

Information Memorandum



Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch

(with its statutory seat in Amsterdam)
ABN 70 003 917 655

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) New Zealand Branch

(with its statutory seat in Amsterdam)
801806

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)

(with its statutory seat in Amsterdam)
30046259

A\$7,000,000,000 Debt Securities Programme

Pursuant to the A\$7,000,000,000 Debt Securities Programme (the "**Programme**"), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) New Zealand Branch (each the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may, from time to time, issue short term notes or medium term notes or other notes (the "**Notes**") up to a maximum amount of A\$7,000,000,000 (or an equivalent amount in NZ\$). This Information Memorandum is a base prospectus for the purposes 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 Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or "**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 5 March 2007. The Notes that are Australian Notes (as defined herein) will be issued in denominations such that the amount payable on issue is not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of A\$100,000 or as otherwise specified in the Series Supplement or in the STN Terms Sheet, or the issue otherwise does not require disclosure to investors in accordance with Part 6D.2 of the *Corporations Act 2001* (Cth), and the Notes must have a nominal value equal to or in excess of Euro 50,000 or its equivalent in Australian dollars (based on the exchange rate at the date of the offer of the Notes). Amounts payable in respect of transfers must be not less than A\$500,000. The Notes that are New Zealand Notes (as defined herein) will be issued in denominations such that the amount payable on issue is not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of NZ\$100,000 or as otherwise specified in the Series Supplement or in the STN Terms Sheet, or if the New Zealand Notes are otherwise issued in a manner that does not require the registration or issue of a prospectus or other offering document in accordance with the *Securities Act 1978* of New Zealand. Amounts payable in respect of transfers must be not less than NZ\$500,000 or such lesser amount as the Issuer specifies in the relevant Series Supplement or STN Terms Sheet. Application may be made for Notes issued under the Programme within 12 months of this Information Memorandum to be admitted to trading on the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of Directive 93/22/EC (the "**Investment Services Directive**"). References in this Information Memorandum to Notes being "listed" (and all related references) shall mean that such Notes have been admitted to trading on a regulated market. Unlisted Notes may also be issued under the Programme. The relevant Series Supplement in respect of the issue of any Notes will specify whether such Notes will be listed on the Luxembourg Stock Exchange or whether the Notes will not be listed. In relation to each separate issue of Notes, the price and amount of such Notes will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the applicable Series Supplement. Unless the context otherwise requires, references in this

Information Memorandum to the "Rabobank Group", "Rabobank" or the "Group" are to Rabobank Nederland and its members, subsidiaries and affiliates.

Dealers

ASB Bank Limited

Bank of New Zealand

Commonwealth Bank of Australia

Citigroup Global Markets Australia Pty Limited

National Australia Bank Limited

The Toronto-Dominion Bank

Westpac Banking Corporation

Coöperatieve Centrale Raiffeisen-Boerenleenbank
B.A. (Rabobank International)

Arranger for the Programme

Commonwealth Bank



The date of this Information Memorandum is 5 March 2007. This Information Memorandum supersedes and replaces the Information Memorandum dated 16 January 2006.

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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 the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur 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 Information Memorandum and reach their own views prior to making any investment decision.

References in this section ‘Risk Factors’ to the “Bank” are to Rabobank Group (as defined below).

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

Credit risk

Credit risk is the risk that particular borrowers will not satisfy their obligations in a timely manner.

Bad debt expenses/private sector lending ratio

The ‘bad debt expenses/private sector lending ratio’ provides an indication of the probability of credit losses. At Group level, the average for the period 2000 to 2004 was 24 basis points¹ and for 2005 was 20 basis points and for the first half of 2006 was 21 basis points, reflecting Rabobank Group’s favourable credit risk profile. The ratio was higher in 2005 for the wholesale and international retail banking operations and for leasing, at 52 and 72 basis points, respectively. The ratio for the domestic retail banking operations in 2005 was considerably lower, at nine (9) basis points.

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 when a large number of debtors in a country cannot meet their commitments for the same reason (e.g. war, political and social unrest, natural disasters, but including government policy that does not succeed in creating macro-economic and financial stability).

Interest rate risk

¹ One basis point is 0.01 per cent.

One of the most important risk components for Rabobank Group is interest rate risk. Interest rate risk is the risk, outside the trading environment, of deviations in interest income and/or the market value of capital 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 the liabilities, such as savings, can be adjusted immediately. This does not apply to the majority of the assets, such as mortgages, which have longer fixed rate interest periods.

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 the Bank's cash resources or by selling assets or borrowing funds from third parties.

Market risk

Market risk relates to changes in the value of the trading portfolio as a result of price movements in the market. Price changes include prices of interest rate products (interest rate), equities, currencies, certain commodities and derivatives. The exposure is calculated and consolidated on a daily basis and managed using a sophisticated system of limits. At a consolidated level, the exposure is expressed by the "Value at Risk". This measure, based on historic market developments, indicates the maximum loss that Rabobank Group can suffer subject to a certain confidence level and in "normal" market conditions. The level of the Value at Risk reflects market developments and the positions taken by the Bank itself.

In order to understand the maximum potential risk, the effect of certain extreme events ("event risk") on the value of the portfolios is calculated. To this end, both actual and hypothetical scenarios are analysed. Sensitivity analyses are also used.

Currency risk

Currency risk positions are taken in both trading and non-trading books. As other market risks, the currency risk in the trading books is controlled using Value at Risk limits. Currency risk in the non-trading books relates exclusively to the translation risk² on capital invested in foreign activities and issues of Trust Preferred Securities not denominated in euros.

Operational risk

As a risk type, operational risk has acquired its own distinct position in the banking world. It is defined as "the risk of losses resulting from failure of internal processes, people or systems or from external events". Events of recent decades in modern international banking have shown on several occasions that ineffective control of operational risks can lead to substantial losses. Under the Basel II accord, banks must hold capital for this risk. Rabobank Group has always recognised operational risk as a risk to be managed properly. Examples of operational risk incidents are highly diverse: fraud, claims relating to inadequate products, losses due to poor occupational health and safety conditions, errors in transaction processing, non-compliance with the law and system failures.

² Translation risk is the risk that exists when assets or liabilities are denominated in a currency deviating from the presentation currency.

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:

- 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 Information Memorandum or any applicable supplement;
- 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;
- 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;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- 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.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features, which contain particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. 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.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Index Linked Notes and Equity Linked Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, or other factors (each, a “**Relevant Factor**”).

Potential investors should be aware that:

1. the market price of such Notes may be volatile;
2. they may receive no interest;
3. payment of principal or interest may occur at a different time or in a different currency than expected;
4. a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates or other indices;
5. if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
6. the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

Index Linked Notes differ from ordinary debt securities in that amounts due in respect of principal and/or interest will be dependent upon the performance of the underlying index, which itself may contain substantial credit, interest rate or other risks.

Equity Linked Notes differ from ordinary debt securities in that the amount of interest payable by the Issuer (whether at maturity or earlier) will depend on the market value of the underlying securities at such time.

Partly-paid Notes

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the Bank Bill Swap Rate ("**BBSW**") or the Bank Bill Mid Rate ("**BKBM**"). The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

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 Deed Poll and Conditions of the Notes 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 vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Deed Poll and Conditions may be amended by the Issuer, and the Registry Agreement may be varied by the Issuer and the Registrar, without the consent of any Noteholder (a) for the purposes of curing any ambiguity, or for correcting or supplementing any defective or inconsistent provisions in either of those documents; or (b) in the case of the Conditions, in any manner which the Issuer may deem, or in the case of the Registry Agreement, in any manner which the Issuer and the Registrar deem, necessary or

desirable, and which in either case shall not materially adversely affect the interests of the Noteholders. The Conditions and the Registry Agreement may otherwise be varied by the Issuer with the approval of the Noteholders pursuant to a resolution of Noteholders passed in accordance with the Meeting Rules. A variation to the Deed Poll will not be effective until a supplemental deed poll is executed by the Issuer in relation to the variation. A variation will be effective with respect to all current and subsequent Noteholders.

EU Savings Directive

If, following implementation of the Directive on the taxation of saving income (see "Taxation – EU Savings Directive" below), a payment were to be made or collected through a 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, neither the Issuer 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.

Change of law

The Conditions of the Notes are based on law in effect in New South Wales as at the date of this Information Memorandum. No assurance can be given as to the impact of any possible judicial decision or change to such law or administrative practice after the date of this Information Memorandum.

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 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.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in Australian or New Zealand dollars (as specified in the applicable Series Supplement or STN Term Sheet). 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 Australian or New Zealand dollars (as applicable). These include the risk that exchange rates may significantly change (including changes due to devaluation of the Australian or New Zealand

dollar 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 Australian or New Zealand dollar 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 another currency 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 another currency 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.

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. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

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 advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

IMPORTANT NOTICE

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

This Information Memorandum relates solely to the Programme and is to be read in conjunction with all documents which are deemed to be incorporated in it by reference.

No person has been authorised to make any statements which are not contained or incorporated by reference in this Information Memorandum. Potential purchasers of Notes should not rely on any other statements or representations made without the Issuer's written permission. Each potential purchaser of Notes must determine for itself the relevance of the information in this Information Memorandum, must make its own independent investigation of the affairs and financial condition of the Issuer, and its purchase of Notes must be based on such investigation as it deems necessary or appropriate, including obtaining any necessary tax advice. This Information Memorandum has been prepared for distribution to professional investors whose business includes buying and selling debt securities as principal or agent.

None of Standard & Poors (Australia) Pty Limited, Moodys Investors Services, Inc. or any other rating agency has been involved in the preparation of this Information Memorandum.

None of the Dealers (excluding Rabobank International) or the Arranger makes any representations, undertakings or warranties, express or implied, as to, and neither the Dealers (excluding Rabobank International) nor the Arranger assume any responsibility for the accuracy or completeness of, any information in this Information Memorandum. The role of the Dealers (excluding Rabobank International) and the Arranger in the preparation of this Information Memorandum has been limited to confirmation that their identity and respective descriptions in the "Overview of the Programme" and "General Information" sections are accurate as at 5 March 2007 (the "Preparation Date").

The Arranger and each Dealer acts solely through a separate division in the context of this Information Memorandum and the Programme, without reference to any of its or its subsidiaries, responsible personnel or operations outside that division, and is therefore not to be taken to be aware of any matters within the knowledge of such personnel or operations relating to the Issuer or the Programme.

Each of the Arranger, the Dealers and each Registrar discloses that it, its respective subsidiaries, directors and employees:

- **may have pecuniary or other interests in the Notes; and**

- will receive fees, brokerage and commissions and may act as principal in dealing in the Notes.

This Information Memorandum does not constitute an issue of, an offer of, or an invitation by or on behalf of the Issuer, the Arranger or the Dealers for potential purchasers to subscribe for any Notes.

None of the Issuer, the Arranger, the Dealers or their respective shareholders, subsidiaries, related bodies corporate, officers, employees, representatives or advisers (each a "Relevant Party") undertakes for the benefit of any holder of a Note to review at any time the financial conditions or affairs of the Issuer or to advise any holder of a Note of any information coming to its attention with respect to the Issuer or any other person.

Unless stated otherwise in this Information Memorandum, no Relevant Party stands behind or guarantees the success or the performance of the Issuer, the repayments of principal on the Notes, the payment of interest or any rate of return on the Notes or any other payments on the Notes or makes any statement (including but not limited to any representations) in respect of such matters or otherwise and such persons are in no way liable to any other person in any such respect except as provided in the Deed Poll (as defined in the Conditions) and the Terms and Conditions ("Conditions") of the Notes referred to in this Information Memorandum.

A person may not (directly or indirectly) offer for subscription or purchase or issue an invitation to subscribe for or buy Notes, nor distribute this Information Memorandum or any other offering document or advertisement for the Notes, in Australia or to any Australian resident unless the offer or invitation does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act 2001 (Cth) ("Corporations Act") and complies with all other applicable laws. This Information Memorandum has not been lodged with, or registered with, the Australian Securities and Investments Commission. The distribution and use of this Information Memorandum and any offering of Notes in other jurisdictions (if expressly permitted by a Series Supplement or STN Terms Sheet) may be restricted by law, and potential purchasers must inform themselves about and observe all such restrictions. The Issuer has not authorised the distribution of this Information Memorandum, and the Dealers do not represent that this Information Memorandum may be lawfully distributed, or that any Notes may be lawfully offered, outside (in the case of Australian Notes (as defined in the Conditions)) Australia or (in the case of New Zealand Notes (as defined in the Conditions)) New Zealand.

Notes may not be offered, sold or delivered, directly or indirectly, nor may any offering memorandum, any pricing supplement or advertisement in relation to any offer of Notes be distributed in New Zealand, other than:

- (a) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, or who in all the circumstances can properly be regarded as having been selected other than as members of the public; or
- (b) to persons required to pay a minimum subscription price of at least NZ\$500,000 for the Notes before the allotment of those Notes (disregarding

any amounts payable, or paid, out of money lent by the Issuer or any associated person of the Issuer); or

- (c) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

No prospectus in relation to the Programme or Notes has been or will be lodged with the Registrar of Companies of New Zealand or the Securities Commission of New Zealand.

As long as Notes are listed on the Luxembourg Stock Exchange and its rules so require, the Issuer of such Notes will give notices to holders by publication in a daily newspaper of general circulation in Luxembourg. The Issuer expects that newspaper to be, but it need not be, the *d'Wort*. If publication in Luxembourg is not practical, the Issuer will make the publication elsewhere in Western Europe. "Daily newspaper" means a newspaper that is published on each day, other than a Saturday, Sunday or holiday, in Luxembourg or, when applicable, elsewhere in Western Europe. You will be presumed to have received these notices on the date the Issuer first publishes them. If the Issuer is unable to give notice as described in this paragraph because the publication of any newspaper is suspended or it is otherwise impracticable for the Issuer to publish the notice, then the Issuer will give holders notice in another form. That alternate form of notice will be sufficient to you. Neither the failure to give any notice to a particular holder, nor any defect in a notice given to a particular holder, will affect the sufficiency of any notice given to another holder.

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

OVERVIEW OF THE PROGRAMME

This overview should be read in conjunction with the rest of this Information Memorandum and, in relation to any Notes, in conjunction with the Terms and Conditions and the Series Supplement (in the case of MTNs) or the STN Terms Sheet (in the case of STNs). The definitions of certain defined words used in this Overview of the Programme can be found elsewhere in this Information Memorandum, including in the definitions used for the purposes of the Conditions.

A. General:

- Issuer:** Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank Nederland) Australia Branch ABN 70 003 917 655.
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank Nederland) New Zealand Branch.
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank Nederland).
- Programme:** A programme for subscription and issuance of short term notes ("STNs") and medium term notes and other notes (together "MTNs") (collectively with STNs, the "Notes").
- Arranger** Commonwealth Bank of Australia ABN 48 123 123 124.
- MTN Dealers:**
- ASB Bank Limited
 - Bank of New Zealand
 - Commonwealth Bank of Australia ABN 48 123 123 124.
 - Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank International) ABN 70 003 917 655.
 - Citigroup Global Markets Australia Pty Limited ABN 64
003 114 832.
 - National Australia Bank Limited ABN 12 004 044 937.
 - The Toronto-Dominion Bank ABN 74 082 818 175.
 - Westpac Banking Corporation ABN 33 007 457 141.
- Other Dealers may be appointed by the Issuer from time to time.
- STN Dealer:**
- Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank International) ABN 70 003 917 655.

Lead Manager:	Such party appointed by the Issuer from time to time and as specified in the Series Supplement in respect of the relevant MTNs.												
STN Manager:	Such party appointed by the Issuer from time to time and as specified in an STN Terms Sheet in respect of the relevant STNs.												
Registrar:	Computershare Investor Services Pty Limited ABN 48 078 279 277 (for Australian Notes), Computershare Investor Services Limited (for New Zealand Notes) and any other Registrar appointed in accordance with the Conditions.												
Registry Agreement:	Each Registry Agreement will be on display on the website of the applicable Registrar. In the case of MTNs listed on the Luxembourg Stock Exchange, the Registry Agreement will be available at the office of Deutsche Bank Luxembourg S.A.												
Programme Limit:	A\$7,000,000,000 (or its equivalent, at the time of issue of New Zealand Notes, in NZ\$).												
Currency:	Notes will be issued in Australian or New Zealand dollars, as specified in the relevant Series Supplement or STN Terms Sheet.												
Method of Distribution:	The permitted methods of distribution include, without limitation, tenders, private placements, reverse inquiries or continuous tap issues.												
Term:	The term of the Programme continues until terminated by the Issuers on 30 days' notice to the Dealer.												
Governing Law:	The Programme documentation will be governed by the laws of New South Wales.												
Ratings:	At the Preparation Date of this Information Memorandum, the Issuer's credit ratings are as follows: <table> <thead> <tr> <th></th> <th>S&P</th> <th>Moody's</th> <th>Fitch</th> </tr> </thead> <tbody> <tr> <td colspan="4">Rabobank Nederland</td> </tr> <tr> <td>A\$ senior long term debt</td> <td>AAA</td> <td>Aaa</td> <td>AA+</td> </tr> </tbody> </table> <p>A credit rating is not a recommendation to buy, sell or hold Notes and may be subject to review, suspension or withdrawal at any time.</p>		S&P	Moody's	Fitch	Rabobank Nederland				A\$ senior long term debt	AAA	Aaa	AA+
	S&P	Moody's	Fitch										
Rabobank Nederland													
A\$ senior long term debt	AAA	Aaa	AA+										
Listing:	The Issuer may apply for listing with the ASX Limited or with New Zealand Exchange Limited of one or more Series of MTNs.												

The Issuer may apply for a particular Series of MTNs to be CHESSE Approved Securities.¹

Application has been made to list the MTNs issued under the Programme within 12 months of this Information Memorandum on the Luxembourg Stock Exchange. However, unlisted Notes may be issued pursuant to the Programme. The relevant Series Supplement to the Information Memorandum (the “**Series Supplement**”) in respect of the issue of any MTNs will specify whether or not such MTNs will be listed on the Luxembourg Stock Exchange (or any other stock exchange).

Stamp Duty:

Any stamp duty incurred on the issue of Notes will be for the account of the Issuer. Any stamp duty incurred on the transfer of any Note will be for the account of investors.

Taxes:

Investors should obtain their own legal advice regarding taxation and stamp duty on the purchase, investment in, holding or transfer of any Note.

Deductions:

Payments by or on behalf of the Issuer in respect of Notes will be made free and clear of, and without withholding or deduction unless required by law in which case the Issuer will make additional payments so that the net amount received by a holder will equal the amount which would otherwise have been received had no such withholding or deduction been made, subject to the exceptions set out in the Conditions. No additional payments on account of withholdings or deductions will be made for New Zealand Notes.

**Tax File Number/
Australian Business
Number:**

The Issuer, where required by law, will deduct tax-at-source from interest payments to a holder of a Note at the rate required by law unless the relevant Registrar receives written notice of the holder's tax file number, Australian business number, or evidence of any exemption, at least 5 Business Days prior to the relevant payment date.

Selling Restrictions:

1. European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus

¹ For financial products traded on the Australian Securities Exchange, settlement is effected by a computer system called CHESSE, which stands for the Clearing House Electronic Subregister System. CHESSE is operated by the ASX Settlement and Transfer Corporation, a wholly owned subsidiary of the Australian Securities Exchange. Securities which are CHESSE approved can be listed on the Australian Securities Exchange.

Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Information Memorandum as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), in the period beginning on the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, and ending on the date specified in such prospectus or final terms, as applicable;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
- (d) at any time to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;
- (e) at any time if the denomination per Note being offered amounts to at least €50,000; or
- (f) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (e) above shall require 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.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

2. Australia

No prospectus or other disclosure document in relation to the Programme or the Notes has been lodged with the Australian Securities and Investments Commission.

Accordingly no party may:

- (a) 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); or
- (b) distribute or publish the Information Memorandum or any other offering material or advertisement relating to the Notes in Australia,

unless (i) the minimum aggregate consideration payable by each offeree is at least A\$500,000 (disregarding moneys lent by the Issuer or its associates) or the offer or invitation otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and (ii) such action complied with all applicable laws and regulations.

If a particular issue of Notes may be offered for subscription or purchase outside Australia, unless otherwise specified in a Series Supplement or STN Terms Sheet, selling restrictions applicable to foreign jurisdictions will apply and Notes must be issued in a manner which satisfies the public offer test set out in, and which otherwise complies with, section 128F of the Income Tax Assessment Act 1936 (Cth) (the "**Tax Act**"), so that no interest withholding tax will be payable by the Issuer on any payments under the Notes.

For the interest withholding tax exemption under section 128F of the Tax Act to be available:

- (a) the Issuer must be a resident of Australia when it issues the Notes and when interest (as defined in section 128A(1AB) of the Tax Act) is paid on the Notes or a non-resident who has issued the Notes and pays the interest in carrying on a business at or through a permanent establishment in Australia;
- (b) the public offer test must be satisfied. In summary, this test may be satisfied in one of the following ways:
 - (i) offers to 10 or more persons who are not known or suspected to be associates of each other (as defined in s128F(9) of the Tax Act) each of whom are carrying on a business of providing finance, or investing or dealing in securities in the course of operating in financial markets;
 - (ii) offers to 100 or more persons who have in the past acquired, or are likely to be interested in acquiring in the future, Notes or securities similar to the Notes;
 - (iii) offers of listed Notes where the Issuer has entered into an agreement with a dealer, manager or underwriter in relation to the placement of the Notes, requiring the Issuer to seek such listing;
 - (iv) offers via publicly available information sources that are used by financial markets for dealing in debentures; or
 - (v) offers to a dealer, manager or underwriter who agrees to sell the Notes within 30 days by one of the preceding methods.

