2000, Australia.

7. The issue price and the amount of the relevant Notes will be determined based on the prevailing market conditions.

8. So long as any of the Notes are outstanding the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Fiscal Agent:

   (i) the Agency Agreement (as amended and supplemented from time to time) relating to the Programme (which includes the form of the Global Notes, the Definitive Notes, the Certificates and the Coupons and Talons relating to Bearer Notes);

   (ii) each set of Final Terms for Notes that are listed on Euronext Amsterdam or the Luxembourg Stock Exchange; and

(iii) the articles of association of Rabobank.

9. For the period of 12 months following the date of this Base Prospectus, copies of the following documents will be available, free of charge during usual business hours on any weekday (Saturdays and public holidays excepted), at the office of the Fiscal Agent and the Paying Agents in Luxembourg and the Netherlands:

   (i) the Agency Agreement (as amended and supplemented from time to time) (which includes the form of the Global Notes, the Registered Notes, the Definitive Notes, and the Coupons and Talons relating to Definitive Notes) and the Covenant (as amended and supplemented from time to time);

   (ii) the articles of association of the Issuer;

   (iii) the unaudited condensed consolidated interim financial information of Rabobank Group for the six months ended 30 June 2016 and for the six months ended 30 June 2015 (together with the independent auditor's review report thereon and the explanatory notes thereto)

   (iv) the audited and consolidated financial statements of the Issuer and Rabobank Group for the years ended 31 December 2015, 31 December 2014 and 31 December 2013 (together with the explanatory notes and the independent auditor's reports in respect thereof);

   (v) the audited financial statements of Coöperatieve Rabobank U.A. for the year ended 31 December 2015 (together with the explanatory notes and the independent auditor's report in respect thereof);

   (vi) the audited unconsolidated financial statements of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. for the years ended 31 December 2013 and 2014 (in each case, together with the independent auditor's reports thereon and explanatory notes thereto);

   (vii) Rabobank Group's annual report for the year ended 31 December 2015;

   (viii) Rabobank Group's interim report for the six-month period ended 30 June 2016;

   (ix) a copy of this Base Prospectus (together with any supplement to this Base Prospectus or further Base Prospectus); and

   (x) a copy of the ISDA Definitions.

10. Ernst & Young Accountants LLP, of which the "registeraccountants" are members of the Royal NBA (Koninklijke Nederlandse Beroepsorganisatie van Accountants – The Royal Netherlands Institute of Chartered Accountants), has audited, and issued unqualified independent auditor's reports, on the unconsolidated financial statements of Coöperatieve Rabobank U.A. for the year ended 31 December 2015, on the unconsolidated financial statements of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. for the years ended 31 December 2013 and 2014 and on the consolidated financial statements of Rabobank Group for the years ended 31 December 2015, 31 December 2014 and 31 December 2013. Due to mandatory audit firm rotation requirements in the Netherlands, Rabobank appointed PricewaterhouseCoopers Accountants N.V. as its new external auditor with effect from 1 January 2016. PricewaterhouseCoopers Accountants N.V., of which the "registeraccountants" are members of the Royal NBA, has reviewed, and issued an unqualified independent review report, on the unaudited condensed consolidated interim financial information of Rabobank Group for the six months ended 30 June 2016.

11. The latest published financial information was for the six months ended 30 June 2016.

12. As at the date of this Base Prospectus, no financial information in respect of the Issuer has been published subsequent to 30 June 2016.

13. As of the date of this Base Prospectus, Rabobank Group is not party to any contracts (not entered into in the ordinary course of business) that are considered material to its results, financial condition or operations.

14. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and their affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

15. The yield for any particular Series of Fixed Rate Notes will be specified in the relevant Final Terms and will be calculated on the basis of the compound annual rate of return if the relevant Notes were to be purchased at the Issue Price on the Issue Date and held to maturity. The yield specified in the relevant Final Terms in respect of a Series of Fixed Rate Notes will not be indication of future yield.

PRINCIPAL OFFICES OF THE ISSUER

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

INDEPENDENT AUDITOR

To Coöperatieve Rabobank U.A.

In respect of the accounting period ended on 31 December 2015

Ernst & Young Accountants LLP
Cross Towers
Antonio Vivaldistraat 150
1083 HP Amsterdam
The Netherlands

In respect of the accounting period commencing on 1 January 2016

PricewaterhouseCoopers Accountants N.V.
Thomas R. Malthusstraat 5
1066 JR Amsterdam
The Netherlands

DEALERS

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

Coöperatieve Rabobank U.A.
(in its capacity as Dealer)
Thames Court
One Queenhithe
London EC4V 3RL
United Kingdom

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

J.P. Morgan Securities plc
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Morgan Stanley & Co. International plc
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Nomura International plc
1 Angel Lane
London EC4R 3AB
United Kingdom

UBS Limited
5 Broadgate
London EC2M 2QS
United Kingdom

ARRANGER

Credit Suisse Securities (Europe) Limited
One Cabot Square
London E14 4QJ
United Kingdom

FISCAL AGENT, PAYING AGENT AND CALCULATION AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
United Kingdom

TRANSFER AGENT AND REGISTRAR

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

AUSTRALIAN FISCAL AGENT, AUSTRALIAN REGISTRAR AND AUSTRALIAN CALCULATION AGENT

Citigroup Pty Ltd (ABN 88 004 325 080)
Level 16
120 Collins Street
Melbourne VIC 3000
Australia

PAYING AGENT

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

LUXEMBOURG STOCK EXCHANGE LISTING AGENT

Deutsche Bank Luxembourg S.A.
Corporate Trust and Agency Services
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

EURONEXT AMSTERDAM LISTING AGENT

Coöperatieve Rabobank U.A.
Croeselaan 18
3521 CB Utrecht
The Netherlands

LEGAL ADVISERS

To the Dealers

Linklaters LLP
WTC Amsterdam
Zuidplein 180
1077 XV
Amsterdam
The Netherlands

Allens
Level 37, 101
Collins Street
Melbourne 3000
Victoria
Australia

To the Issuer
(with respect to regulatory capital matters only)

Clifford Chance LLP
Droogbak 1A
1013 GE Amsterdam
The Netherlands