The exemption under section 128F of the Tax Act will not however be available if:

- (a) at the time of issue of the Notes, the Issuer knew, or had reasonable grounds to suspect, that:
 - (i) a Note or an interest in a Note was being, or would later be, acquired directly or indirectly by an associate (as defined in section 128F(9) of the Tax Act) of the Issuer; and
 - (ii) either:
 - (A) the associate is a non-resident who

acquires the Note or interest other than in carrying on business in Australia at or through a permanent establishment in Australia; or

(B) the associate is a resident of Australia (as defined in section 6(1) of the Tax Act) who acquires the Note or interest in carrying on business at or through a permanent establishment in a country outside Australia; and

(iii) the Note or interest is not acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act); or

(b) at the time of payment of interest, the Issuer knows, or had reasonable grounds to suspect, that:

(i) the payee is an associate (as defined in section 128F(9) of the Tax Act) of the Issuer; and

(ii) either:

(A) the associate is a non-resident who acquired the Note in respect of which the payment is received other than in carrying on business in Australia at or through a permanent establishment in Australia; or

(B) the associate is a resident of Australia (as defined in section 6(1) of the Tax Act) who acquired the Note in respect of which the payment is received in carrying on business at or through a permanent establishment in a country outside Australia; and

(iii) the associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act).

Subject to the specified exceptions to the exemption outlined above, if such withholding is required by law, the Issuer will pay an additional amount such that the amount received by Noteholders is equal to the amount that would have been received had no deduction or withholding been required.

3. New Zealand

Notes may not be offered, sold or delivered, directly or indirectly, nor may any offering memorandum, any pricing supplement or advertisement in relation to any offer of Notes be distributed in New Zealand, other than:

- (a) to persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money, or who in all the circumstances can properly be regarded as having been selected other than as members of the public; or
- (b) to persons required to pay a minimum subscription price of at least NZ\$500,000 for the Notes before the allotment of those Notes (disregarding any amounts payable, or paid, out of money lent by the Issuer or any associated person of the Issuer); or
- (c) in other circumstances where there is no contravention of the Securities Act 1978 of New Zealand.

B. Medium Term Notes or other Notes except STNs (together "MTNs"):

Registration and Title: Each MTN will be constituted under the Fourth Supplemental Deed Poll given by the Issuer, the Australian Registrar and the New Zealand Registrar for the benefit of Noteholders from time to time. The Deed Poll is held by the Australian Registrar. A copy of the Deed Poll may be obtained by written request sent to the Australian Registrar.

Entry on the relevant Register will be conclusive evidence of title to an MTN. No certificate will be issued in respect of an MTN.

Transfer

MTNs may be transferred in whole but not in part. A transfer takes effect on the transferee's name being entered in the relevant Register. Interests in MTNs which have been entered into the Austraclear System or the Austraclear New Zealand System may be transferred in accordance with the Austraclear Regulations or the Austraclear New Zealand Regulations, as

the case may be.

Tenor: As specified in the Series Supplement, but in any event not less than 365 days.

Denominations: MTNs that are Australian Notes will be issued in denominations such that the amount payable on issue is not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of A\$100,000 or as otherwise specified in the Series Supplement, or the issue otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and the MTNs must have a nominal value equal to or in excess of Euro 50,000 or its equivalent in Australian dollars (based on the exchange rate at the date of the offer of the MTNs). Amounts payable in respect of transfers must be not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates).

MTNs that are New Zealand Notes will be issued in denominations such that the amount payable on issue is not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of NZ\$100,000 or as otherwise specified in the Series Supplement, or if the MTNs are otherwise issued in a manner that does not require the registration or issue of a prospectus or other offering document in accordance with the Securities Act 1978 of New Zealand. Amounts payable in respect of transfers must be not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or such lesser amount as the Issuer specifies in the relevant Series Supplement.

Types of MTNs: MTNs may be issued with features as set out in the Series Supplement which include the following:

- Floating Rate Notes, bearing a floating rate of interest.
- Fixed Rate Notes, bearing a fixed rate of interest.
- Amortised Notes, redeemable by instalments.
- Indexed Notes.
- Structured Notes, bearing such repayment and other features as specified in the Series Supplement.
- Zero Coupon Notes.
- Other Notes, including but not limited to Perpetual Notes bearing such features as specified in the Series Supplement.
- A combination of any of the above.

Clearing Systems: If specified in the Series Supplement, MTNs may be lodged on issuance in the Austraclear System and traded on the settlement

system operated by Austraclear Limited ("**Austraclear**") or in the Austraclear New Zealand System. Payments and redemption of such MTNs will be in accordance with the Austraclear Regulations or the Austraclear New Zealand Regulations (as applicable).

MTNs entered into the Austraclear System or the Austraclear New Zealand System will be held by Austraclear or the Custodian (as applicable) as nominee for the Member in whose Security Record or Security Account (as applicable) such MTN is recorded. Austraclear or the Operator of the Austraclear New Zealand System will deal with the MTN pursuant to the Operating Manual (in the case of Austraclear) or the Operating Guidelines (in the case of the Austraclear New Zealand System) and instructions from the Member. (Terms in this paragraph have meanings given to them in the Austraclear Regulations or the Austraclear New Zealand Regulations, as applicable).

MTNs may also be traded on the settlement system operated by Euroclear Bank S.A./N.V. ("**Euroclear**") or the settlement system operated by Clearstream Banking, société anonyme ("**Clearstream**"). MTNs may also be traded on any other clearing system outside Australia specified in the relevant Series Supplement (together with the Austraclear System, the Austraclear New Zealand System, Euroclear and Clearstream, each a "**Clearing System**")

- Settlement price:** The Settlement Price of an MTN will be the amount agreed between the Issuer and the MTN Dealer subscribing for that MTN and in accordance with the relevant Series Supplement.
- Settlement Procedure:** Settlement will take place in accordance with the Series Supplement. If specified in the Series Supplement, MTNs may be settled through the Austraclear System or the Austraclear New Zealand System and in accordance with the Austraclear Regulations or the Austraclear New Zealand Regulations.
- Payments:** Payments will be made to a registered Noteholder to an account as specified in the Register or within the Austraclear System or the Austraclear New Zealand System in accordance with the Austraclear Regulations or the Austraclear New Zealand Regulations (as applicable) or, if no account is specified, by cheque.
- Redemption:** Except as specified in the Series Supplement (in respect of Amortised Notes or Structured Notes redeemable by instalments, or Perpetual Notes), MTNs will be redeemed in full on their Maturity Date.

MTNs may be redeemed early at the option of the Issuer or the Noteholder if so provided in the Series Supplement.

MTNs may also be redeemed following the occurrence of changes in tax law which give rise to an obligation on the Issuer to gross up for deductions or withholdings required to be made by law (as provided in Condition 8.6 of the Conditions).

Unless otherwise specified in the Series Supplement, Perpetual Notes will be redeemed upon the liquidation, winding-up or bankruptcy of the Issuer.

Status of MTNs

The MTNs will be direct, unconditional, unsecured debt obligations of the Issuer which rank equally among themselves. The MTNs will rank at least equally with the Issuer's other unsecured, unsubordinated debt obligations (other than debt mandatorily preferred by law).

Closing of Register:

The Register will close for the purposes of determining entitlements to payment at the close of business on the fifth Business Day prior to the relevant date for payment. It will re-open at the opening of business on the fourth Business Day prior to the relevant date for payment.

Terms and Conditions:

Series Supplements will be prepared in respect of each Series of MTNs. The terms and conditions applicable to an MTN will be the Terms and Conditions set out in Annexure A to the Fourth Supplemental Deed Poll, as supplemented and/or varied by the Series Supplement.

C. Short Term Notes ("STNs"):

STN:

Short Term Notes will be constituted by the Fourth Supplemental Deed Poll given by the Issuer, the Australian Registrar and the New Zealand Registrar for the benefit of Noteholders from time to time and will have terms as specified in the Terms and Conditions.

Entry on the relevant Register will be conclusive evidence of title to an STN. No certificate will be issued in respect of an STN.

STNs may be transferred in whole but not in part. A transfer takes effect on the transferee's name being entered in the relevant Register. Interests in STNs which have been entered into the Austraclear System or the Austraclear New Zealand System (as defined in the Conditions) may be transferred in accordance with the Austraclear Regulations or the Austraclear New Zealand Regulations (as defined in the Conditions).

Denominations:

STNs that are Australian Notes will be issued in denominations such that the amount payable on issue is not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of

A\$100,000 or as otherwise specified in the STN Terms Sheet, or the issue otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act, and the STNs must have a face amount equal to or in excess of Euro 50,000 or its equivalent in Australian dollars (based on the exchange rate at the date of the offer of the STNs). Amounts payable in respect of transfers of STNs that are Australian Notes must be not less than A\$500,000.

STNs that are New Zealand Notes will be issued in denominations such that the amount payable on issue is not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of NZ\$100,000 or as otherwise specified in the STN Terms Sheet, or if the STNs are otherwise issued in a manner that does not require the registration or issue of a prospectus or other offering document in accordance with the Securities Act 1978 of New Zealand. Amounts payable in respect of transfers must be not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or such lesser amount as the Issuer specifies in the relevant STN Terms Sheet.

Tenor: STNs will be issued with a minimum tenor of 3 Business Days and a maximum tenor of 364 days.

Purchase Price: The purchase price for STNs will be calculated as follows:

$$\text{Purchase Price} = \frac{F \times 36500}{36500 + (Y \times T)}$$

where:

F = the face value of the STN;

Y = yield rate for the STN expressed as a percentage per annum yield to maturity to 3 decimal places;

T = the tenor of that STN.

Issuance Procedures: At the discretion of the Issuer, STNs may be issued to STN Dealer(s) by competitive tender to the STN Dealers, unsolicited bids by one or more STN Dealers, or by unsolicited requests for bids by the Issuer to one or more STN Dealers.

Settlement Procedures: If lodged in the Austraclear System or the Austraclear New Zealand System, STNs may be purchased through Austraclear or the Austraclear New Zealand System (as applicable) in a manner consistent with the Austraclear Regulations or the Austraclear New Zealand Regulations (as applicable), or as otherwise agreed between the Issuer and the relevant STN Dealer(s).

Redemption: STNs will be redeemed on maturity through Austraclear or the Austraclear New Zealand System in a manner consistent with

the Austraclear Regulations or the Austraclear New Zealand Regulations (as applicable), or as otherwise agreed between the Issuer and the Dealers.

Status of STNs

The STNs will be direct, unconditional, unsecured debt obligations of the Issuer which rank equally among themselves. The STNs will rank at least equally with the Issuer's other unsecured, unsubordinated debt obligations (other than debt mandatorily preferred by law).

Terms and Conditions:

An STN Terms Sheet will be prepared in respect of STNs. The terms and conditions applicable to an STN will be the Conditions set out in Annexure A to the Fourth Supplemental Deed Poll, as supplemented and/or varied by the STN Terms Sheet. The Events of Default contained in Condition 7 of the Conditions will not apply to STNs.

DOCUMENTS INCORPORATED BY REFERENCE

This Information Memorandum should be read and construed in conjunction with the relevant Series Supplement and the following documents which have been previously published or are published simultaneously with the Information Memorandum and that have been approved by the Netherlands Authority for the Financial Markets ("AFM") or filed with it and shall be deemed to be incorporated in, and form part of, this Information Memorandum:

- (a) the unaudited interim report for the six months ended 30 June 2006 of Rabobank Group (the "**Interim Report 2006**", including the Review Report);
- (b) the annual reports of Rabobank Group for the years ended 31 December 2005 and 2004;
- (c) the audited consolidated and unconsolidated financial statements of Rabobank Nederland for the years ended 31 December 2004 and 2005 (together with the explanatory notes);
- (d) the Articles of Association of Rabobank Nederland, last amended on 2 January 2007;
- (e) the Terms & Conditions incorporated in the Information Memorandum in respect of the A\$7,000,000,000 A\$ Debt Securities Programme dated 16 January 2006;
- (f) the Terms & Conditions incorporated in the Information Memorandum in respect of the A\$5,000,000,000 A\$ Debt Securities Programme dated 16 November 2004; and
- (g) the Terms & Conditions incorporated in the Information Memorandum in respect of the A\$5,000,000,000 A\$ Debt Securities Programme dated 20 November 2003,

save that any statement contained in this Information Memorandum or in any of the documents incorporated by reference in, and forming part of, this Information Memorandum shall be deemed to be modified or superseded for the purpose of this Information Memorandum 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.

During the life of this Information Memorandum, the Issuer will provide, without charge, to each person to whom a copy of this Information Memorandum has been delivered, upon the request of such person, a copy of any or all of the documents deemed to be 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. Requests for such documents should be directed to the Issuer at its office set out at the end of this Information Memorandum. In addition, such documents will be available, without charge, from the principal office of the Luxembourg Listing Agent.

SUPPLEMENTAL INFORMATION MEMORANDUM

This Information Memorandum is a base prospectus for purposes of the Prospectus Directive and Dutch securities laws and has been approved by the AFM on 5 March 2007 in accordance with the provisions of the Prospectus Directive and Dutch securities laws.

The Issuer has agreed, in connection with any listing of the Notes on the Luxembourg Stock Exchange, to supply the Luxembourg Stock Exchange with such documents and information as may be necessary in connection with the listing of the Notes on the Luxembourg Stock Exchange.

The Issuer has given an undertaking to the Dealers that it will withdraw or update the Information Memorandum from time to time as soon as practicable after it becomes aware that the Information Memorandum contains any material statement that is materially false or misleading or any material omission or it becomes aware of any material fact or circumstance which would render the Information Memorandum or its distribution in accordance with Dealer Agreement between the Issuers, the Programme Arranger and the Dealers dated 14 December 2001 as amended and restated from time to time misleading or deceptive, or if, after consulting with the Dealers, the Issuer determines that the Information Memorandum should be withdrawn or updated for the purposes of improving the accuracy of the Information Memorandum or the marketability of the Notes. The Issuer further undertakes to ensure that such number of copies of the updated Information Memorandum as the Dealers reasonably request are made available to the Dealers.

THE NOTES DO NOT REPRESENT DEPOSIT LIABILITIES OF THE ISSUER.

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions which, subject to modification, variation or replacement by Series Supplement (in the case of a specified Series of MTNs), or an STN Terms Sheet (in the case of STNs) will be applicable to all Notes.

Each Noteholder and any person claiming through or under a Noteholder is deemed to have notice of and is bound by these Terms and Conditions (as modified, varied or replaced by the relevant Series Supplement (in the case of MTNs) or STN Terms Sheet (in the case of STNs) the details of which are recorded in the relevant Register), the Deed Poll (as amended and supplemented from time to time) and the Information Memorandum. A copy of the Deed Poll (as amended and supplemented from time to time) is available for inspection by Noteholders during normal business hours at the offices of the Australian Registrar and the New Zealand Registrar.

1 Interpretation

1.1 Definitions

"Amortisation Rate for Early Redemption" means the accrued amortisation of the original discount of a Zero Coupon Note expressed in the relevant Register as a rate per centum per annum.

"Amortised Note" means an MTN (other than a Perpetual Note) which is to be redeemed by instalments.

"Applicable Reference Date" means the date for determining the Variable Indexed Amount, being:

- (a) 5 Index Business Days before the Maturity Date;
- (b) where an MTN is to be redeemed before its Maturity Date, 5 Index Business Days before the date of redemption; or
- (c) for the purpose of calculating the aggregate Outstanding Principal Amount from time to time of Notes which have been issued but not redeemed or otherwise discharged in full, the date of calculation.

"Approved issuer levy" means the approved issuer levy charged in accordance with Part VIB of the Stamp and Cheque Duties Act 1971 (NZ).

"Austraclear" means Austraclear Limited ABN 94 002 060 773, its successors and assigns.

"Austraclear New Zealand Regulations" means the Austraclear New Zealand System terms and conditions issued by the Reserve Bank of New Zealand or its successor from time to time and includes the Austraclear New Zealand System rules and operating guidelines published by the Reserve Bank of New Zealand or its successor, any documentation or advice that is expressly stated to form part of such rule and guidelines, all schedules and appendices of the foregoing, and all amendments or new versions issued from time to time of any of the foregoing.

"Austraclear New Zealand System" means the system operated by the Reserve Bank of New Zealand in New Zealand for holding securities and electronic recording and settling of transactions in those securities between members of that system.

"Austraclear Regulations" means the regulations known as the "Austraclear System Regulations" established by Austraclear (as amended or replaced from time to time) to govern the use of the Austraclear System.

"Austraclear System" means the system operated by Austraclear for holding securities and electronic recording and settling of transactions in those securities between members of that system.

"Australian Note" means a Note denominated in A\$ and specified as such in the applicable Series Supplement or STN Terms Sheet.

"Australian Registrar" means Computershare Investor Services Pty Limited ABN 48 078 279 277 or such other person appointed by the Issuer from time to time to establish and maintain the Australian Register on the Issuer's behalf.

"Bank Bill Rate" has:

- (a) in relation to Australian Notes, the meaning given to AUD-BBR-BBSW in the Annex to the 2000 ISDA Definitions published by International Swaps and Derivatives Association, Inc in respect of an Australian Note having a Tenor equal to the "Designated Maturity" and a rate set date being the "Reset Date" in that definition; and
- (b) in relation to New Zealand Notes, the meaning given to NZD-BBR-FRA in the Annex to the 2000 ISDA Definitions published by International Swaps and Derivatives Association, Inc in respect of a New Zealand Note having a Tenor equal to the "Designated Maturity" and a rate set date being the "Reset Date" in that definition.

"Base Index Figure" means, in relation to an Indexed Note, the figure specified as such in the relevant Register.

"Business Day" means a day (other than a Saturday, Sunday or public holiday) on which banks are open for general banking business:

- (a) in the case of Australian Notes, in Sydney and, if the Register for Australian Notes is held in Canberra, in Canberra; or
- (b) in the case of New Zealand Notes, in Auckland and Wellington.

"Business Day Convention" means, with respect to a Note, the Business Day Convention specified in the Series Supplement for the Note and is a convention for adjusting any date if it would otherwise fall on a day that is not a Business Day so that:

- (a) "Following Business Day Convention" means that the date is adjusted to the first following day that is a Business Day;
- (b) "Modified Following Business Day Convention" or "Modified Business Day Convention" means that the date is adjusted to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date is the first preceding day that is a Business Day; and

- (c) "Preceding Business Day Convention" means that the date is brought forward to the first preceding day that is a Business Day.

"Clearing System" means:

- (a) the Austraclear System;
- (b) the Austraclear New Zealand System; or
- (c) any other clearing system, in each case, as specified in the Series Supplement.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Custodian" means New Zealand Central Securities Depository Limited or any other entity appointed from time to time by the Operator, under the Austraclear New Zealand Regulations, as custodian trustee to hold securities on the Austraclear New Zealand System.

"Day Count Fraction" means, with respect to the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

- (a) if Actual/365 or Actual/Actual is specified in the Series Supplement for the Note, means 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 (I) the actual number of days in the portion of the Calculation Period falling in a leap year divided by 366; and (II) the actual number of days in the portion of the Calculation Period falling in a non-leap year divided by 365;
- (b) if Actual/365 (Fixed) is specified in the Series Supplement for the Note, the actual number of days in the Calculation Period divided by 365;
- (c) if RBA Bond Basis (Fixed) is specified in the Series Supplement for the Note, one divided by the number of scheduled Interest Payment Dates in the year in which the Calculation Period falls (a year being each twelve month period on and from the Issue Date);
- (d) if another day count fraction is specified in the Series Supplement and "ISDA Definitions" are specified, the definition of such specified Day Count Fraction as specified in the Annex to the 2000 ISDA Definitions, published by the International Swaps and Derivatives Association, Inc.

"Dealer" has the meaning given to it in the Dealer Agreement.

"Dealer Agreement" means the Dealer Agreement dated 14 December 2001 as amended and restated on 16 November 2004 and 5 March 2007 between Rabobank Australia Branch, Rabobank Nederland, Rabobank New Zealand Branch, Commonwealth Bank of Australia and others.

"Deed Poll" means the Deed Poll dated 12 March 1999 executed by the Issuer, Rabobank Australia Limited and the Australian Registrar in favour of Noteholders from time to time as amended by the Supplemental Deed Poll, the Second Supplemental Deed Poll, the Third Supplemental Deed Poll and the Fourth Supplemental Deed Poll.

"Designated Maturity" means, with respect to a Floating Rate Note or other MTN bearing a floating rate of interest, 90 days or such other period specified in the Register for the MTN.

"Electronic Source" means an electronic financial markets source access to which is unrestricted to market participants and which is used by financial market participants for dealing in debentures.

"Face Amount" means, with respect to an STN, the face amount specified in the relevant Register for the STN.

"Fixed Rate Note" means an MTN which bears a fixed rate of interest.

"Floating Rate Basis" means, in relation to a Floating Rate Note, the basis on which interest is calculated in respect of that MTN, as specified in the relevant Register and which will be, unless otherwise agreed by the Issuer and the person who is to be entered in the relevant Register as the Noteholder for the purpose of issuing that Floating Rate Note the Bank Bill Rate.

"Floating Rate Note" means an MTN which bears a floating rate of interest.

"Fourth Supplemental Deed Poll" means the Fourth Supplemental Deed Poll dated on or about 5 March 2007 executed by Rabobank Australia Branch, Rabobank Nederland, Rabobank New Zealand Branch, the Australian Registrar and the New Zealand Registrar in favour of Noteholders from time to time to which these Terms and Conditions form Annexure A.

"Index" means, in relation to an Indexed Note, the index which applies to that MTN, as specified in the relevant Register.

"Index Business Day" means, in relation to an Index, a day on which banks are open for general banking business in the place where that Index is published.

"Index Figure" means the figure calculated by applying the Index to the facts relevant on the date the Variable Indexed Amount is calculated.

"Indexed Note" means an MTN which provides that either the amount to be repaid on maturity or the interest to be paid on an Interest Payment Date, is to be calculated by reference to an index specified in the relevant Register.

"Information Memorandum" means the information memorandum dated on or about 5 March 2007 relating to the Issuer's A\$ and NZ\$ debt securities programme, as revised from time to time.

"Interest Commencement Date" means with respect to an MTN, the interest commencement date specified in the relevant Register for the MTN.

"Interest Payment Date" means, with respect to an MTN, each interest payment date specified in the relevant Register for the MTN.

"Interest Period" means, with respect to an MTN, the period from and including an Interest Payment Date to but excluding the next Interest Payment Date.

"Interest Rate" means, with respect to an MTN, the interest rate specified in the relevant Register for the MTN.

"Issue Date" means, with respect to a Note, the issue date specified in the relevant Register for the Note.

"Issuer" means, with respect to a Note, any of:

- (a) Rabobank Australia Branch; or
- (b) Rabobank Nederland; or
- (c) Rabobank New Zealand Branch,

as specified in the relevant Register as the issuer of the Note.

"Lead Manager" means such Lead Manager as is appointed by the Issuer from time to time under Condition 5.4 in respect of one or more Series of MTNs.

"Margin" means, with respect to an MTN, the margin specified in the relevant Register for the MTN.

"Maturity Date" means, with respect to a Note (other than a Perpetual Note), the maturity date specified in the relevant Register for the Note.

"Meeting Rules" means the rules for the convening of meetings of, and passing of resolutions by, Noteholders set out in Annexure F to the Fourth Supplemental Deed Poll.

"MTN" means:

- (a) a medium term note issued by the Issuer under the Deed Poll and evidenced by an entry in the relevant Register including an Amortised Note, a Fixed Rate Note, a Floating Rate Note, an Indexed Note, a Structured Note or a Zero Coupon Note (as further specified in the relevant Register for the relevant MTN) or a combination of the above; and
- (b) a Perpetual Note or other Note, (as further specified in the relevant Register for the relevant MTN).

"New Zealand Note" means a Note denominated in NZ\$ and specified as such in the applicable Series Supplement or STN Terms Sheet.

"New Zealand Registrar" means, in relation to New Zealand Notes, Computershare Investor Services Limited or such other person appointed by the Issuer pursuant to a Registry Agreement to maintain a Register in relation to New Zealand Notes and perform such payment and other duties as specified in that agreement.

"Note" means an MTN or an STN, the terms of which are set out in the relevant Register.

"Noteholder" means a person specified for the time being in an entry in the relevant Register as the holder of a Note or, where a Note is owned jointly by one or more persons, the persons specified in the relevant Register as the joint holders of the Note and, without limitation,

- (a) if a Note is entered into the Austraclear System, includes Austraclear acting on behalf of a member of the Austraclear System; or
- (b) if a Note is entered into the Austraclear New Zealand System, includes the Custodian acting on behalf of a member of the Austraclear New Zealand System.

"Operator" means the Reserve Bank of New Zealand or its successor or replacement from time to time in its capacity as operator of the Austraclear New Zealand System.

"Outstanding Principal Amount" means:

- (a) with respect to an STN, the Face Amount; and
- (b) with respect to an MTN, the principal amount outstanding on the MTN from time to time (being the face amount of the MTN less any previous repayments and as varied by any indexation in respect of any MTN the capital of which is indexed) and, for the purposes of calculating interest payable under the MTN, will be the principal amount outstanding as at the first day of the Interest Period (unless otherwise specified in the relevant Register).

"Perpetual Note" means a Note issued under the Deed Poll by the Issuer and evidenced by an entry in the relevant Register, including a Fixed Rate Note, a Floating Rate Note, an Indexed Note, a Structured Note or a combination of the above, which has no fixed Maturity Date.

"Purchase Price" means with respect to an STN, the amount determined on a discount basis in accordance with the following formula (unless the Issuer and the relevant Dealers otherwise agree):

$$\text{Purchase Price} = \frac{F \times 36500}{36500 + (Y \times T)}$$

where:

F = the Face Amount of the STN;

Y = the Yield Rate for the STN;

T = the Tenor of the STN.

"Rabobank Australia Branch" means Cooperatieve Centrale Raiffeisen Boerenleenbank B.A. (Rabobank Nederland) Australia Branch ABN 70 003 917 655.

"Rabobank Australia Limited" means Rabobank Australia Limited ABN 50 001 621 129.

"Rabobank Nederland" means Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. (Rabobank Nederland).

"Rabobank New Zealand Branch" means Coöperatieve Centrale Raiffeisen Boerenleenbank B.A. (Rabobank Nederland) New Zealand Branch.

"Record Time" means, in the case of payments of interest or principal, 5.00pm on the fifth Business Day, in respect of MTNs, before the relevant date for payment, and the third Business Day, in respect of STNs, before the relevant date for payment.

"Redemption Amount" means, with respect to:

- (a) an MTN other than a Zero Coupon Note, an Indexed Note or an Amortised Note, the amount specified in the relevant Register for the MTN as being payable on the Maturity Date;
- (b) a Zero Coupon Note, the Redemption Price plus the accrued amortisation of the original discount, if any, from and including the Issue Date to but excluding the date of redemption at the Amortisation Rate for Early Redemption;

- (c) an Indexed Note, the original amount specified in the relevant Register as being outstanding subject to any capital indexation whether cumulative or otherwise, by reference to an Index, Index Figures, Base Index Figures, periods and formulae specified in the relevant Register;
- (d) an Amortised Note, the principal amount specified in the relevant Register as being outstanding at the time of redemption; and
- (e) an STN, the Face Amount.

"Redemption Price" means, with respect to a Zero Coupon Note, the redemption price calculated in accordance with the formula specified in the relevant Register for the Note.

"Register" means a register of entries in respect of an issue, which is maintained by the Registrar in accordance with the Terms and Conditions and the relevant Registry Agreement and which specifies, amongst other things, the Series and details of the Notes issued by the Issuer, and the names, addresses and account details of Noteholders in respect of that issue.

"Registrar" means:

- (a) in the case of Australian Notes, the Australian Registrar;
- (b) in the case of New Zealand Notes, the New Zealand Registrar; or
- (c) such other person appointed by the Issuer to establish and maintain the applicable Register on the Issuer's behalf from time to time.

"Registry Agreement" means:

- (a) in the case of Australian Notes, the agreement dated 5 March 2007 between Rabobank Australia Branch, Rabobank Nederland and the Australian Registrar providing for registry services under the Programme;
- (b) in the case of New Zealand Notes, the agreement dated 5 March 2007 between each Issuer and the New Zealand Registrar providing for registry services under the Programme; or
- (c) such other agreement between the Issuer and a Registrar as specified in the applicable Series Supplement or STN Terms Sheet.

"Second Supplemental Deed Poll" means the Second Supplemental Deed Poll dated 16 January 2006 executed by Rabobank Australia Branch, Rabobank Nederland and the Australian Registrar in favour of the Noteholders from time to time.

"Series" means one or more Tranches of Notes which are identical except that the issue date and the amount of the first payment of interest may differ between Tranches, and the Notes in a Series may be in different denominations.

"Series Supplement" means, with respect to MTNs of a Series, the Series Supplement based on the form of Annexure B to the Fourth Supplemental Deed Poll, issued in relation to that Series.

"Settlement Price" means, with respect to a MTN, the amount(s) payable in respect of that MTN under these Terms and Conditions and as agreed between the relevant Issuer and the relevant Dealer(s) as set out in the relevant Register.

"Set Yield" means the rate set by the Issuer in respect of an STN to be issued in a set yield issue under the Dealer Agreement, expressed as a percentage per annum yield to maturity to 3 decimal places.

"STN" means a short term note issued by the Issuer under the Deed Poll (as further specified by the STN Terms Sheet issued in relation to the Note) and evidenced by an entry in the relevant Register.

"STN Manager" means such STN Manager as is appointed by the Issuer from time to time under Condition 5.5 in respect of one or more Series of STNs.

"STN Terms Sheet" means, with respect to an STN, a terms sheet substantially in the form of Annexure C to the Fourth Supplemental Deed Poll, issued in relation to the STN.

"Structured Note" means an MTN with characteristics which differ from or include some or all of the characteristics of Amortised Notes, Fixed Rate Notes, Floating Rate Notes, Indexed Notes, Perpetual Notes or Zero Coupon Notes.

"Supplemental Deed Poll" means the supplemental deed poll dated 17 December 2001 executed by Rabobank Australia Branch, Rabobank Nederland, Rabobank Australia Limited and the Australian Registrar in favour of Noteholders from time to time.

"Tax Act" means the Income Tax Assessment Act 1936 (Cth.) and, where applicable, the Income Tax Assessment Act 1997 (Cth.).

"Tender Rate" means the rate tendered by a Dealer and agreed by the Issuer in respect of an STN to be issued, expressed as a percentage per annum yield to maturity to 3 decimal places.

"Tenor" means, with respect to a Note, the number of days from and including the Issue Date to but excluding the Maturity Date.

"Third Supplemental Deed Poll" means the Third Supplemental Deed Poll dated on or about 27 November 2006 executed by Rabobank Australia Branch, Rabobank Nederland and the Australian Registrar in favour of Noteholders from time to time.

"Tranche" means Notes which are issued on the same day and on the same terms, except the Notes in a Tranche may be in different denominations.

"Variable Indexed Amount" means, in relation to an Indexed Note the capital of which is indexed, the amount calculated by reference to the Index Figure on the relevant Applicable Reference Date (or such other date agreed between the Issuer and the Noteholder on or before the Issue Date) and determined in accordance with the formula agreed between the Issuer and the Noteholder on or before the Issue Date of the relevant Indexed Note.

"Yield Rate" means the Tender Rate or, in relation to a set yield issue, the Set Yield (as the case may be).

"Zero Coupon Note" means an MTN (other than a Perpetual Note) which does not bear interest.

1.2 Rules for interpreting these Terms and Conditions

The following rules apply in interpreting these Terms and Conditions, except where the context makes it clear that a rule is not intended to apply:

- (a) Headings are for convenience only, and do not affect interpretation.
- (b) A reference to:
 - (i) legislation (including subordinate legislation) is to that legislation as amended, re-enacted or replaced, and includes any subordinate legislation issued under it; and
 - (ii) a document or agreement, or a provision of a document or agreement, is to that document, agreement or provision as amended, supplemented, replaced or novated;
 - (iii) a party to this document or to any other document or agreement includes a permitted substitute or a permitted assign of that party;
 - (iv) a person includes any type of entity or body of persons, whether or not it is incorporated or has a separate legal identity, and any executor, administrator or successor in law of the person; and
 - (v) anything (including a right, obligation or concept) includes each part of it.
- (c) A singular word includes the plural, and vice versa.
- (d) A word which suggests one gender includes the other genders.
- (e) If a word is defined, another part of speech has a corresponding meaning.
- (f) The word "agreement" includes an undertaking or other binding arrangement or understanding, whether or not in writing.
- (g) The words "subsidiary", "holding company" and "related body corporate" have the same meanings as in the Corporations Act.
- (h) A reference to "A\$" is a reference to the lawful currency of the Commonwealth of Australia.
- (i) A reference to "NZ\$" is a reference to the lawful currency of New Zealand.
- (j) A reference to a time of day, in relation to Australian Notes, is a reference to Sydney time and, in relation to New Zealand Notes, is a reference to New Zealand time.

2 Form, Denomination And Title

2.1 Debt obligations

The Notes are debt obligations of the Issuer owing under the Deed Poll to the persons specified from time to time in the entries in the relevant Register.

2.2 Form

The Notes are issued in the form of entries in the relevant Register. No certificate or other document will be issued by the Issuer to evidence title to a Note unless the Issuer determines that such evidence should be made available or is required by law.

2.3 Title from Register

Each entry in the relevant Register:

- (a) constitutes an acknowledgment to the person specified in the entry of the indebtedness of the Issuer to that person on the terms of the Deed Poll;
- (b) evidences a separate and independent obligation owing by the Issuer to the person referred to in paragraph (a) above, which that person may enforce without joining any other Noteholder, any previous Noteholder, or the Registrar;
- (c) evidences conclusively that the person referred to in paragraph (a) above is the absolute owner of, and holder of title to, the Note, except:
 - (i) if more than one person is specified in the entry, the persons hold the Note as joint tenants (but no more than 4 persons may be specified in an entry);
 - (ii) the entry is subject to rectification for fraud or any manifest error made in the entry;
 - (iii) a subsequent entry in the relevant Register with respect to the Note:
 - (A) terminates the indebtedness of the Issuer to the person previously specified in an entry in the relevant Register with respect to the Note (the "Previous Holder");
 - (B) releases the Issuer from its obligation to the Previous Holder; and
 - (C) vests absolute ownership in, and title to, the Note in the person specified in the entry, to the exclusion of the Previous Holder and other persons.

2.4 Denomination

Unless otherwise specified in the relevant Series Supplement or STN Terms Sheet, Notes will be issued in denominations such that the amount payable on issue is:

- (a) in the case of Australian Notes, not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of A\$100,000 or as otherwise specified in the Series Supplement or STN Terms Sheet, or the issue otherwise does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act. The Australian Notes must have a nominal value equal to or in excess of Euro 50,000 or its equivalent in Australian dollars (based on the exchange rate at the date of the offer of the Australian Notes). Amounts payable in respect of transfers must be not less than A\$500,000 (disregarding moneys lent by the Issuer or its associates); and

- (b) in the case of New Zealand Notes, not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or (if a larger amount) an integral multiple of NZ\$100,000 or as otherwise specified in the Series Supplement or STN Terms Sheet, or if the New Zealand Notes are otherwise issued in a manner that does not require the registration or issue of a prospectus or other offering document in accordance with the Securities Act 1978 of New Zealand. Amounts payable in respect of transfers must be not less than NZ\$500,000 (disregarding moneys lent by the Issuer or its associates) or such lesser amount as the Issuer specifies in the relevant Series Supplement or STN Terms Sheet.

2.5 Location of Registers

- (a) A Register in respect of each Issuer of Australian Notes will be established and maintained in Sydney or Canberra in accordance with the relevant Registry Agreement.
- (b) A Register in respect of each Issuer of New Zealand Notes will be established and maintained in New Zealand in accordance with the relevant Registry Agreement.

2.6 Details of Notes

- (a) The Issuer must notify the Registrar of the details of a Note by delivering, or causing to be delivered, to the Registrar a copy of the Series Supplement or STN Terms Sheet in respect of the Note.
- (b) The Registrar must enter in the relevant Register such details of the Notes as are notified to the Registrar under paragraph (a) and are capable of being entered in the Register. The Registrar must record the tax file number (or, for New Zealand Notes, the Inland Revenue Department number (if any)) of each Noteholder which has been notified to the Registrar as well as any terms and conditions of, and selling restrictions relating to, the Notes which have been notified to the Registrar under paragraph (a) but which cannot be entered in the relevant Register. Any reference in these Terms and Conditions to a detail being "specified in the relevant Register" will include the details as recorded by the relevant Registrar under this paragraph (b).
- (c) The details recorded under paragraphs (a) and (b) are subject to rectification for fraud or error.

2.7 Initial Noteholders

- (a) If a Note is not lodged with and settled through a Clearing System, the person to be specified in the first entry in the relevant Register in respect of the Note will be the person whose details are specified in the application form (substantially in the form set out in Annexure D of the Fourth Supplemental Deed Poll) executed by that person and delivered to the Registrar by the Issuer.
- (b) If a Note is lodged with and settled through the Austraclear System, the Note will be held by Austraclear as nominee for the Member (as defined in the Austraclear Regulations) in whose Security Record (as defined in the Austraclear Regulations) that Note is recorded.

- (c) If a Note is lodged with and settled through the Austraclear New Zealand System, the Note will be held by the Custodian as nominee for the Member (as defined in the Austraclear New Zealand Regulations) in whose Security Account (as defined in the Austraclear New Zealand Regulations) that Note is recorded.
- (d) If a Note is lodged with and settled through a Clearing System other than the Austraclear System or the Austraclear New Zealand System, the rights of a person holding an interest in the Notes lodged in the Clearing System are subject to the rules and regulations of that Clearing System.

3 Status

The Notes are direct, unconditional, unsecured debt obligations of the Issuer which rank equally among themselves. The Notes rank at least equally with the Issuer's other unsecured, unsubordinated debt obligations (except for debt mandatorily preferred by law).

Section 13(A)(3) of the Banking Act 1959 of Australia provides, inter alia, that, in the event of an authorised deposit taking institution ("ADI") (as defined in the Banking Act 1959 of Australia) becoming unable to meet its obligations or suspending payment thereof the assets of the ADI in Australia shall be available to meet its deposit liabilities in Australia in priority to all other liabilities of the ADI. Section 86 of the Reserve Bank Act 1959 of Australia provides that, subject to Section 13(A)(3) of the Banking Act 1959 of Australia, debts due to the Reserve Bank of Australia by an ADI shall, in a winding-up of the ADI, have priority over all other debts other than debts due to the Commonwealth of Australia.

THE NOTES DO NOT REPRESENT DEPOSIT LIABILITIES OF THE ISSUER.

3A. Negative Pledge

So long as any of the Notes remain outstanding, the Issuer undertakes not to secure any of its other indebtedness, whether present or future, which is both (a) represented by bonds, notes or other securities which have an initial life exceeding two years and which are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other similar securities market and (b) not Domestic Indebtedness. In this Condition 3A, 'Domestic Indebtedness' means the indebtedness as referred to under (a) above of the Issuer which is denominated or payable (at the option of any party) in euro unless 50 per cent. or more thereof in aggregate principal amount is initially offered or sold outside The Netherlands.

Transfers

4.1 Limit on transfer

- (a) Notes may be transferred in whole (but not in part) without the consent of the Issuer or the Registrar. Notes may only be transferred in accordance with all applicable laws and regulations of each relevant jurisdiction.
- (b) The minimum net amount payable upon a transfer of a Note in or to Australia will be A\$500,000 (disregarding moneys lent by the Issuer or its associates). The transfer in or

to Australia must be effected in a way that does not require disclosure to investors in accordance with Part 6D.2 of the Corporations Act.

- (c) Subject to the relevant Series Supplement or STN Terms Sheet, the minimum net amount payable upon a transfer of a Note in or to New Zealand will be NZ\$500,000 (or the equivalent in another currency, disregarding moneys lent by the Issuer or its associates) unless the transfer otherwise does not require the registration of a prospectus in accordance with the Securities Act 1978 of New Zealand.

4.2 Clearing Systems

Notes lodged within a Clearing System will be transferable in accordance with the regulations of that Clearing System and the Registry Agreement (where applicable). The Issuer will not be responsible for any loss occasioned by the failure of a Clearing System or any failure in connection with procedures specified in the regulations of that Clearing System.

4.3 Transfer forms and marking

A Note not lodged within a Clearing System may be transferred by lodgement of a transfer and acceptance form (substantially in the form set out in Annexure E of the Fourth Supplemental Deed Poll) signed by the transferor and the transferee. The Registrar may also require evidence to prove the identity of the transferor or its right to transfer the Note.

The Registrar will, upon the request of a Noteholder and within 2 Business Days of receipt of the relevant documents, mark a transfer form by specifying that the transferor is the registered Noteholder of the relevant Note and that no transfer will be registered other than under that transfer note for a period specified in the marking or, if no period is specified, for 42 days from and including the date of marking.

4.4 Title until registration

The transferor of a Note will remain the holder of the Note until the name of the transferee is entered in the relevant Register in respect of the Note. Transfers will not be registered later than 5 Business Days in respect of MTNs, and 3 Business Days in respect of STNs, prior to the Maturity Date of the relevant Notes.

4.5 Principal amount of transfer

If a transferor executes a transfer for fewer than all Notes registered in its name, and the Notes to be transferred are not identified, the Registrar may decide which of the Notes registered in the name of the transferor will be transferred, such that the aggregate principal amount of the Notes transferred will equal the aggregate principal amount of the Notes specified by the transferor in the transfer.

4.6 No charge

Transfers will be registered without charge. Any taxes, duties or other charges imposed in relation to the transfer must be paid prior to registration of a transfer.

4.7 Special transferees

- (a) A person entitled to a Note upon the death or bankruptcy, liquidation or winding-up of a Noteholder or a vesting order will be registered as the holder of the Note, and a person administering the estate of a Noteholder may transfer a Note, if the Registrar is given sufficient evidence satisfactory to it as to such entitlement or status and in accordance with applicable laws.
- (b) A transfer to an unincorporated association is not permitted.

5 Interest

5.1 Interest bearing

An MTN (except for Zero Coupon Notes and any relevant Structured Note) bears interest as specified in the relevant Register and in accordance with this Condition 5.

5.2 Interest rate and accrual

An MTN bears interest from its Interest Commencement Date on the Outstanding Principal Amount at the Interest Rate in accordance with the Day Count Fraction specified in the relevant Register, and such interest is payable in arrears on each Interest Payment Date. Interest will not accrue after the necessary funds for redemption have been provided to the Issuer's account operated by the Registrar.

5.3 Calculations and rounding

The amount of interest payable in respect of any MTN for any period will be calculated by the Lead Manager, by multiplying the product of the Interest Rate and the Outstanding Principal Amount by the Day Count Fraction applicable to that period. All amounts in such calculations will be rounded to the nearest cent (with one half cent rounded up), and percentages will be rounded to the nearest fifth decimal place (with 0.000005 rounded to 0.00001), unless otherwise specified in the relevant Register. The Lead Manager must notify the Issuer and the Registrar as soon as practicable after the first day of an Interest Period of the Interest Amount and (if not already notified) the Interest Payment Date for that Interest Period.

5.4 Lead Manager

The Issuer must ensure that a reputable financial institution is appointed as Lead Manager at all times that MTNs of a particular Series are outstanding and otherwise at its absolute discretion. A Lead Manager may be replaced if another Lead Manager has accepted its appointment as a successor Lead Manager in relation to that Series of MTNs. If the Lead Manager appointed in relation to a particular Tranche of MTNs is different from the Lead Manager appointed in relation to earlier Tranches of MTNs in the same Series, then the most recently appointed Lead Manager will assume all of the obligations and duties of the previous Lead Manager and that previous Lead Manager will be released from all such obligations and duties.

5.5 STN Manager

The Issuer must appoint an STN Manager in relation to each Series of STNs.

6 Redemption And Purchase

6.1 Redemption on maturity

Unless previously redeemed in accordance with the relevant Register or purchased and cancelled by the Issuer or the relevant Register specifies that the MTN does not have a fixed maturity date, each Note must be redeemed on its Maturity Date(s) at its Redemption Amount(s). The relevant Register may, without limitation, specify that the Issuer may redeem the Notes for taxation reasons (as set out in the relevant Register), pursuant to a call option exercisable on or after a specified date, or otherwise.

6.2 Purchase of Notes by an Issuer

The Issuer or any of its subsidiaries may at any time purchase Notes in the open market or otherwise and at any price. All Notes purchased in accordance with this Condition may be cancelled or resold at the election of the Issuer.

6.3 Prescription

The Issuer will have no liability in respect of a claim for payment made by a Noteholder in respect of a Note unless the claim is made within 5 years of the due date for payment. Any claim made after that time will be void.

6.4 Redemption by Issuer for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part, on any Interest Payment Date or, at any time, on giving not less than 30 nor more than 45 days' notice to the Registrar and the Noteholders (which notice shall be irrevocable), at the Redemption Amount (together with interest accrued to (but excluding) the date fixed for redemption) or for the amount calculated under any relevant early redemption calculation provided in the Series Supplement, if:

- (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8.6 as a result of any change in, or amendment to, the laws or regulations of The Netherlands (in the case of Rabobank Nederland), Australia (in the case of Rabobank Australia Branch) or New Zealand (in the case of Rabobank New Zealand Branch) or any political subdivision or any authority thereof or therein having power to tax, or any change in application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
- (b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days

prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Before the publication of any notice of redemption pursuant to this Condition, the Issuer shall deliver to the Registrar a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem as specified above have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

7 EVENTS OF DEFAULT

7.1 Events of Default

If any of the following events ("Events of Default") occurs, a person referred to in Condition 2.3(a) in respect of an MTN may by written notice to the Issuer at its specified office declare the MTN to be due and payable immediately or on such other date specified in the notice, such that the Redemption Amount of the MTN (plus the accrued interest to the date of payment, if any) will be due and payable either immediately or on the date specified in the notice (as the case may be), unless such Event of Default is remedied prior to the receipt of such notice by the Issuer:

- (a) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of the MTN; or
- (b) the Issuer fails to perform or observe any of its other obligations under the MTN and such failure continues for the period of 60 days following the service on the Issuer of notice requiring remedy of such failure;
- (c) the Issuer fails in the due repayment of borrowed money which exceeds Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer, or the Issuer fails to honour any guarantee or indemnity in excess of Euro 35,000,000 or its countervalue and such failure continues for a period of 30 days after notice of such failure has been received by the Issuer. In each case, however, no Event of Default will occur if the Issuer contests its liability in good faith or has been ordered not to make such payment by a competent court; or
- (d) the Issuer becomes bankrupt, 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 Noteholders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Article 3:160 of the Financial Supervision Act, as modified or re enacted from time to time, of the Netherlands the Issuer or the Issuer compromises with its creditors generally or such measures are officially decreed; or

- (e) the Issuer ceases to carry on the whole or a substantial part of its business (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of the Noteholders).

7.2 Notification

If an Event of Default occurs, the Issuer must promptly after becoming aware of it notify each Registrar and the Lead Manager of the occurrence of the Event of Default (specifying details of it).

8 Payments

8.1 Accounts specified as at the Record Time

Payments under a Note will be made by crediting on the Interest Payment Date, in the case of payments of interest, or on the due date for redemption or repayment, in the case of payments of principal, the amount then due, to the account specified to the Registrar (or, in respect of a Note lodged within a Clearing System, to the account specified in accordance with the regulations of that Clearing System) in respect of the Note as at the Record Time.

If in respect of a Note an account is not specified to the Registrar by the Record Time, payments under the Note will be made by cheque, mailed on the Interest Payment Date in the case of payments of interest, or on the due date for redemption or repayment, in the case of payments of principal, at the Noteholder's risk, to the address specified in the relevant Register in respect of the Note as at the Record Time. A cheque sent in this manner will be deemed to have been received by the Noteholder on the Interest Payment Date in the case of payments of interest, or on a due date for redemption or repayment, in the case of payments of principal, and no further amount will be payable under the Note as a result of the cheque not being received by the Noteholder on the due date.

8.2 Payments to the Registrar

Unless otherwise agreed between the Issuer and the Registrar, the Issuer must pay amounts due under each Note to a bank account in Sydney (in the case of Australian Notes) or New Zealand (in the case of New Zealand Notes) in the name of the Issuer operated by the Registrar on behalf of the Issuer. Upon such payment by the Issuer, such amounts will be available for payment to Noteholders. If a Note is lodged in a Clearing System, payment must be made in a manner that is consistent with the regulations of that Clearing System.

8.3 Payment constitutes release

A payment made by or on behalf of the Issuer to the Registrar in respect of an amount due under a Note constitutes for all purposes an absolute and unconditional release and discharge of the Issuer, to the extent of such payment, of all obligations and indebtedness in respect of the Note in relation to which such payment is made.

8.4 Business Days

Payments under a Note must be made on a Business Day. If a day on which payment is due under a Note is not a Business Day, the payment must be made on the Business Day which is determined by applying the Business Day Convention. No additional amount of interest will be payable due to delays (if any) in receipt of payment made in accordance with this paragraph on a day which is a working day at the place of receipt.

8.5 Joint Holders

When a Note is held by two or more persons, payment will be made to the joint holders in their joint names unless otherwise requested by the joint holders.

8.6 Taxation

Payments in respect of the Notes are subject in all cases to applicable provisions of fiscal and other laws, regulations and directives. Payments in respect of the Notes shall be made without set-off or counterclaim and free and clear of, and without deduction of or on account of any taxes, levies, duties, charges, deductions or withholdings of any nature (together, "Taxes") now or hereafter imposed, levied, collected, withheld or assessed by or in the Commonwealth of Australia (in the case of Australian Notes only) or in New Zealand (in the case of New Zealand Notes only) or any political subdivision or taxing authority of the relevant jurisdiction, unless such withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amount received by the Noteholders after such withholding or deduction equals the respective amounts which would otherwise have been receivable in respect of the Notes in the absence of such withholding or deduction, except that no additional amounts are payable in relation to any payments in respect of any Notes:

- (a) on account of Taxes on the overall net income of a Noteholder; or
- (b) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes by reason of the Noteholder having some connection with the Commonwealth of Australia other than the mere holding of the Notes; or
- (c) to, or to a third party on behalf of, a Noteholder who is liable to such Taxes by reason of the Noteholder being an associate (within the meaning of section 128F(9) of the Tax Act) of the Issuer; or
- (d) (in respect of MTNs only) to, or to a third party on behalf of, a Noteholder of MTNs, if the Registrar has not received written notice of that person's tax file number or Australian business number or evidence of any exemption that person may have from the need to advise its tax file number or Australian business number, in each case prior to the Record Time for the payment; or
- (e) to, or to a third party on behalf of, a Noteholder of MTNs who could lawfully avoid (but has not so avoided) such deduction or withholding by compliance or procuring that any third party complies with any statutory requirement or by making or procuring any third party to make a declaration of non-residence or other similar claim for exemption to any relevant taxing authority; or

- (f) if in relation to an MTN, the relevant Series Supplement specifies that issuance of the MTN is non-compliant in respect of the public offer test under section 128F of the Tax Act; or
- (g) that are New Zealand Notes; or
- (h) on account of Taxes arising from the transfer of a Note to a third-party.

8.7 Approved issuer levy

If the Notes are a “registered security” for the purposes of approved issuer levy, and a Noteholder elects that approved issuer levy shall be applied to a payment of interest payable under the Notes, the Issuer shall be entitled to reduce the interest otherwise payable and the Noteholder agrees that the amount of interest after such reduction becomes the interest payable under the Notes.

9 Notices

9.1 To the Issuer

A notice or other communication in connection with a Note to Rabobank Nederland must be in writing and may be given by prepaid post or delivery to Rabobank Nederland at Croeselaan 18, NL-3521 CB Utrecht, The Netherlands and Level 16, Darling Park Tower 3, 201 Sussex Street, Sydney NSW 2000, Australia in the case of Rabobank Australia Branch and Level 12, 80 The Terrace, Wellington, New Zealand in the case of Rabobank New Zealand Branch or such other address notified to the Noteholders from time to time.

9.2 To Noteholders

A notice or other communication to a Noteholder in connection with a Note must be in writing and may be given by:

- (a) an advertisement published in The Australian Financial Review (in the case of Australian Notes only) or the New Zealand Herald (in the case of New Zealand Notes only) or any other leading daily newspaper or newspapers circulating in Australia or New Zealand generally;
- (b) if an additional or alternate newspaper is specified in the relevant Pricing Supplement, that newspaper;
- (c) prepaid post (airmail if posted to or from a place outside Australia (in the case of Australian Notes only) or New Zealand (in the case of New Zealand Notes only)) or delivery to the address of the Noteholder as shown in the Register at 5.00pm (local time in the place where the Register is kept) 3 Business Days prior to the dispatch of the relevant notice or communication; or
- (d) facsimile to the facsimile number of the Noteholder as last notified to the Registrar prior to 5.00pm (local time in the place where the Register is kept) 3 Business Days prior to the dispatch of the relevant notice or communication.

9.3 Effective receipt of notice

A notice or other communication is regarded as given and received:

- (a) if it is published in a newspaper, on the date of such publication;
- (b) if it is delivered or sent by fax:
 - (i) by 5.00 pm (local time in the place of receipt) on a Business Day - on that day; or
 - (ii) after 5.00 pm (local time in the place of receipt) on a Business Day, or on a day that is not a Business Day - on the next Business Day,provided that, in the case of a fax, the machine from which it is sent produces a report that states that it was sent in full, unless the recipient has notified the sender that it has not received all pages in legible form; and
- (c) if it is sent by mail:
 - (i) within Australia or New Zealand – 3 Business Days after posting; or
 - (ii) to or from a place outside Australia or New Zealand – 7 Business Days after posting.

10 Meetings And Variations

10.1 Meetings

Meetings of Noteholders may be convened in accordance with the Meeting Rules to consider matters affecting the interests of Noteholders, including, without limitation, the variation of the Terms and Conditions and the granting of any approval, consent or waiver.

10.2 Variations

The Deed Poll and Terms and Conditions may be varied by the Issuers, and each Registry Agreement may be varied by the Issuer and the relevant Registrar, without the consent of any Noteholder:

- (a) for the purposes of curing any ambiguity, or correcting or supplementing any defective or inconsistent provisions in either of those documents; or
- (b) in the case of the Terms and Conditions, in any manner which each Issuer deems, or in the case of a Registry Agreement, in any manner which the Issuers and the relevant Registrar deem, necessary or desirable,

and which in either case does not adversely affect the interests of the Noteholders.

The Terms and Conditions and any Registry Agreement may otherwise be varied by the Issuer with the approval of the Noteholders pursuant to a resolution of Noteholders passed in accordance with the Meeting Rules. A variation to the Deed Poll will not be effective until a supplemental deed is executed by the Issuers in relation to the variation. A variation will be effective with respect to all current and subsequent Noteholders.

10.3 Registrar

Subject to the applicable Registry Agreement, the Issuers may vary or terminate the appointment of the relevant Registrar and appoint another Registrar at any time. If the Issuer does so, it must notify the Noteholders. A new Registry Agreement will be deemed to be a variation of the existing Registry Agreement for the purposes of Condition 10.2 (above) except in relation to new issues of Notes.

11 Further Issues

The Issuer may from time to time without the consent of the Noteholders create and issue further Notes having the same Terms and Conditions as the MTNs (subject to consequential variations to any definitions), which may form a single Series with the MTNs.

The Issuer may substitute another entity forming part of the Rabobank Group (as defined in the accounts of Rabobank Nederland) as an issuer of Notes, with the prior written consent of each of the Dealers, and subject to execution by that entity of a deed poll, substantially in the form of the Deed Poll.

12 Governing Law And Jurisdiction

12.1 Governing law

The Notes are governed by the law in force in New South Wales.

12.2 Jurisdiction

The Issuer submits to the non-exclusive jurisdiction of the courts of New South Wales and courts of appeal from them.

12.3 Agent for service of process

Each of Rabobank Nederland and Rabobank New Zealand Branch will appoint Rabobank Australia Branch as its agent to accept service of process on its behalf in New South Wales in respect of any legal action or proceedings as may be brought in the courts of New South Wales or the federal courts of Australia.

USE OF PROCEEDS

The net proceeds from the issues of the Notes will be used by the Issuer in connection with its banking business.

DESCRIPTION OF BUSINESS OF THE RABOBANK GROUP

General

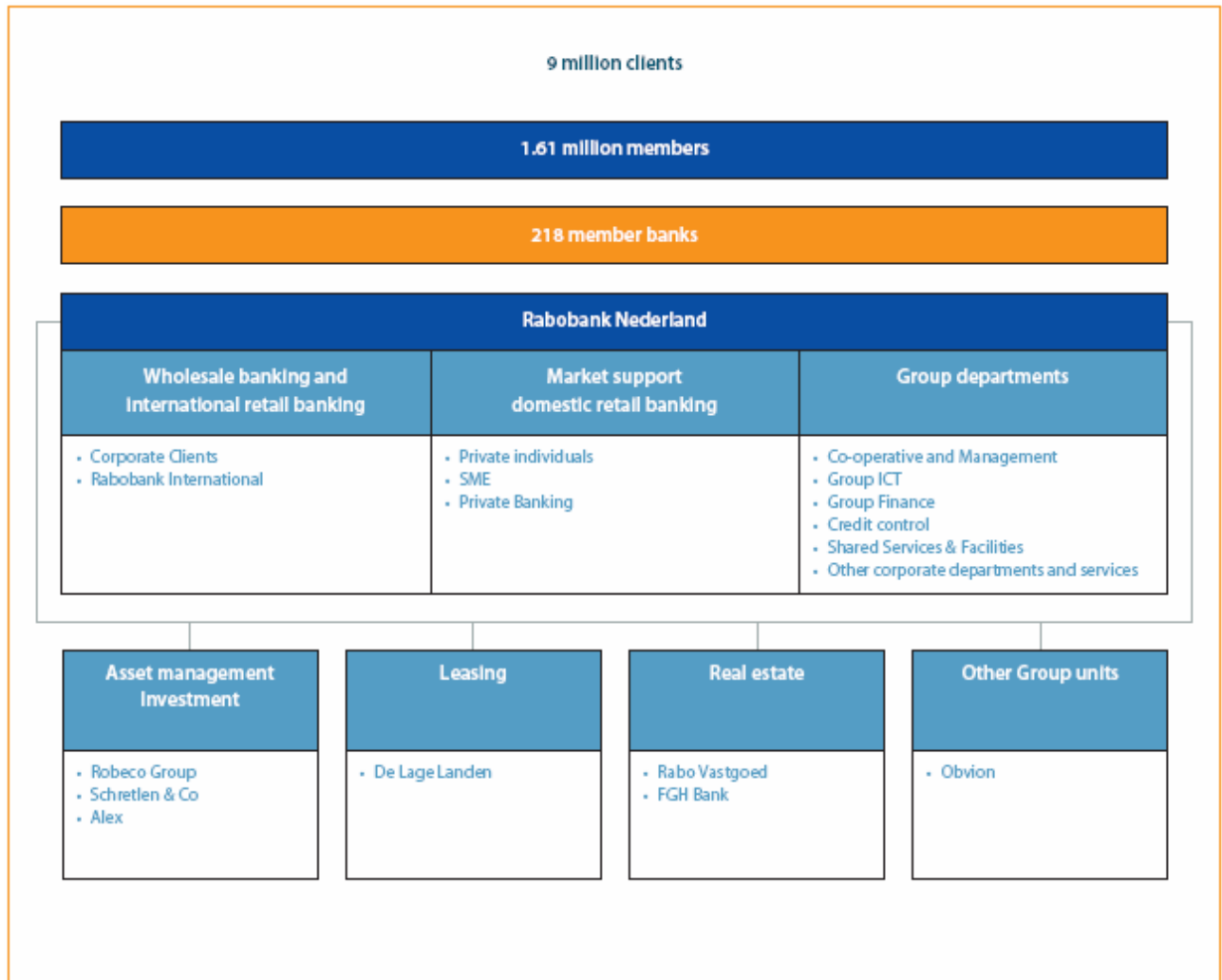
The Rabobank Group is one of the largest banking organisations in the Netherlands and the largest mortgage lending and savings organisation in the Netherlands by market share. We are one of the 25 largest banking institutions in the world in terms of assets and Tier I capital. We offer a broad range of financial, insurance and asset management services across retail, corporate and commercial sectors, both domestically and internationally. The Rabobank Group has the highest credit ratings awarded by the international rating agencies Moody's (Aaa since 1986) and Standard & Poor's (AAA since 1985). On a consolidated basis, our total assets were €521 billion at 30 June 2006. At 30 June 2006, we had 46,510 full-time equivalent employees.

The Rabobank Group is comprised of the cooperative Rabobank Nederland, the cooperative local Rabobanks, which are members of Rabobank Nederland and are also licensed credit institutions, and Rabobank Nederland's subsidiaries. We had 218 local Rabobanks and 1,229 branches located throughout the Netherlands at 30 June 2006. The local Rabobanks are themselves cooperative entities that draw all of their members from their customers. See 'The Rabobank Group Structure'.

The various entities within the Rabobank Group comprise a network of 'competence centres' which provide financial services and products to the local Rabobanks and to each other. This networked expertise allows us to respond actively to the growing demand from business clients and private individuals for a balanced package of financial services and products. We therefore seek to combine the best of two worlds: the local presence of the local Rabobanks and the expertise and scale of a large organisation. The underlying purpose of Rabobank Nederland's cooperative structure is to provide high quality services and products to its customers at reasonable prices, while maintaining the financial stability of the Rabobank Group.

Historically, we engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, we have 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, we have increased both the number and type of products and services available to our customers in order to diversify from a traditional savings and mortgage-based business to be a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end we pursue an 'Allfinanz' concept, meaning that we provide an integrated range of financial services comprised primarily of domestic retail banking, wholesale and international retail banking, asset management and investment, leasing, real estate and distribution of insurance products to a wide range of both individual and corporate customers. As part of this Allfinanz strategy, we focus on operations that produce fee-based income in addition to our traditional interest-based income sources.

Through Rabobank Nederland, the local Rabobanks and our subsidiaries, the Rabobank Group provides services in the following five core business areas: Domestic Retail Banking, Wholesale and International Retail Banking, Asset Management and Investment, Leasing and Real Estate. The diagram below sets forth the organisational structure of Rabobank Nederland, the local Rabobanks and the subsidiaries that engage in our core business areas, as at 30 June 2006.



Domestic Retail Banking

We provide a variety of lending and savings services in the Netherlands through our network of local Rabobanks and their domestic offices and agencies. From 1 January 2006 through 30 June 2006, we had a market share of 24% of new home mortgages in the Dutch mortgage market (19.4% by local Rabobanks and 4.6% by Obvion N.V. ("**Obvion**"); source: Dutch Land Registry Office (*Kadaster*)). In 2005, we had an 83% market share of loans and advances made by banks to the Dutch primary agricultural sector (measured by sample tests performed by ourselves). In 2005, we also had a 38% market share of domestic loans to the trade, industry and services sector (i.e., small enterprises with less than 100 employees; measured by sample tests performed by ourselves). At 30 June 2006 we had a 39% market share in the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). The foregoing percentages in this paragraph should be read as percentages of the relevant Dutch market as a whole.

For the first half of 2006, our Domestic Retail Banking operations accounted for 50%, or €585 million, of our net profit.¹

Wholesale and International Retail Banking

Through Rabobank Nederland Corporate Clients (RNCC) and Rabobank International, which includes Rabo Securities, we provide a variety of wholesale banking services, including advising on mergers and acquisitions and stock transactions, lending and providing special financing arrangements to both domestic and international corporate clients. Rabobank International is also responsible for the international retail operations. For the first half of 2006, our Wholesale and International Retail Banking operations accounted for 31%, or €383 million, of our net profit.

Asset Management and Investment

We provide asset management, investment and private banking services to private, institutional and corporate investors through a number of subsidiaries. Robeco is the competence centre for asset management services within the Rabobank Group, offering financial products and services to our Asset Management and Investment operations. Schretlen operates our private banking activities in the Netherlands and internationally. The internet-brokerage activities are conducted under the trade name Alex. Alex provides investment services to its clients via the internet. For the first half of 2006, our Asset Management and Investment operations accounted for 7%, or €84 million of our net profit.

Leasing

Our leasing activities are undertaken primarily by De Lage Landen. De Lage Landen provides factoring and leasing services to corporate borrowers, mainly in the food and agribusiness, technology, healthcare and banking industries. At 30 June 2006, De Lage Landen had a loan portfolio of approximately €15.8 billion. net profit from our Leasing operations, at €86 million, accounted for 7% of our net profit in the first half of 2006.

Real Estate

We provide a variety of real estate services to institutional and corporate clients through our Rabo Vastgoed entity and FGH Bank. Rabo Vastgoed is our real estate project development and finance arm and FGH Bank specialises in commercial real estate financing. For the first half of 2006, our Real Estate operations accounted for 4%, or €43 million, of our net profit. In December 2006, Rabobank Nederland completed the acquisition of the real estate development and asset management parts of ABN AMRO Bouwfonds N.V. The real estate financing activities (BPF) with the exception of Rijnlandse Bank, have not been taken over. The total investment amounts to EUR 850 million. Subsequent to the takeover, the group operates under the name Rabo Bouwfonds.

¹ As the Rabobank Group conducts more activities than the five core business areas, the gross operating profits of the five core business areas do not add up to 100% of consolidated operating profit before taxation.

Recent Developments

Acquisition of Athlon Car Lease by De Lage Landen completed

As a consequence of its public offer on all outstanding shares in Athlon Holding N.V. for a cash consideration of €30.25 in cash per ordinary share, in which offer price is included the rights for dividend over the financial year 2005, De Lage Landen held per 21 July 2006 (after the expiration of the post-acceptance period) 99.6% of Athlon's total issued and outstanding share capital. The total investment (100%) will be approximately €580 million. The combination of car leasing companies Athlon Car Lease and De Lage Landen Translease (the car leasing subsidiary of the De Lage Landen) results in a position as one of the market leaders in the Netherlands.

Sekerbank

In July 2005, Rabobank signed an agreement to acquire a 36.5% interest in Sekerbank, which is active in the Turkish agricultural sector, and also offers financial services to private individuals and small and medium sized enterprises. After acquiring this interest Rabobank would be obliged to conduct a tender offer which should have increased the interest of Rabobank to at least 51%. On the instigation of the 36.5% shareholder of Sekerbank the court in Istanbul ruled in February 2006 that the price of the shares as agreed between Rabobank and Sekerbank had to be increased by 72% (from €82 million to €141 million). Rabobank has appealed twice against this court ruling and reconciles itself with it.

Rabobank acquires two banks in Indonesia

In January 2007, Rabobank Group signed an agreement to acquire two small Indonesian banks, Bank Haga en Bank Hagakita from individual shareholders. Both Indonesian banks focus primarily on serving owners of small and medium-sized businesses. The banks had total assets of Rp 3.97 trillion as of 31 December 2005 and have a network of 78 branches, sub-branches and cash offices. The impact of the acquisition on the Tier 1 ratio of Rabobank Group will be approx. 0.03%.

Acquisition agreement with Mid-State Bank & Trust

On 2 November 2006, Rabobank and Mid-State Bancshares, the holding company for Mid-State Bank & Trust, announced an acquisition agreement through which Mid-State Bank & Trust will become part of the Rabobank Group. Mid-State Bank & Trust will be merged into Rabobank N.A., Rabobank's community banking subsidiary in California. Under the terms of the acquisition agreement, Rabobank will acquire all the shares of Mid-State Bancshares for a purchase price of \$37 per share in cash, or a total purchase price of \$851 million. The transaction is expected to close in the second quarter of 2007.

Rabo Mobiel

In November 2006, Rabobank has entered into a joint venture with multimedia company Talpa and Orange to provide mobile banking services to its customers. Rabobank is the first bank in Europe to introduce mobile banking and low-cost calling in one.

Robeco

On 13 December 2006, Robeco has announced to take a 64% stake in the Swiss based Sustainability Asset Management (SAM) Group, which has CHF 3.6 billion assets under management.

Bank Sarasin & Cie AG

In December 2006, Rabobank has exercised a call option by which Rabobank purchased 18.01 % of the A- shares in Bank Sarasin's equity capital, corresponding with 52.32 % of the voting rights. Together with the existing investment, Rabobank will hold, after effectuation of the transaction, 46.06 % of Sarasin's equity capital and 68.63 % of its voting rights. According to Swiss takeover regulations, Rabobank will have to submit a Tender Offer for all outstanding Sarasin class B shares which are not in its possession.

Zanaco

In December 2006, Rabobank and the Zambian government have agreed that Rabobank will acquire a 49% stake in the Zambia National Commercial Bank PLC (Zanaco), as part of the Rabobank Development Program. Completion of the transaction is expected early 2007.

Outlook for the first half of 2007

The recovery of the Dutch economy, which commenced in the second half of 2005, continued and gathered momentum in 2006.

The volume of domestic banking operations benefits from the economic growth, precisely because the sectors with a more domestic focus are now also contributing to the upturn. However, the fierce competition between banks in key market segments such as small and medium-sized enterprises and the market for mortgage loans, added to the continued low interest rate and flattening yield curve, is expected to cause interest margins to remain under pressure for the first half of 2007.

Group Strategy

In the Central Delegates Assembly (CKV) held on 22 March 2006 - the 'parliament' of the local Rabobanks - the exchange of ideas on the strategic direction, which had been initiated in 2005, was concluded with the finalisation of the Strategic Framework for 2005-2010. Besides autonomous growth, this framework is founded on the following indisputable principles:

- Rabobank is and remains Dutch, with its dominant market position in agri, among private individuals and in small and medium-sized enterprises.
- Rabobank is and remains a cooperative; exceptions may be made for Group subsidiaries.

- Rabobank remains AAA worthy.
- Rabobank remains independent.

Three growth areas

The new strategic framework profiles Rabobank as ‘the global food and agri bank with its roots in the Netherlands’ and in doing so distinguishes three growth areas:

- Growth in the Dutch Allfinanz market, in particular through further collaboration with Eureko/Achmea and through further strengthening of Rabobank’s position in the top end of the private and corporate markets.
- Continued expansion abroad as a leading international food and agri bank.
- Further growth of and synergy between the Group subsidiaries.

Strategy in the Netherlands - Market leader in Allfinanz

Market leadership in Allfinanz in the Netherlands remains the chief goal. In addition to the mass market for banking services to private individuals, small and medium-sized enterprises and the agricultural sector, there are attractive opportunities for growth in the top end of the private and corporate markets, where Rabobank is in second position already. Other focuses are the ‘segments of the future’ - young people and entrepreneurs from ethnic minorities - as well as the urban areas and a number of product markets. Here, insurance, consumer credits, investment and real estate financing are the spearheads.

Leverage distribution strength as a ‘near-you bank’

Rabobank will leverage its distribution strength as the ‘near-you bank’ of the Netherlands, not just physically but also, and increasingly, through ‘virtual’ channels. Using differentiated market strategies, it will respond to differences in client segments, geographical differences and distinct labels and distribution channels. The Bank’s answer to the growing competition in the ‘near-you’ aspect lies in expansion of the number of client interface points. By further expansion of the virtual bank, it is expected that clients’ experience of Rabobank as ‘near-you’ and personal must be maintained.

Successful merger between Interpolis and Achmea

The successful merger between Interpolis and Achmea has resulted in the largest insurer in the Netherlands. This merger gave Rabobank a 32% interest in Eureko, Achmea’s parent company, resulting in a total interest of 37%. The combination creates attractive opportunities for organic growth, for example by a broader product range, a larger number of Rabobank clients with an insurance at Interpolis and by further implementation of the multidistribution strategy. Work is continuing to extend the collaboration with Eureko/Achmea.

International strategy

International growth is necessary to support SME and corporate clients, for they are increasing their operations on the global stage. This would have the added advantages of easier access to the international capital markets and enhancing Rabobank’s continued attractiveness as an

employer. The corporate bank Rabobank International aims to be the world's leading food and agri bank. This ambition dovetails with Rabobank's cooperative origins as the pre-eminent financier of the Dutch agricultural sector and the substantial amount of expertise it has developed.

Rabobank's international operations can be divided into five categories:

- *International retail banking*

Here, Rabobank focuses on three growth markets. The chief priorities are traditionally agricultural countries with a stable climate and a structurally attractive agricultural sector, such as the United States, Australia and Canada. Second on the list are countries in Central, Eastern and Southeastern Europe with a growing agricultural sector, such as Poland and Turkey. Then follow the rapidly emerging countries with a large agricultural sector, such as Brazil, China, India and Indonesia. Projects in these countries are small-scale, in which the financial interest is relatively limited.

- *Support of Dutch clients abroad*

In order to maintain its market leadership among clients with international operations, Rabobank will in the coming years work towards strengthening the expertise and selling power of local advisers and account managers, improving its product management and intensifying the relationship management with partner banks abroad.

- *International wholesale operations*

In future years, and more than has been the case in the past, the international office network will focus its wholesale operations on Dutch wholesale clients, besides the international food and agri clients. The primary geographical focus is on Europe and the countries where Rabobank International is developing retail operations.

- *Professional market activities*

Rabobank values its AAA rating and will continue to use it for a selected number of profitable product/market combinations in the professional financial markets. In view of the greater volatility of professional markets, the target for the future is to realise approximately 50% of international profits from international retail operations.

- *Rabobank Development Programme*

Complementary to the successful activities of the Rabobank Foundation, which started 30 years ago, the Rabobank Development Programme (RDP) was established. The RDP's aim is to help a number of banks in developing countries grow into successful 'Rabobanks'. During the next few years, its activities will be focused on five countries, including China and a number of countries in East Africa.

Strategy of the subsidiaries

Rabobank Group's Dutch subsidiaries play an important part in achieving the Group's market leadership ambitions. In 5 years from now, the target is to double their net profit and to achieve/maintain leading market positions.

Organisational and financial implications

Rabobank Group's strategic ambitions have been embedded in a cooperative, high-quality and sustainability-driven organisation.

- Strengthening the cooperative identity

The cooperative is and remains Rabobank's cornerstone. The local cooperative Rabobanks and their central cooperative Rabobank Nederland, which is also the holding company of the Group's subsidiaries, are and will continue to be managed in accordance with the cooperative model.

- High-quality policy for Human Resource Management (HRM)

The quality of our people is of paramount importance to our strategy. The priority in HRM policy is to secure the required calibre of talented, highly educated staff and managers.

- Sustainability

Rabobank aims at building on its strong position in sustainability and corporate social responsibility (CSR). It is working towards more CSR criteria in all banking operations, more sustainable financial products such as green financing and green investments, and more deeply embedding sustainable development in its operations.

Ambitious financial targets

Rabobank Group maintains the following financial targets:

- *Annual net profit growth of at least 12%;*
- *A Tier I ratio of at least 10.0 per annum;*
- *Return on equity of at least 10.0% per annum.*

Business Activities of the Rabobank Group

Domestic Retail Banking

Our Domestic Retail Banking operations are primarily undertaken by the local Rabobanks and Obvion. Our Domestic Retail Banking operations include making loans, taking deposits and providing fund transfers and non-credit service operations, primarily in the Netherlands. Each of the local Rabobanks provides credit and deposit services. In keeping with the Allfinanz concept, each of the local Rabobanks distributes insurance products and also provides, either directly or through the Rabobank Group's specialised subsidiaries, investment and a wide variety of other services to customers in the local Rabobank's specific geographical business area. Obvion provides mortgages finances and operates through independent agents. Obvion is a joint venture between Rabobank Group and Algemeen Burgerlijk Pensioenfonds.

At 30 June 2006 we had a 39% market share in the Dutch savings market. For the first half of 2006, our Domestic Retail Banking operations accounted for 59%, or €2,794 million, of our

total income and 50%, or €585 million, of our net profit. At 30 June 2006, our Domestic Retail Banking operations employed 29,083 full-time equivalent employees.

The Dutch mortgage loan market is a highly competitive market. 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. We have a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 50%. Historically, mortgage lending has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in our mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a 5 or 10-year fixed interest rate, after which period the rate is reset at the current market rate. Customers generally do not have the option to prepay on their mortgage loan without incurring a penalty fee, thus reducing the interest rate risks related to mortgage loan refinancing for the Rabobank Group.

Local Rabobanks

With 1,229 branches (the most branches of any financial institution in the Netherlands), 802 cash dispensing machines in public locations, serviceshops, agencies and other point of contacts as of 30 June 2006, the local Rabobanks have 3,093 points of contacts. Through the local Rabobanks and Obvion, we are the largest mortgage lending institution in the Netherlands, with a market share of 24%, based on the amount of new Dutch residential mortgages in the first half of 2006. We are the leader in loans to the Dutch agricultural sector and in the small and medium-sized business sector. Of the total lending €211.0 billion was granted by Domestic Retail Banking, or approximately 72% of our total lending (except government lending) at 30 June 2006. Loans made by the Wholesale and International Retail Banking business amounted to €56.4 billion or 19% of our total lending to the private sector.

The following table sets forth savings and loans outstanding of the Group by sector at the dates indicated.

(in billions of euro)	31 December 2005	31 December 2004
Mortgage loans	200.6	184.5
Food and agri sector	48.2	39.5
Small and medium sized business sector	83.3	76.3
Savings	86.2	78.3

With 39% of the Dutch savings market as of 30 June 2006, we are also the largest savings institution in the Netherlands. Of the total savings in the Netherlands, 37% are held by the local Rabobanks and 2% are held with Roparco, the savings arm of Robeco. We offer our clients a number of different savings options, including savings via the telephone and the internet. The www.rabobank.nl website is one of Europe's most frequented internet banking sites, and the largest internet bank in the Netherlands with 2.2 million unique visitors a month. We also offer internet banking services to our customers in Belgium, Ireland and since early 2006 New Zealand. Private customers are also able to use the services of IRIS, a securities

research institute established jointly with Robeco, in order to help them manage their investment decisions.

Obvion N.V.

Obvion, our mortgage loan joint venture with the ABP pension fund, sells mortgage loans under its own brand via independent agents in the Netherlands. Through Obvion, we are targeting an increasing portion of the Dutch market share in order to strengthen our market leadership in mortgage loans. Obvion's market share in the Netherlands at 30 June 2006 stood at 5.6%.

Rabohypotheekbank N.V.

Rabohypotheekbank, with statutory seat in Amsterdam, the Netherlands, provides mortgage lending documentation services to all of our local Rabobanks and is owned 95% by the local Rabobanks and is owned 5% by Rabobank Nederland.

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 Nederland and by the issuance of mortgage bonds. Rabohypotheekbank does not engage in the financing of real estate development. At 30 June 2006, Rabohypotheekbank had assets of €10.8 billion.

Wholesale and International Retail Banking

Through RNCC, Rabobank International, Rabobank Structured Products we provide a variety of Wholesale and International Retail Banking services, including lending and special financing arrangements to both domestic and international corporate clients and advising on mergers and acquisitions and capital markets transactions. For the first half of 2006, our Wholesale and International Retail Banking operations accounted for 23%, or €1,287 million, of our total income and 31%, or €383 million, of our net profit. At 30 June 2006, our Wholesale and International Retail Banking operations employed 6,571 full-time equivalent employees.

Rabobank Nederland Corporate Clients

RNCC focuses on the provision of Wholesale and International Retail Banking services to the Dutch corporate market. RNCC also operates in Belgium. RNCC offers a broad range of financial products and specialist services and works through sector and regional teams. In 2004, Rabobank International's food and agri research unit was added to RNCC after the services to the food and agri-market in the Netherlands was integrated in 2003. In cooperation with the local Rabobanks, these sector and regional teams offer an Allfinanz package that is tailored to our clients' specific needs.

Rabobank International

Our business banking division, Rabobank International, operates on a global scale. The subsidiaries within our Rabobank International division have a comprehensive international

network of offices, with 243 offices in 31 countries outside the Netherlands. Rabobank International provides sophisticated financial products aimed at professional counterparts in the international financial markets. This involves trading, arbitrage and structured finance activities that have been placed in the various divisions of Rabobank International. However, its activities are primarily focused on enterprises in the food and agribusiness sector. In financing foreign corporate clients in the food services and agribusiness industries, Rabobank International concentrates on providing financing to entities engaged in processing and trading agricultural commodities, rather than primary agricultural activities. Rabobank International also makes loans to international corporate and government borrowers. At 31 December 2005, following earlier acquisitions in Australia and New Zealand in the 1990s and the former state-owned Irish ACC Bank and Valley Independent Bank in the United States in 2002, we are continuing to expand our country banking model on a global scale. In 2003, we strengthened our position as a leading lender to rural clients in Australia and New Zealand through the purchase of the rural lending portfolio of the New Zealand bank AMP Bank Limited. In order to sustain the platform for further growth in the Australian market, we decided to continue the activities of Primary Industry Bank of Australia under the Rabobank brand and its official name has become Rabobank Australia Limited.

Also in 2003, we acquired two banks in the United States: Lend Lease Agri-Business and Ag Services of America, Inc. Lend Lease Agri-Business now operates under the name Rabo Agrifinance and offers longterm financing to agricultural enterprises in the United States, secured by land and the buildings erected on it. In December 2004, we acquired a 35% interest in the Polish bank BGZ in part through a new share issuance by BGZ, and in part from selling shareholders. BGZ is the leading bank for the Polish agricultural and food economy sectors. In 2005 Rabo Ag Services, specialised in harvest financing, mainly to American corn and soy growers, merged with Rabo AgriFinance into Rabo AgriFinance. In 2005 Rabobank International made a bid for the shares in Community Bank of Central California (CBCC). The acquisition was finalised in early 2006. Also in 2005, the name of Valley Independent Bank was changed to Rabobank North America. Furthermore Rabobank expanded its activities in Brazil by opening new offices focused on servicing the larger agricultural offices. Rabobank International's retail activities accounted for almost 20% of Rabobank International's total income for the first half of 2006.

Rabo Securities

Rabo Securities operates Rabobank International's wholesale equity securities activities. Its operations include share issues, mergers and acquisitions and equity research, sales and trading. Rabo Securities supports our funding activities by participating in underwriting issues of equity securities, generally for resale, in both the domestic and international markets and for both institutional and private investors.

Rabobank Structured Products

Rabobank Structured Products operates Rabobank International's retail equity securities activities executing a variety of capital market transactions for clients of the local Rabobanks and Rabobank International. Rabobank Structured Products operates from London, Hong Kong and New York. Rabobank Structured Products also provides equity derivatives to private investors.

Asset Management and Investment

We provide asset management and investment services to private, institutional and corporate investors primarily through the following subsidiaries: Robeco (asset management), Schretlen (private banking) and Alex (internet broker). For the first half of 2006, our Asset Management and Investment operations accounted for 7%, or €385 million, of our total income and 7%, or €84 million, of our net profit. At 30 June 2006, our Asset Management and Investment operations employed 1,909 full-time equivalent employees.

Robeco Group N.V.

Robeco is headquartered in Rotterdam, the Netherlands, and has offices in Belgium, France, Germany, Switzerland, Italy and the United States. Robeco is engaged in asset management for private, institutional and corporate investors. Robeco also acts as the competence centre for asset management services within the Rabobank Group, offering financial products and services to our other asset management and investment operations. Robeco is the Dutch market leader in investment funds, with €131.7 billion in assets under management at 30 June 2006. At June 2006 institutional clients accounted for approximately half of the assets managed by Robeco. Approximately one third of the assets managed comes from the American subsidiaries Robeco USA and Harbor Capital Advisors. Rabobank Nederland owns a 100% equity interest in Robeco.

Schretlen & Co. N.V.

As the asset management specialist for the high net-worth clients of the local Rabobanks, Schretlen undertakes our private banking activities both in the Netherlands and internationally. Schretlen's operations are headquartered in Amsterdam, the Netherlands. Schretlen's services are available to private individuals with a minimum of €500,000 freely available for investment. In addition, Schretlen, in cooperation with the local Rabobanks, offers a standardised form of asset management, Rabobank Managed Investment, for private individuals with a minimum of €150,000 in assets managed. The local Rabobanks, by using the standardised form of asset management, can offer their clients the choice of five standard investment portfolios, each managed by Schretlen and each with varying levels of risk. In addition, Schretlen focuses on small and medium-sized institutional investors. Schretlen had approximately €6.7 billion in assets under management at 30 June 2006.

Bank Sarasin & Cie AG

In 2002, we acquired a 28% of the B shares in Bank Sarasin & Cie ("**Sarasin**"), corresponding with 16.31 % of the voting rights in Sarasin, with the option to increase our stake to a majority stake at any time before 30 June 2009. In December 2006 we have exercised the option by which we purchased 18.01 % of the A shares in Sarasin's equity capital and 52.32 % voting rights. Together with the existing investment, Rabobank will hold, after effectuation of the transaction, 46.06 % of Sarasin's equity capital and 68.63 % of its voting rights. According to Swiss takeover regulations, Rabobank will have to submit a tender offer for all outstanding Sarasin class B shares which are not in its possession. Sarasin offers investment consultancy and portfolio management services to private persons in Switzerland. As part of the joint venture, we contributed our International Private Banking activities, which had operations in various locations around the world. At 30 June 2006, Sarasin had approximately CHF 65.4 billion in assets under management.

Alex

In 2003, we acquired Alex, an internet broker, which focuses on active clients who prefer to place their own orders at more competitive rates, and the order telephone line VEB Bottomline. Alex and VEB Bottomline have been combined into a separate business unit of Rabobank Nederland under the name of Alex. Alex had €3.3 billion in assets under management at 30 June 2006.

Leasing

Our leasing activities are undertaken primarily by De Lage Landen which provides factoring and leasing services to corporate borrowers, primarily in the food and agribusiness, technology, health care and banking industries in both the Netherlands and internationally. De Lage Landen is headquartered in Eindhoven, the Netherlands.

In the Netherlands, De Lage Landen focuses on leasing and trade finance products. Leasing products include equipment leases, ICT leases, vendor leases and car and commercial vehicle leases (Translease). De Lage Landen's strength in the Netherlands lies in its fast settlement of standard lease contracts and its specialist knowledge of various industry branches. De Lage Landen's product range is marketed in the Netherlands through the local Rabobanks. De Lage Landen also directly markets its products.

Internationally, De Lage Landen specialises in asset financing and vendor finance services, offering lease facilities for sales support via the sales channels of manufacturers and distributors of capital goods. De Lage Landen operates in more than 20 countries in Europe and the Americas, and also in Australia and New Zealand. De Lage Landen concentrates on enterprises with activities in agricultural machinery, telecommunications, computers, photocopiers, (internal) means of transport and medical equipment. De Lage Landen has a leading position in the vendor finance market.

At 30 June 2006, De Lage Landen had a lease portfolio of approximately €15.8 billion. Of this amount, €8.0 billion was attributable to Europe, €7 billion was attributable to America and €0.3 billion was attributable to the rest of the world. Net profit from our Leasing operations, at €86 million accounted for 7% of our net profit for the first half of 2006.

At 30 June 2006, our Leasing operations employed 3,168 full-time equivalent employees.

Real Estate

We provide a variety of real estate services to institutional and corporate clients through our Rabo Vastgoed entity and FGH Bank. Rabo Vastgoed is our real estate project development and finance arm. Project development is carried out in close cooperation with the local Rabobanks. At 30 June 2006, its order portfolio, which comprises approved and current projects, amounted to €4.4 billion.

FGH Bank is a Dutch bank specialising in commercial real estate financing and conducting its activities under its own trademark within the Rabobank Group. Approximately 71% of its portfolio relates to investment financing. In addition, FGH Bank is active in project and land financing, trade financing, 'sell off' financing (i.e., selling rented houses to sitting tenants), operating leases, mortgage financing and interest rate derivatives. At 30 June 2006, FGH Bank had a financing portfolio of approximately €8.8 billion in the Netherlands.

Net profit from our Real Estate operations, at €43 million accounted for 4% of our net profit for the first half of 2006.

At 30 June 2006, our Real Estate operations employed 360 full-time equivalent employees.

Competition

We compete in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, ING and Fortis. As a result of the overall improving liquidity of Dutch corporations, increased emphasis by banks on the credit quality of borrowers and the deregulation of capital markets, competition among banks in the Netherlands has increased significantly during the past several years. In addition, life insurance companies and pension funds in the Netherlands have become major competitors in the markets for residential mortgage loans and private savings.

In the Dutch market, we have a leading position in several financial services: newly granted mortgage loans (24% from 1 January 2006 to 30 June 2006; source: Dutch Land Registry Office (*Kadaster*)), private savings (39% as of 30 June 2006; source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)), small and medium-sized enterprises (38% in 2005, based on sample tests performed by ourselves) and the agricultural sector (83% in 2005, based on sample tests performed by ourselves). We also considerably strengthened our share of the larger corporate market. We also face strong competition in the international banking market. Percentages in this paragraph should be read as percentages of the relevant Dutch market as a whole.

Employees

We believe that achieving our clients' goals through financial services goes hand-in-hand with the personal development of our employees. Accordingly, in our view, good working conditions, terms of employment and ongoing development of our managers and employees are preconditions for achieving our strategy. Management believes its employee relations are good. In June 2005, we reached agreement with our unions on a new 2 year Collective Labour Agreement ("**CLA**").

In the first half of 2006, the number of employees in our domestic retail banking operations increased by 174 full time equivalent employees. At 30 June 2006 the Rabobank Group had 52,002 employees (being 46,510 full-time equivalent employees), an increase of 1,014 compared to 31 December 2005.

Properties

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the normal course of their business activities in the Netherlands. Outside the Netherlands, the Rabobank Group entities also typically own the land and buildings used in the normal course of their business activities. At 30 June 2006, the local Rabobanks owned 1,229 branch offices within the Netherlands. In addition, our investment portfolio includes investments in land and buildings. Management believes that the Rabobank Group's facilities are adequate for its present needs in all material respects.

Environmental Policies and Social Responsibility

We seek to conduct our business activities in a manner that is responsive to economic, environmental and social concerns. As a result, in client acceptance and in assessing credit applications we believe it is relevant to consider environmental and social issues. We therefore consider current environmental laws and regulations, and compliance with social standards, such as respect for the well-being of animals and the use of genetic modification, as we carry out our business activities.

The local Rabobanks, in keeping with their cooperative tradition and common values, also seek to find a proper balance between the various interests of people, the market and society. The local Rabobanks attempt to reflect this balance in their lending policy, their engagement in local initiatives and the range of financial products offered to their clients. Sustainability also plays an important part in their advising on business plans and realignments. The choice in favour of environmentally friendly products and technology is often a source of innovation and helps to encourage suppliers of the Rabobank Group to operate in an environmentally friendly way.

In 2003, we carried out a stakeholder consultation among social organisations, including trade unions and environmental development aid and human rights lobby groups. They gave their opinions on the Annual Responsibility and Sustainability Report and our corporate social responsibility policy stated therein. This feedback had an impact on our corporate social responsibility priorities for 2004: innovation and volume growth of sustainable products and services and corporate social responsibility as a testing criterion for lending. We have continued the stakeholder dialogue in 2004 and 2005. According to an appraisal in September 2005 from the Swiss-based environmental rating agency Sustainable Asset Management Group, the Rabobank Group ranked among the international banking leaders in the area of sustainability. The Rabobank Group achieved the highest score in the European banking sector and achieved second place worldwide. The previous appraisal in 2003 also placed the Rabobank Group among the European and worldwide leaders.

Legal Proceedings

We are involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against us which arise in the ordinary course of our businesses, including in connection with our activities as an insurer, lender, employer, investor and taxpayer during a period covering at least the previous 12 months. While it is not feasible to predict or determine the ultimate outcome of all pending or threatened proceedings and litigation, management believes that the ultimate outcome of the various proceedings and litigation already commenced, and/or any future proceedings and litigation, will not have a material adverse or significant effect on our financial condition or profitability, given our size, robust balance sheet, stable income stream and prudent provisioning policy.

Stutts, et al. v. The De Dietrich Group, et al. In 2003, the Rabobank Group was named as a defendant in Stutts, et al. v. The De Dietrich Group, et al. filed in the U.S. District Court for the Eastern District of New York. In the suit, certain U.S. veterans of the first Gulf War allege that they have sustained injuries as a result of the Rabobank Group (among other banks) having served as a correspondent bank with respect to letters of credit obtained by the Iraqi government in order to purchase materials that may have been used in the manufacture of

chemical weapons. A response has been filed as well as a motion to dismiss the suit. Rabobank Group continues to vigorously defend the suit.

Insurance

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

THE RABOBANK GROUP STRUCTURE

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), having its statutory seat in Amsterdam, is a cooperative entity formed primarily as a result of the merger of the two largest banking cooperative entities in the Netherlands on 22 December 1970. A cooperative under Dutch law has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland is registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands under number 30046259 and the executive offices are located at Croeselaan 18, 3521 CB Utrecht, the Netherlands. The telephone number is +31 (0)30 2160000.

Membership in Rabobank Nederland is open only to cooperative banks whose articles of association have been approved by Rabobank Nederland. Besides being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland. The shares are fully paid up on issuance and are not permitted to be pledged, given in usufruct, or otherwise encumbered, alienated or transferred. The articles of association provide that shares may be issued only pursuant to a resolution of the General Meeting proposed by Rabobank Nederland's Executive Board and approved by its Supervisory Board. Pursuant to the articles of association, each local Rabobank is obliged, by virtue of its membership, to participate in any future issue of shares in the same proportion as the proportion which existed in the year preceding the year of issue, between its balance sheet total and the sum of the balance sheet totals of all local Rabobanks. Since 1995, no new shares have been issued. At 30 June 2006, 1.4 million shares (for an aggregate amount of €638 million) had been issued to the local Rabobanks.

As members of Rabobank Nederland, the local Rabobanks have certain ownership rights with respect to Rabobank Nederland. However, their position with respect to ownership cannot be compared to the position of shareholders in a corporation. Pursuant to Rabobank Nederland's articles of association, if, in the event of Rabobank Nederland's liquidation, whether by court order or otherwise, its assets should prove to be insufficient to meet its liabilities, the local Rabobanks, as members of Rabobank Nederland at the time of the liquidation as well as those who ceased to be members in the year prior to the liquidation, shall be liable for the deficit in proportion to their respective last adopted balance sheet totals. If it should prove impossible to recover the share of one or more liable members or former members in the shortfall, the remaining liable parties shall be liable in the same proportion for the amount not recovered. Under the articles of association of Rabobank Nederland, the total amount for which members or former members are liable shall never exceed 3% of its last adopted balance sheet total. However, this limitation of liability under the articles of association of Rabobank Nederland does not affect the liability of the local Rabobanks under the Cross-Guarantee System and their liability under the compensation agreements, referenced below.

Rabobank Nederland's functions within the Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has always been its function as bankers' bank. Another major task is the service task. As far as service is concerned, the first priority is to provide service to the local banks in the form of support, advice and guidance. Rabobank Nederland negotiates rights in the name of the local Rabobanks and enters into commitments on their behalf, provided that such commitments have the same implications for all local Rabobanks (for instance, the entering into collective labour agreements on behalf of the local Rabobanks). Furthermore, Rabobank Nederland is entrusted with the supervision of the local Rabobanks pursuant to the provisions of the Financial

Supervision Act (*Wet op het financieel toezicht*). Finally, Rabobank Nederland operates its own banking business, both complementary to and independent of the business of the local Rabobanks and is the holding company of the various subsidiaries.

The local Rabobanks are organised as cooperative entities under Dutch law and draw all of their members from their customers. Through mergers the number of local Rabobanks has decreased from 288 at 31 December 2004 to 218 at 30 June 2006. At 30 June 2006, the local Rabobanks had approximately 1.61 million members. Members of the local Rabobanks do not make capital contributions to the local Rabobanks and are not entitled to the equity of the local Rabobanks. Members are not liable for any obligations of the local Rabobanks.

Internal Liability (Cross-guarantee system)

Through their mutual financial association, various legal entities within the Rabobank Group together make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Article 3:111 of the Financial Supervision Act. This relationship is formalised in an internal ‘cross-guarantee’ system, which stipulates that if a participating institution has insufficient funds to meet its obligations towards its creditors, the other participants must supplement that institution’s funds in order to enable it to fulfil those obligations.

Participating entities within the Rabobank Group are:

Rabobank Nederland
the local Rabobanks
De Lage Landen International B.V.
De Lage Landen Financiering B.V.
De Lage Landen Trade Finance B.V.
De Lage Landen Financial Services B.V.
Schretlen & Co. N.V.
Rabohypotheekbank N.V.
Raiffeisenhypotheekbank N.V.

For regulatory and financial reporting purposes, Rabobank Nederland and the local Rabobanks, as well as the participating subsidiaries are treated as one consolidated entity.

403 Declaration

Rabobank Nederland has assumed liability for the debts arising from legal transactions of a number of other Rabobank Group companies under Section 2:403 of the Dutch Civil Code.

Compensation Agreements

The local Rabobanks are also parties to several compensation agreements whereby shortfalls of local Rabobanks with respect to equity, profitability, loan loss reserves and due to financing losses are financed by charging all other local Rabobanks.

Rabobank Nederland's 'Central Bank' Activities

Capital Adequacy and Liquidity

The cross-guarantee system operates in concert with the regulatory and administrative oversight of the local Rabobanks by Rabobank Nederland. Notwithstanding the fact that Rabobank Nederland and the local Rabobanks are supervised by the Dutch Central Bank on a consolidated basis, based on Article 3:111 of the Financial Supervision Act Rabobank Nederland has the responsibility for ensuring compliance by the local Rabobanks with the Dutch Central Bank's capital adequacy and liquidity regulations. The Dutch Central Bank's capital adequacy regulations are intended to preserve a bank's ability to withstand loan losses and other business risks through reserves and retained earnings. The internal standards actually applied by Rabobank Nederland, however, are more conservative than the regulations promulgated by the Dutch Central Bank. This policy partly reflects the fact that local Rabobanks, which cannot raise new capital by the issue of shares, can only grow and maintain an appropriate ratio of reserves to total liabilities by making profits. Any local Rabobank whose ratio of reserves to total liabilities fails to meet internal solvency standards is subject to stricter supervision by Rabobank Nederland. In particular, Rabobank Nederland may restrict such local Rabobank's authority to make lending decisions within the Rabobank Group lending limits.

The local Rabobanks are permitted to have accounts only with Rabobank Nederland, which is the sole outlet for each local Rabobank's excess liquidity and acts as treasurer to the local Rabobanks. Each local Rabobank is also required by Rabobank Nederland to keep a certain portion of its own deposits on current account with Rabobank Nederland.

Supervision on market conduct

Pursuant to section 2:105 of the Financial Supervision Act Rabobank Nederland will be designated by the Minister of Finance as an undertaking which is deemed to have a collective license, applying both to itself and to all local Rabobanks. As a consequence of this collective license, the supervision by the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) as far as compliance with the rules on market conduct pursuant to the Financial Supervision Act is concerned, will be directed at Rabobank Nederland. In turn, Rabobank Nederland plays a central role in the supervision of the conduct of the local Rabobanks. The articles of association of Rabobank Nederland were amended on 2 January 2007, a day after the entry into force of the Financial Supervision Act, in order to provide this statutory basis for this supervisory task of Rabobank Nederland.

RABOBANK AUSTRALIA BRANCH

ABN 70 003 917 655

Rabobank Australia Branch is otherwise described as the Australian Branch of Rabobank Nederland.

Rabobank Australia Group encompasses all the operating entities of the Rabobank Group in Australia and New Zealand, including the Australian Branch of Rabobank Nederland, the New Zealand Branch of Rabobank Nederland, Rabobank Australia Limited, Rabo Australia Limited and Rabobank New Zealand Limited, together with their subsidiary companies.

Rabobank Nederland entered the Australian market in 1990 through the establishment of a representative office. This office acted as a liaison office for the Global Rabobank Group by fulfilling a supporting and advisory role with respect to business and marketing opportunities in both Australia and New Zealand.

A related area of interest for the Rabobank Group is servicing the trade finance requirements of its existing clients and significant growth potential is also identified in agri-trade finance through expansion of the group's client base.

In 1996, Rabobank Nederland was granted banking authorities to engage in banking on a branch basis in Australia and New Zealand. Rabobank Australia Branch is the holder of an Australian Financial Services Licence. This is in line with Rabobank Nederland's international strategy, which is primarily targeted at establishing Rabobank Nederland as a global leader in the financing of international food and agri-business.

The Australian-based Rabobank Australia Group office staff are all employed by Rabobank Australia Branch.

Rabobank Australia Branch does not publish annual or interim accounts. Because it is a branch of Rabobank Nederland, its financial results are incorporated in the financial statements of Rabobank Nederland.

Rabobank Australia Branch is not a stand-alone, or separately incorporated, legal entity and it does not have any share capital.

RABOBANK NEW ZEALAND BRANCH

In April 1996, Rabobank Nederland was granted a banking authority to engage in banking on a branch basis in New Zealand. The branch Rabobank Nederland established is generally referred to as Rabobank New Zealand Branch.

The main focus of Rabobank New Zealand Branch was the food and agribusiness corporate sector. This was, and remains, in line with Rabobank Nederland's international strategy, which is primarily targeted at establishing Rabobank Nederland as a global leader in the financing of international food and agribusiness.

A related area of interest for the Rabobank Group is servicing the trade finance requirements of its existing clients and significant growth potential is also identified in agri-trade finance through expansion of the group's client base.

There are other New Zealand incorporated entities operating in New Zealand which have Rabobank Nederland as their ultimate parent. The most significant of these entities is Rabobank New Zealand Limited which also holds a banking authority to operate as a New Zealand bank. Rabobank New Zealand Limited has a significant market share of the rural banking and finance market.

Rabobank New Zealand Branch employs the corporate staff and the rural banking and finance staff are employed by Rabobank New Zealand Limited.

Rabobank New Zealand Branch does not publish annual or interim accounts. Because it is a branch of Rabobank Nederland, its financial results are incorporated in the financial statements of Rabobank Nederland.

Rabobank New Zealand Branch is not a stand-alone, or separately incorporated, legal entity and it does not have any share capital.

RISK MANAGEMENT

The Rabobank Group places a high priority on the management of risk and has extensive procedures in place for systematic risk management. Within the Rabobank Group, our risk management policies relating to interest rate risk, market risk and liquidity risk are developed and monitored by the Balance Sheet and Risk Management Committee (the "**BRMC**") in cooperation with the Group Risk Management department. The BRMC is responsible for balance sheet 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. Our risk management policies relating to credit risk are developed by the Policy Credit Committee Rabobank Group in cooperation with the Group Risk Management and the Credit Risk Management department. These two committees report to the Executive Board, which is ultimately responsible for risk management within the Rabobank Group.

The principal risks we face are market risk, interest rate risk, credit risk, country risk liquidity risk, and operational risk. Rabobank is in the process of implementing the economic capital framework within the Rabobank Group as a measure of how much capital we should hold on the basis of our 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 translated to the same numerator. See also 'Risk Factors'.

Risk Adjusted Return on Capital (RAROC)

Relating the profit achieved on a certain activity to the capital required for that activity produces the RAROC, the risk adjusted return on capital. RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across our business activities and entities assists the Rabobank Group in striking a balance between risk, returns and capital for both the Rabobank Group and its constituent parts. This approach encourages the 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 the Rabobank Group's activities also plays a significant part in the allocation of capital to the various group entities and the different risk categories. If the calculated RAROC lags behind the 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.

Market Risk

Market risk relates to the change in value of the 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 BRMC is responsible for developing and supervising market risk policies and monitors the 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 Dutch Central Bank. The Rabobank Group's risk models are based on the 'value-at-risk' concept. Value-at-risk describes the maximum possible

loss that the Rabobank Group can suffer in a single day, based on historical market price changes and a given certain confidence interval. Value-at-risk within the 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. Statistical models are also used to generate other risk measures which assist the Market Risk department, as well as the BRMC in evaluating our market positions.

During the year 2005, our daily trading value-at-risk fluctuated between €14 (during 2004 this was €11) million and €25 (22) million, with an average of €19 (17) million.

On the basis of the value-at-risk analysis, Rabobank Nederland determines its use of capital for market risk positions throughout the Rabobank Group in compliance with the regulations of the Dutch Central Bank.

Interest Rate Risk

The Rabobank Group is exposed to structural interest rate risk in its balance sheet. Interest rate risk can result from, amongst other things, mismatches in assets and liabilities; for example, mismatches between the periods for which interest rates are fixed on loans and funds entrusted. The Rabobank Group manages interest rate risk through the BRMC using both the accrual based ‘income-at-risk’ concept and the value based ‘equity-at-risk’ concept. Based on the 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 Nederland’s interest rate risk profile.

The Rabobank Group’s short-term interest rate risk is measured and controlled based on a concept of ‘income-at-risk’. This is the maximum amount of interest at risk for the coming 12 months, given a certain confidence level, due to severe changes in short-and long-term interest rates. During 2005, the maximum income-at-risk for the Rabobank Group did not exceed €250 million. The Rabobank Group’s long-term interest rate risk is measured and controlled based on a concept of ‘equity-at-risk’, or the sensitivity of the Rabobank Group’s market value of equity to changes in interest rates. Based on analysing certain scenarios, the consequences of changes in interest rates over a longer period of time are calculated and evaluated. During 2005, the maximum equity-at-risk for the Rabobank Group did not exceed 7.5%.

Credit Risk

The Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. Of the Rabobank Group’s credit portfolio to the private sector, 53% in 2005 consisted of loans to private individuals which tend to have a very low risk profile in relative terms. The remaining 47% is a highly diversified portfolio of loans to business clients in the Netherlands and internationally.

With respect to the management of the Rabobank Group’s exposure to credit risk, Rabobank Nederland’s Credit Risk Management department and Group Risk Management department play a key role. Applications for a loan or renewal of existing loans beyond certain limits are subject to a thorough credit analysis by credit officers of this department. Further, it monitors the 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. The table below shows the impaired loans (i.e., the amount of loans for which a provision has been made) per business unit as a percentage of private sector loans.

Impaired loans/private sector lending per business unit

	IFRS	IFRS¹	Dutch GAAP	
	2005	2004	2004	2003
Domestic Retail	1.35%	1.37%	1.20%	1.08%
Wholesale and Int. Retail	3.40%	3.03%	3.18%	4.47%
Leasing	1.75%	2.98%	2.99%	3.29%
Total	1.73%	1.71%	1.60%	1.82%

(1) The figures of the impaired loans of 2004 based on IFRS are an accountable estimate.

Bad and Doubtful Debt

The Rabobank Group's credit portfolio is routinely monitored for doubtful and bad debt, which results in review of the credit quality and consequently, if needed, adjustment of the credit rating and taking a provision for doubtful debt. Within the Rabobank Group, a formal analysis of specifically identified larger loans takes place every quarter and is reported in the form of loan strategy reports, which include evaluation of the risks associated with each loan, the current financial condition of the borrower, the economic environment in which the borrower operates, the value of collateral and the strategy for the coming period to protect the interests of the Rabobank Group.

The table below sets forth the Rabobank Group's bad debt costs for the 3 years ended December 31, 2005, per business unit as a percentage of our private sector lending.

Bad debt costs per business unit

	2005	2004	2004	2003
Domestic Retail	0.09%	0.14%	0.17 %	0.13%
Wholesale and Int. Retail	0.52%	0.21%	0.30 %	0.60%
Leasing	0.72%	0.73%	0.59 %	0.65%
Total	0.20%	0.18%	0.21 %	0.24%

The first two columns corresponding to the years 2005 and 2004 are based on IFRS. The other columns corresponding to the years 2004 and 2003 are based on Dutch GAAP. Hence the figures of 2005 and 2003 are not comparable.

In determining the bad debt costs, corporate loans are assessed on a loan by loan basis and the following factors are considered:

- the financial standing of the customer, including a realistic assessment of the likelihood of repayment of the loan within an acceptable period and the extent of our commitments to the customer;
- the realisable value of any collateral (security) for the loan; and
- the costs associated with obtaining repayment and realisation of any security.

Country Risk

Loans to parties abroad expose the Rabobank Group not only to the customary credit risk but also to country risks. Country risk is specifically attributable to events in a specific country or group of countries. We encounter country risk in our lending, trading and investment activities. We manage country risk using a system of internal ratings for each country. Based on these ratings and the determination of our Country Limit Committee ("CLC") as to how much risk to take on, internal limits per country are established. The decisions on the country risk limits are taken at Executive Board level and are based on recommendations of the Country Limit Committee. Provisions for country risk are made if repayment problems might arise as a result of government measures or extreme circumstances in a country. Due account is taken of risk mitigating factors such as collateral outside the country of risk and structure of the transaction.

Liquidity Risk

Liquidity risk is the risk that a member of the Group will not be able to meet its financial liabilities when due. The Rabobank Group closely monitors its liquidity risk to maintain an adequate liquidity buffer such that Group entities are able to meet their financial liabilities when due. In past years, the Rabobank Group has worked on a substantial diversification of its funding base. By concentrating on central banks, money market funds, pension funds and asset managers, it is less dependent on funds from other commercial banks. On the asset side of the balance sheet, greater priority has been given to assets that can be converted readily into cash. Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets.

Operational Risk

Operational risk is the risk of direct or indirect losses arising from deficiencies in procedures and systems and from human failures or from external events. We are in the process of implementing a Groupwide operational risk policy which was introduced in mid-2003. Decentralised databases are set up at all entities to record operational incidents and report them on a quarterly basis. In addition, sophisticated instruments are made available to enable robust operational risk management within each Rabobank Group entity. As before, the management of the individual Rabobank Group entities is responsible for developing policy, processes and procedures to manage operational risk in line with Group policy.

GOVERNANCE OF THE RABOBANK GROUP

Supervisory Board and Executive Board

Rabobank Nederland has a Supervisory Board and an Executive Board. The Supervisory Board (*raad van commissarissen*) of Rabobank Nederland consists of at least seven persons and is responsible for monitoring Rabobank Nederland's policy, compliance with applicable legislation and its articles of association and examining and reporting to the General Meeting on the annual statement of accounts. On the recommendation of the Supervisory Board the General Meeting appoints the Rabobank Group's external auditor, whose statement on accounts is also submitted to the General Meeting. In addition, the Supervisory Board advises the Executive Board. In the performance of their duties, the members of the Supervisory Board act in the interests of Rabobank Nederland and its affiliated entities. Members of the Supervisory Board are, on the recommendation of the Supervisory Board, appointed by the General Meeting. The total remuneration of the members of the Supervisory Board amounted to €1.2 million in 2005.

The Executive Board (*raad van bestuur*) of Rabobank Nederland consists of at least two members. The number of members is determined by the Supervisory Board. The members are appointed by the Supervisory Board and may be suspended and removed by the Supervisory Board. The Executive Board prepares and executes Group strategy and has responsibility for the appointment, suspension and removal of general managers of Rabobank Nederland and the management of Rabobank Nederland, which includes, under the approval of the Supervisory Board, the authorisation of debenture issues of Rabobank Nederland. The Executive Board is responsible for the compilation of the annual statement of accounts for adoption by the General Meeting and the recommendation of the profit appropriation to Rabobank Nederland's members. At present, the Executive Board consists of six persons. Bert (H.) Heemskerk is the Chairman of the Executive Board of Rabobank Nederland. The total remuneration of the members of the Executive Board amounted to €7.9 million in 2005.

No individual may be a member of both Rabobank Nederland's Supervisory Board and Rabobank Nederland's Executive Board. No member of the Supervisory Board is permitted to belong to the staff of Rabobank Nederland, a local Rabobank or any institution affiliated with Rabobank Nederland, nor is a member of the Supervisory Board permitted to belong to the Executive Board or the board of directors of a local Rabobank. No member of the Executive Board is permitted to hold office with, or be employed by, any local Rabobank. The members of the Supervisory Board and the Executive Board cannot hold any office with a credit institution within the meaning of the Financial Supervision Act which is not in any way affiliated with Rabobank Nederland.

The following persons, all of whom are resident in the Netherlands except Mr. Berndsen who is resident in Belgium, are appointed members of the Supervisory Board respectively the Executive Board of Rabobank Nederland.

Supervisory Board of Rabobank Nederland

Name	Born	Year Appointed ¹	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2009	Dutch

Name	Born	Year Appointed ¹	Term Expires	Nationality
Leo (L.J.M.) Berndsen	1942	2002	2009	Dutch
Teun (T.) de Boon	1941	2002	2008	Dutch
Bernard (B.) Bijvoet	1940	2002	2008	Dutch
Sjoerd (S.E.) Eisma	1949	2002	2008	Dutch
Louise (L.O.) Fresco	1952	2006	2010	Dutch
Marinus (M.) Minderhoud	1946	2002	2007	Dutch
Paul (F.M.) Overmars	1945	2005	2008	Dutch
Hans (J.A.A.M.) van Rossum	1948	2002	2007	Dutch
Herman (H.C.) Scheffer	1948	2002	2010	Dutch
Martin (M.J.M.) Tielen	1942	2002	2009	Dutch
Aad (A.W.) Veenman	1947	2002	2010	Dutch
Antoon (A.J.A.M.) Vermeer	1949	2002	2007	Dutch
Arnold (A.H.C.M) Walravens	1940	2004	2007	Dutch

- (1) As a result of a 2002 amendment of the management organisation of Rabobank Nederland the former supervisory council was replaced by the supervisory board due to which the appointment date for a number of supervisory directors was fixed at 2002 even though they had been previously on the supervisory council.

Lense (L.) Koopmans: Professor of Economics at the University of Groningen. Chairman of the Board Stichting TBI, which wholly owns TBI Holdings (building and engineering). Chairman of the Supervisory Board of Cordares (social security). Chairman of the Supervisory Board of Siers Group B.V. (infrastructure). Chairman of the Supervisory Board of Arriva Nederland B.V. (regional transport). Member of the Supervisory Board of Nuon B.V. (electricity). Member of the Supervisory Board of Huntsman Holland B.V. (chemical industry). Member of the Supervisory Board of N.O.M. N.V. (Northern Development Company). Member of the Supervisory Board of Stichting TNO (Research). Member of the Board Stichting Administratiekantoor Unilever N.V.

Leo (L.J.M.) Berndsen: Member of the Supervisory Board of AON Nederland (insurance). Member of the Board Stichting TBI, which owns TBI Holdings (building and engineering). Member of the Board Stichting Administratiekantoor VION.

Teun (T.) de Boon: Vice-Chairman of development institute ZOD Neere, Burkina Fasso. Senior Adviser of the Netherlands Management Corporation Programme (NMCP). Member of the Board of Directors of the Institute for Latin America.

Bernard (B.) Bijvoet: Chairman of the Supervisory Board of De Eik B.V. (grocery). Chairman of the Supervisory Board of AH Kaascentrale (dairy). Member of the Supervisory Board of Essent N.V. (electricity).

Sjoerd (S.E.) Eisma: Member of the bar in The Hague, partner at De Brauw Blackstone Westbroek N.V. Deputy Judge at the court of law in The Hague, Member of the Supervisory Board of HAL Holding N.V. (investment company). Member of the Supervisory Board of SDU N.V. Government Printing office. Member of the Supervisory Board of Grontmij N.V. Member of the Board of Directors of Directors of HAL pension fund. Member of the Board of Directors of the Anton Philips Fund.. Member of the Board of Stichting Steve Reich. Member of the Capital Market Committee, Autoriteit Financiële Markten. Member of the Board Vereniging van Effectenrecht. Professor of the University of Amsterdam.

Louise (L.O.) Fresco: Assistant Director-General, Agriculture Department, Food and Agriculture Organisation of the United Nations (FAO). Distinguished professor University of Wageningen. Member Committee of Recommendation University Asylumfund. Member of the Spanish Academy of Engineer Sciences. Member of the Swedish Academy of Agricultural and Forestry Sciences.

Paul (F.M.) Overmars: Member of the Supervisory Board of Eureko B.V. Member of Executive Committee of Vereniging Achmea.

Marinus (M.) Minderhoud: Chairman of the Board of Directors of Vodafone International Holdings B.V. (telecom). Chairman of Vodafone Europe B.V. Chairman of the Supervisory Board of Getronics (ICT). Chairman of the Supervisory Board of De Hypothekers Associatie B.V. (mortgages) (until July 4, 2007). Chairman of the Supervisory Board of Leydse Oranje Nassau Groep B.V. (until July 4, 2007). Chairman of the Supervisory Board of Quien B.V. (until July 4, 2007). Member of the Supervisory Board of Heembouw Groep B.V., Vice Chairman of the Supervisory Board of Eureko-Achmea.

Hans (J.A.A.M.) van Rossum: Head of the Administration Department of the Dutch Dairy Commodity Board. Chairman of the Board of Directors Zuid-Holland Investment Fund.

Herman (H.C.) Scheffer: Senior Counsel Boer & Croon (strategy and management). Member of the Supervisory Board of the Coöperatieve Cehave Landbouwbelaang (agriculture). Member of the Supervisory Board of Joint Services International N.V. (clothing). Chairman of the Supervisory Board of De Drie Mollen (coffee and tea). Member of the Advisory Board of De Telefoongids N.V. (yellow pages).

Martin (M.J.M.) Tielen: Advisor of the Netherlands Feed Industry Association. President of the European Federation for Feed Manufacturers (FEFAC). Member of the Board of Directors of International Feed Industry Federation (IFIF).

Aad (A.W.) Veenman: Chairman of the Executive Board of N.V. Nederlandse Spoorwegen (Dutch railways). Chairman of the Supervisory Board of Koninklijke Ten Cate N.V. (textile). Member of the Supervisory Board of TENNET B.V.

Antoon (A.J.A.M.) Vermeer: Chairman of the Board of Directors of the Southern Agriculture and Horticulture Organisation. Member of the Board of Directors of the Netherlands' Agriculture and Horticulture Organisation. Chairman of the Supervisory Board of Vion N.V.

Arnold (A.H.C.M.) Walravens: Chairman of the Supervisory Board of Eureka B.V. Vice Chairman of the Board of Directors of Achmea Association. Member of the Supervisory Board of OWM Molest-risico W.A. Vice Chairman of Executive Committee of Vereniging Achmea. Chairman of the Supervisory Board of Sneepe Industries B.V. Member of the Supervisory Board of Tauw (infrastructure consultancy). Director of MBA Studies and Member of the senate of International Executive Development Center, Bled, Slovenia. Chairman of the Supervisory Board of Wolters Kluwer Nederland B.V. (multi-media publisher).

Executive Board of Rabobank Nederland

Name	Born	Year Appointed	Nationality
Bert (H.) Heemskerk, Chairman	1943	2002	Dutch
Bert (A.) Bruggink CFO	1963	2004	Dutch
Hans (J.C.) ten Cate	1946	2000	Dutch
Piet (P W.) Moerland	1949	2003	Dutch
Sipko (S.N.) Schat	1960	2006	Dutch
Piet (P J.A.) van Schijndel	1950	2002	Dutch

Bert (H.) Heemskerk: Mr. Heemskerk was appointed Chairman of the Executive Board of Rabobank Nederland as of 1 December 2002. Mr. Heemskerk was previously the Chairman of the Executive Board of F. van Lanschot Bankiers N.V. from 1991 to 2002. Before moving to F. van Lanschot Bankiers N.V., Mr. Heemskerk worked at AMRO Bank/ABN AMRO for more than 20 years, serving as Director General Netherlands for ABN AMRO Netherlands from 1988 to 1991. Mr. Heemskerk holds several positions outside of Rabobank Nederland's Executive Board, including, among others, as a Member of the Board of the Stock Exchange Association, Member of the Advisory Council to the Amsterdam Institute of Finance, Member of the Advisory and Recommending Committee Leaders for Nature Initiative and Member of The Board of Supervisory Directors Koninklijke Boskalis Westminster N.V. Member of the Board of Supervisory Directors VADO Beheer B.V.

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of 15 November 2004. Mr. Bruggink joined the Rabobank Group in 1986. After several different jobs in Finance and Control within Rabobank Group, he became Head of Finance and Control Rabobank International (1994-1998) and Group Finance Director Rabobank Group (1998-2004).

As CFO he fulfils several additional functions: chairman of the Dutch interbank policy committee on accounting, member of the Dutch interbank policy committee on supervision, member of the Dutch interbank policy committee on monetary policy, member of the Dutch interbank policy committee on risk management, member of the Dutch interbank policy committee of CFO's and member of policy committee on accounting of international bank associations. He also works as a part time professor at the Twente University of Technology (Financial Institutions and Markets). He is a Member of the Advisory Council of Isala Klinieken and Member of The Board of Supervisory Directors ROVA.

Hans (J.C.) ten Cate: Mr. ten Cate was appointed to Rabobank Nederland's Executive Board as of 1 September 2000. As one of the two members of the Executive Board responsible for the international business, Mr. ten Cate is primarily responsible for Rabobank International and the Credit Risk Department. Prior to joining Rabobank Nederland, Mr. ten Cate was employed at AMRO Bank/ABN AMRO for more than 25 years, concluding his tenure there as Senior Executive Vice-president (directeur generaal) Credit & Special Financing in 2000. Within the Rabobank Group, Mr. ten Cate also serves as Chairman of the Supervisory Board of Rabo Vastgoed. Chairman of the Supervisory Board of De Lage Landen, Chairman of the Supervisory Board of FGH Bank, Vice-Chairman of the Supervisory Board of Robeco, Vice-Chairman of the Yes Bank in India and member of the Supervisory Board of Rabohypotheekbank. Mr. ten Cate also acts as Chairman of the Supervisory Board of Beurs Rotterdam N.V., Treasurer of the Foundation Museum Boijmans van Beuningen and Chairman of the Erasmus University Trust Fund. Member of the Supervisory Board of Janivo Holding BV. Member of the Board of the VNO/NCW.

Piet (P.W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of 1 January 2003. As one of the two members of the Executive Board focused on the cooperative retail business, Mr. Moerland is responsible for Medium and Small scale Business, Shared Services and Facilities and the department that operationally supports the local banks. After completing his degree and dissertation in the field of economics at the Erasmus University of Rotterdam in 1978, Mr. Moerland undertook a position with Rabobank Nederland's Central Group Staff from 1979 to 1980. Mr. Moerland then took a position as a professor of business administration with a focus on economics at the University of Groningen from 1981 to 1987 and as a professor of business economics with a focus on corporate finance at the University of Tilburg from 1988 to 2002. Mr. Moerland also had an unsponsored chair as a professor of corporate governance at the University of Tilburg. Within the Rabobank Group Mr. Moerland serves as a Member of the Supervisory Board of Rabobank International Advisory Services B.V. and a Member of the Board of Directors of Rabobank Foundation. Outside Rabobank, Mr. Moerland serves as a Member of the Supervisory Board of Essent N.V. (electricity), a Member of the Advisory Board of the Netherlands Order of Accountants and Administration Consultants and Head of the Board of Directors of the NVB (Association of Dutch Banks). Member of the Executive Committee European Association of Co-operative Banks (Groupement). Chairman of the Board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten.

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as per 1 July 2006. As one of the two members of the Executive Board responsible for the international business, Mr. Schat is primarily responsible for Corporate Clients and Global Financial Markets. Mr. Schat took a position as in-house counsel with Rabobank Nederland between 1985 and 1990. Mr. Schat was senior manager Structured Finance between 1990 and 1995, Head Corporate Finance of Rabobank Ireland Plc between January 1994 and December 1994, Head Corporate Finance of Rabobank International between 1999 and 2002, Head Structured Finance Europe between 1995 and 1999. Mr. Schat took a position as Head Corporate Finance (worldwide), member of the Supervisory Board of Rabobank Ireland Plc and Managing Director of Rabo Merchant Bank N.V. He was appointed a member of the management board of Rabobank International as of April 2002 being responsible for North and South America and as of September 2004 being responsible for Corporate Finance, Trade Finance, Private Equity and Corporate Advisory. He is also Member of the Supervisory Board of De Lage Landen International and Member of the Supervisory Board of Bouwfonds N.V.

Piet (P.J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of 1 December 2002. As one of the two members of the Executive Board focused on the cooperative retail business, Mr. van Schijndel has responsibility for marketing, product development, market support for the local banks, private banking and Group ICT. Mr. van Schijndel took a position as a management consultant with Rabobank Nederland from 1975 to 1977. From 1977 to 1979, Mr. van Schijndel was Head of Insurance Administration. From 1979 to 1983, Mr. van Schijndel was a member of the Staff Group Directorate Insurance. Thereafter, he served as Acting Head and Head of the Insurance and Travel Directorate from 1983 to 1986 and from 1986 to 1990, respectively, Vice-Chairman of the Executive Board of Interpolis from 1990 to 1997 and Chairman of the Executive Board of Interpolis from 1998 to 2002. Mr. van Schijndel serves as Chairman of the Supervisory Boards of Obvion and Rabohypotheekbank, Chairman of the Supervisory Board of De Lage Landen International and Chairman of the Supervisory Board of Rabo Mobiel. Furthermore, Mr. van Schijndel is a Member of the Board of Directors of the NVB (Association of Dutch Banks). Member of the Board of the Nederlandse Rode Kruis. Member of the Supervisory Board of St. Elisabeth Ziekenhuis Tilburg. Chairman of the Supervisory Board of Orbay.

Central Delegates Assembly

Influence and control of the local Rabobanks with respect to Rabobank Nederland are exercised directly or indirectly via representation in two corporate bodies, the Central Delegates Assembly and the General Meeting.

The Central Delegates Assembly consists of the board members of the various Regional Delegates Assemblies which consist of the members of Rabobank Nederland, the local Rabobanks. The powers of the Central Delegates Assembly include, amongst other, the establishment of rules that all member banks must comply with and the right to approve the annual plan and the budget of Rabobank Nederland insofar as this concerns the business of the member banks. The outcome can influence Rabobank Nederland's policy. Furthermore, in the Central Delegates Assembly substantive discussions take place which mainly concern the business of the local Rabobanks.

The General Meeting

The General Meeting is the body through which all local Rabobanks, as members of Rabobank Nederland, can exercise direct control. The General Meeting deals with important issues, such as the adoption of the financial statements, amendments to the Articles of Association and regulations, and the appointment of members of the Supervisory Board.

Governance of the local Rabobanks

Each local Rabobank within the Rabobank Group is governed by a board of directors and a supervisory board. Members of the supervisory board are elected by the members of the local Rabobank from their ranks. There are two possible organisational models for the local Rabobanks: the partnership model and the executive management model.

Partnership model

In the partnership model, the management of the local Rabobanks consist of persons elected by the members from their ranks, plus a managing director who is appointed by the Supervisory Board. The managing director is primarily concerned with the day-to-day management of the

bank's operations. The Supervisory Board supervises the management. Banks using the partnership model may install a members' council and always have a general meeting.

Executive model

In the executive model, the local Rabobanks have a Board of Directors comprising several persons appointed by the Supervisory Board. The Board of directors operates under the supervision of the Supervisory Board. In this model, no managers are elected by the members from their ranks, as is the case in the partnership model. In order to firmly and permanently embed member influence and control in the structure, banks using the executive model install a members' council. The members' council assumes the bulk of the powers of the General Meeting and furthermore promotes and structures member control and engagement. The General Meeting continues to exist, but only decides on major issues only that impact the local banks' continued existence.

Administrative, Management and Supervisory bodies - conflicts of interests

The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the persons listed under 'Supervisory Board of Rabobank Nederland' and 'Executive Board of Rabobank Nederland' above and their private interests or other duties.

REGULATION OF RABOBANK NEDERLAND

Rabobank Nederland is a bank organised under the laws of the Netherlands. The principal Dutch law on supervision applicable to Rabobank Nederland is the Financial Supervision Act (*Wet op het financieel toezicht*), under which Rabobank Nederland is supervised by the Dutch Central Bank, the Netherlands Authority for the Financial Markets and the Dutch Minister of Finance. Rabobank Nederland and the various Rabobank Group entities are also subject to certain European Union ("EU") directives which have a significant impact on the regulation of the Rabobank Group's banking, asset management and broker-dealer businesses in the EU and the regulation and control of local central banks and monetary authorities of the various countries in which we do business.

Rabobank Nederland, the local Rabobanks and the subsidiaries of Rabobank Nederland are in compliance in all material respects with the applicable banking and insurance regulations and capitalisation and capital base requirements of each applicable jurisdiction.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements develops international capital adequacy guidelines based on the relationship between a bank's capital and its credit risks. In this context, on 15 July 1988, the Basel Committee adopted risk-based capital guidelines (the "**Basel guidelines**"), which were implemented by banking regulators in the countries that have endorsed them. The Basel guidelines were intended to strengthen the soundness and stability of the international banking system. The Basel guidelines were also intended to reduce an existing source of competitive inequality among international banks by harmonising the definition of capital and the rules for the evaluation of asset risks and by establishing a uniform target capital base ratio (capital to risk-weighted assets). Supervisory authorities in each jurisdiction have, however, some discretion in determining whether to include particular instruments as capital under the Basel guidelines and to assign different weights, within a prescribed range, to various categories of assets. The Basel guidelines were adopted by the European Community and applied to all banks and financial institutions in the EU, and on 1 January 1991, the Dutch Central Bank implemented them and they were made part of Dutch regulations.

In June 1999, the Basel Committee proposed a review of the Basel guidelines of 1988. Several consultative papers for a new capital accord were released by the Basel Committee on Banking Supervision, which were discussed by several international working parties. The new accord ("**Basel II**" - the previous Basel guidelines being referred to as "**Basel I**") was published in June 2004. The target is to achieve a flexible framework that is more closely in line with internal risk control and that will result in a more sophisticated credit risk weighting. The new framework, consisting of three 'pillars', reinforces these risk-sensitive requirements by laying out principles for banks to assess the adequacy of their capital ("**Pillar 1**") and for supervisors to review such assessments to ensure banks have adequate capital to support their risks ("**Pillar 2**"). It also seeks to strengthen market discipline by enhancing transparency in banks' financial reporting ("**Pillar 3**").

Basel II provides a range of options for determining the capital requirements for credit risk and also operational risk. In comparison to Basel I, Pillar 1 of the new capital framework aligns the minimum capital requirements more closely to each bank's actual risk of economic loss. Pursuant to Pillar 2, effective supervisory review of banks' internal

assessments of their overall risks is exercised to ensure that bank management is exercising sound judgment and has reserved adequate capital for these risks. Pillar 3 uses market discipline to motivate prudent management by increasing transparency in banks' public reporting.

Instead of the previous 'one size fits all' approach, under Basel II banks have the option to choose between various approaches, each with a different level of sophistication in risk management, ranging from simple via intermediate to advanced, giving banks the possibility to select approaches that are most appropriate for their operations and their financial market infrastructure.

For 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 external credit ratings and 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'.

For operational risk, banks can also choose between three approaches with different levels of sophistication, the most refined one being the Advanced Measurement Approach.

The Rabobank Group joined in a number of global exercises initiated by the Basel Committee, aimed at establishing the consequences of Basel II. Given its traditionally low (credit) risk profile, the new capital adequacy requirements for the Rabobank Group are significantly lower than the ones under Basel I. The Rabobank Group already started the implementation of Basel II well before it became applicable.

EC Directive 2000/12 and EEC Directive 1993/6, referred to under 'European Union Standards' below, have been recast by EC Directives 2006/48 and 2006/49, respectively, to introduce the new capital requirements framework. In the Netherlands, these new Directives were transposed into national regulations under the Financial Supervision Act. Basel II impacts the areas of risk sensitivity, group structures, equity holdings in non-banks and retail exposures.

European Union Standards

The European Community had adopted a capital adequacy regulation for credit institutions in all its member states based on the Basel I guidelines. In 1989, the EC adopted the Council Directive of 17 April 1989 on the 'own funds' of credit institutions (the "**Own Funds Directive**"), defining qualifying capital ("**own funds**"), and the Council Directive of 18 December 1989 on a capital base ratio for credit institutions (the "**Capital Base Ratio Directive**" and, together with the Own Funds Directive, the "**Capital Directives**"), setting forth the required ratio of own funds to risk-adjusted assets and off-balance sheet items. The Capital Directives required the EU member states to transform the provisions of the Capital Base Ratio Directive and the provisions of the Own Funds Directive into national law directly binding on banks operating in the member states. The Capital Directives permitted EU member states, when transforming the Capital Directives into national law, to establish more stringent requirements, but not more lenient requirements. In 1993, the EC adopted the Directive of 15 March 1993 on the capital adequacy of investment firms and credit institutions ("**EEC Directive 1993/6**"), and in 2000 the Directive of 20 March 2000 on the taking up and

pursuit of the Business of Credit Institutions ("**EC Directive 2000/12**"), which directive consolidated various previous directives, including the Capital Directives.

As stated above, EC Directive 2000/12 and EEC Directive 1993/6 have been recast by EC Directives 2006/48 and 2006/49, respectively, to introduce the new capital requirements framework agreed by the Basel Committee on Banking Supervision. The new rules on capital requirements reflect the flexible structure and the major components of Basel II, tailored to the specific features of the EU market. The simple and intermediate approaches of Basel II are available from January 2007 and the most advanced approaches from January 2008.

On 16 December 2002, the European Union adopted a directive (Directive 2002/87/EC) on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate. This directive aims to address the supervisory issues that arise from the blurring of distinctions between the activities of firms in each of the banking, securities, investment services and insurance sectors. The main objectives of the directive are to:

- I. ensure that a financial conglomerate has adequate capital;
- II. introduce methods for calculating a conglomerate's overall solvency position;
- III. deal with the issues of intra-group transactions, exposure to risk and the suitability and professionalism of management at financial conglomerate level; and
- IV. prevent situations in which the same capital is used simultaneously as a buffer against risk in two or more entities which are members of the same financial conglomerate ("**double gearing**") and where a parent issues debt and downstreams the proceeds as equity to its regulated subsidiaries ("**excessive leveraging**").

The directive provides that EU Member States have to provide that the provisions of this directive shall first apply to the supervision of accounts for the financial year beginning on 1 January 2007. This directive was implemented in the Netherlands in the Financial Supervision Act that came into effect on 1 January 2007.

Dutch Regulation

General

In 2001, a major supervisory reform was undertaken in the Netherlands. The sector-oriented supervision (by the Dutch Central Bank on banks, the Pensions and Insurance Supervisory Board on pension funds and insurance institutions and the Netherlands Authority for the Financial Markets on securities institutions) has been replaced by a more functional approach. As of September 2002, supervision has been divided into prudential supervision, carried out by the Dutch Central Bank (which has merged with the Pension and Insurance Supervisory Board), and conduct of business supervision, carried out by the Netherlands Authority for the Financial Markets.

Pursuant to authority granted under the Financial Supervision Act, the Dutch Central Bank, on behalf of the Dutch Minister of Finance, supervises and regulates the majority of the Rabobank Group's activities. The Netherlands Authority for the Financial Markets supervises primarily

the conduct of business. Set forth below is a brief summary of the principal aspects of the Financial Supervision Act in general.

Scope of the Financial Supervision Act

A bank is any enterprise whose business it is to receive repayable funds from outside a closed circle and from others than professional market parties, and to grant credits for its own account. Rabobank Nederland and various Rabobank Group entities, including each of the local Rabobanks are banks and, because they are engaged in the securities business as well as the commercial banking business, each is considered a ‘universal bank’.

Licensing

Under the Financial Supervision Act, a bank established in the Netherlands is required to obtain a license from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a license, 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 board of supervisory directors; and (iii) the bank must have a minimum equity (*eigen vermogen*) of €5,000,000. Also, the Dutch Central Bank shall refuse to grant a license if, among other things, it 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, (ii) the trustworthiness of the persons who determine the policy of the bank is not 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*). In addition to certain other grounds, the license may be revoked if a bank fails to comply with the requirements for maintaining it.

Reporting and Investigation

A bank is required to file with the Dutch Central Bank its annual financial statements in a form approved by the Dutch Central Bank, which includes a balance sheet and a profit and loss statement 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 Dutch Central Bank, which also has the option to demand more frequent reports.

Supervision

The Dutch Central Bank exercises supervision with respect to the solvency and liquidity of banks, supervision of the administrative organisation of banks and structure supervision relating to banks. To this end, the Dutch Central Bank has issued the following general regulations:

– Solvency Supervision

The regulations of the Dutch Central Bank on solvency supervision require - in broad terms - that a bank maintains own funds in an amount equal to at least 8 per cent. of its risk-weighted assets and operations. 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. Since the implementation of the Financial Supervision Act the regulations have become more sophisticated, being derived from the new capital measurement guidelines of Basel II as described under ‘Basel Standards’ above, as laid down in EU directives

described above under ‘European Union Standards’. For credit risk Rabobank now uses the intermediate approach and intends to make use of the advanced approach once available from 1 January 2008. For operational risk Rabobank uses the most refined approach, the Advanced Measurement Approach.

– *Liquidity Supervision*

The regulations of the Dutch Central Bank 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 Supervision*

The Financial Supervision Act provides that a bank must obtain a declaration of no-objection from the Minister of Finance (or in certain cases from the Dutch Central Bank) before, among other things, (i) reducing its own funds (*eigen vermogen*) by way of repayment of capital or distribution of reserves or making disbursements from the item comprising the cover for general banking risks as referred to in article 2:424 of the Dutch Civil Code, (ii) acquiring or increasing a qualified holding in a regulated institution such as a bank or other regulated financial institution, if the balance sheet total of that institution at the time of the acquisition or increase amounts to more than 1% of the bank’s consolidated balance sheet total, (iii) acquiring or increasing a ‘qualified holding’ in another enterprise than those mentioned under (ii) if the amount paid for the acquisition or the increase together with any amounts paid for prior acquisitions and prior increases exceeds 1% of the consolidated own funds (*eigen vermogen*) of the bank, (iv) acquiring all or a substantial part of the assets and liabilities of another enterprise or institution if this amounts to more than 1% of the bank’s consolidated balance sheet total, (v) merging with another enterprise or institution if the balance sheet total thereof amounts to more than 1% of the bank’s consolidated balance sheet total or (vi) proceeding to financial or corporate reorganisation. For purposes of the Financial Supervision Act, ‘qualified holding’ is defined to mean the holding, directly or indirectly, of an interest of at least 10% of the issued share capital or voting rights in an enterprise, or a similar form of control.

In addition, any person is permitted to hold, acquire or increase a qualified holding in a bank, or to exercise any voting power in connection with such holding, only after such declaration of no objection has been obtained.

– *Administrative Supervision*

The Dutch Central Bank also supervises the administrative organisation of the individual 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. As part of the supervision of the administrative organisation, the Dutch Central Bank has also stipulated that this system must be able to prevent conflicts of interests, including the abuse of inside information.

Emergencies

The Financial Supervision Act contains an ‘emergency regulation’ which can be declared in respect of a bank by a Dutch court at the request of the Dutch Central Bank in the interest of the combined creditors of the bank. As of the date of the emergency, only the court appointed administrators have the authority to exercise the powers of the organs of the bank. A bank can also be declared in a state of bankruptcy by the court.

Rabobank Nederland and the local Rabobanks 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 Dutch Central Bank. Our independent auditors audit these reports annually.

TAXATION

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payment of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries).

Taxation in The Netherlands

General

The following summary describes the principal Dutch tax consequences of the acquisition, holding, redemption and disposal of Notes, which term, for the purpose of this summary includes Coupons, Receipts and Talons. This summary does not purport to be a comprehensive description of all Dutch 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 with respect to the tax consequences of an investment in the Notes. The discussion of certain Dutch taxes set forth below is included for general information purposes only.

This summary is based on the Dutch tax legislation, published case law, treaties, rules, regulations and similar documentation, in force as of the date of this Information Memorandum, without prejudice to any amendments introduced at a later date and implemented with retroactive effect.

This summary does not address the Dutch tax consequences for:

- (a) Noteholders holding a substantial interest (*aanmerkelijk belang*) in the Issuer. Generally speaking, a Noteholder holds a substantial interest in the Issuer, if such holder, alone or, where such holder is an individual, together with his or her partner (statutory defined term) or certain other related persons, directly or indirectly, holds (i) an interest of 5 per cent. or more of the total issued capital of the Issuer or of 5 per cent. or more of the issued capital of a certain class of shares of the Issuer, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Issuer;
- (b) pension funds or other entities that are exempt from Dutch corporate income tax; or
- (c) investment institutions (*fiscale beleggingsinstellingen*).

Withholding Tax

All payments made under a Note will not be subject to any withholding tax or any deduction for, or on account of, any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein, unless the Note, as a result of the conditions¹ attached to it, is to be treated as equity.

Individual and Corporate Income Tax

Residents of the Netherlands

If a Noteholder is resident or deemed to be resident of the Netherlands for Dutch tax purposes and is fully subject to Dutch corporate income tax or is only subject to Dutch corporate income tax in respect of its enterprise to which the Notes are attributable, income derived from the Notes and gains realised upon the redemption, conversion or disposal of the Notes are generally taxable in the Netherlands at a maximum rate of 25.5% as of 1 January 2007.

If the Noteholder is an individual and a resident or deemed to be a resident of the Netherlands for Dutch tax purposes (including the individual Noteholder who has opted to be taxed as a resident of the Netherlands), the income derived from the Notes and the gains realised upon the redemption or (deemed) disposal of the Notes are taxable at the progressive rates of the Income Tax Act 2001, if:

- (a) the Noteholder has an enterprise or an interest in an enterprise, to which enterprise or part thereof the Notes are attributable; or
- (b) such income or gains qualify as ‘income from miscellaneous activities’ (*resultaat uit overige werkzaamheden*) within the meaning of Section 3.4 of the Income Tax Act 2001, which include activities with respect to the Notes that exceed ‘regular, active portfolio management’ (*normaal, actief vermogensbeheer*).

If neither condition (a) nor condition (b) applies to the holder of the Notes, taxable income with regard to the Notes must be determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. At present, this deemed return on income from savings and investments has been fixed at a rate of 4% of the average of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year and the individual's yield basis at the end of the calendar year, insofar as the average exceeds a certain threshold. The average of the individual's yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Notes less the fair market value of certain qualifying liabilities on 1 January and 31 December, divided by two. The fair market value of the Notes will be included as an asset in the

¹ The exact conditions to be met are included in the Dutch Corporate Income Tax Act 1969 (CITA) upto and including December 31st 2006. As of that date, the exact conditions to be met have been taken out by the legislator. Whether a Note will be treated as equity depends on case law to be published in the future by the Dutch tax courts. Amongst other issues, the tax courts will consider whether the interest paid on the Note is dependent on the profit made by the Issuer.

individual's yield basis. The deemed return on income from savings and investments of 4% will be taxed at a rate of 30 per cent.

Non-residents of the Netherlands

A Noteholder that is not a resident nor deemed to be a resident of the Netherlands for Dutch tax purposes (nor, if he or she is an individual, has opted to be taxed as a resident of the Netherlands) is not taxable in respect of income derived from the Notes and gains realised upon the redemption and disposal of the Notes, provided that:

- (a) the Noteholder does not have an enterprise or an interest in an enterprise, that is, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands to which Dutch permanent establishment or permanent representative the Notes are attributable; or
- (b) the Noteholder is an individual and such income or gains do not qualify as 'income from miscellaneous activities' (*resultaat uit overige werkzaamheden*) in the Netherlands which, as an example, is the case when the activities in the Netherlands with respect to the Notes do not exceed 'regular, active portfolio management' (*normaal, actief vermogensbeheer*).

Gift Tax or Inheritance Tax

Residents of the Netherlands

Generally, gift and inheritance taxes will be due in the Netherlands in respect of the acquisition of the Notes by way of a gift by, or on the death of, a Noteholder who is a resident or deemed to be a resident of the Netherlands for the purposes of Dutch gift and inheritance tax at the time of the gift or his or her death.

An individual of the Dutch nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, if he or she has been resident in the Netherlands during the ten years preceding the gift or his or her death. An individual of any other nationality is deemed to be a resident of the Netherlands for the purposes of the Dutch gift tax only if he or she has been resident in the Netherlands at any time during the 12 months preceding the time of the gift. The same 12-month rule may apply to entities that have transferred their seat of residence out of the Netherlands.

Non-residents of the Netherlands

No gift or inheritance taxes will arise in the Netherlands in respect of the acquisition of the Notes by way of gift by, or as a result of the death of, a Noteholder who is neither a resident nor deemed to be a resident of the Netherlands for the purposes of the Dutch gift and inheritance tax, unless:

- (a) such Noteholder at the time of the gift has or at the time of his or her death had an enterprise or an interest in an enterprise that is or was, in whole or in part, carried on through a permanent establishment or a permanent representative in the Netherlands and to which Dutch permanent establishment or permanent representative the Notes are or were attributable; or

- (b) the Notes are or were attributable to the assets of an enterprise that is effectively managed in the Netherlands and the donor is or the deceased was entitled to a share in the profits of that enterprise, at the time of the gift or at the time of his or her death, other than by way of securities or through an employment contract; or
- (c) in the case of a gift of the Notes by an individual who at the date of the gift was neither a resident nor deemed to be a resident of the Netherlands, such individual dies within 180 days after the date of the gift, while at the time of his or her death, being a resident or deemed to be a resident of the Netherlands.

Other Taxes

No Dutch VAT, capital duty, registration tax, customs duty, transfer tax, stamp duty or any other similar documentary tax or duty, will be due in the Netherlands by a Noteholder in respect of or in connection with the subscription, issue, placement, allotment or delivery of the Notes.

Residency

A Noteholder will not become a resident, or a deemed resident, of the Netherlands for tax purposes by reason only of the Rabobank Nederland's performance, or the Noteholder's acquisition (by way of issue or transfer to it), holding or enforcement, of the Notes.

Taxation in Australia

The comments below are of a general nature and are based on provisions currently in force in Australia as at the date of this Information Memorandum. They relate to the position of persons who are the beneficial owners of the Notes. The comments are not exhaustive and, in particular, do not deal with the position of certain classes of Noteholders (including, without limitation, custodians and other third parties who hold Notes on behalf of Australian residents or non-residents of Australia who hold the Notes in the course of carrying on a trade or business at or through a permanent establishment in Australia). Noteholders should consult their own professional advisers in relation to the Australian taxation implications of acquiring, holding or disposing of the Notes in their own particular circumstances.

An exemption from Australian interest withholding tax imposed under Division 11A of Part III of the Income Tax Assessment Act 1936 (the "**Tax Act**") of Australia is applicable with respect to Notes issued outside Australia by Rabobank Australia Branch under section 128F of the Tax Act for payments of interest to non-residents of Australia who do not derive that interest in carrying on business at or through a permanent establishment in Australia, or to Australian residents who derive that interest in carrying on a business at or through a permanent establishment outside Australia, if the requirements of section 128F of the Tax Act are complied with.

Interest (or an amount in the nature of interest) is exempt from Australian withholding tax under section 128F of the Tax Act if the Issuer of the Notes is either:

- (a) an Australian resident company at the time the Notes are issued and when the interest is paid; or

- (b) a non-resident company at the time the Notes are issued and when the interest is paid which issues the Notes and pays such interest in carrying on business at or through a permanent establishment in Australia,

and the 'public offer' test is satisfied.

Broadly, the public offer test is satisfied if the Notes are issued as a result of being offered for issue:

- (a) to at least 10 persons each of whom:
 - (i) was carrying on a business of providing finance, or investing or dealing in securities, in the course of operating in financial markets; and
 - (ii) is not known, or suspected, by the Issuer of the Notes to be an associate (as defined in subsection (9) of section 128F of the Tax Act) of any of the other nine such persons; or
- (b) to at least 100 persons whom it is reasonable for the Issuer of the Notes to regard as having acquired instruments similar to the Notes in the past or being likely to acquire Notes in the future; or
- (c) as a result of being accepted for listing on a stock exchange, where the Issuer of the Notes has entered into an agreement with the dealer, manager or underwriter in relation to the placement of the Notes requiring the Issuer to seek such a listing; or
- (d) as a result of negotiations being initiated publicly in electronic form, or in another form, that is used by financial markets for dealing in instruments similar to the Notes; or
- (e) to a dealer, manager or underwriter in relation to the placement of the Notes who, under an agreement with the Issuer of the Notes offered the Notes for sale within 30 days in a way covered by any of paragraphs (a) to (d) above.

The public offer test is not satisfied if at the time of issue the Issuer of the Notes knew, or had reasonable grounds to suspect, that:

- (a) the Note or an interest in the Note was being, or would later be, acquired directly or indirectly by an associate (as defined in subsection (9) of section 128F of the Tax Act) of the Issuer; and
- (b) either:
 - (i) the associate is a non-resident and the Note, or interest in the Note, was not being, or would not be, acquired by the associate in carrying on a business in Australia at or through a permanent establishment in Australia; or
 - (ii) the associate is a resident of Australia and the Note, or interest in the Note, was being, or would be, acquired by the associate in carrying on a business outside Australia at or through a permanent establishment in a country outside Australia; and

- (c) the Note or interest in the Note, was not being, or would not be, acquired by the associate in the capacity of a dealer, manager or underwriter in relation to the placement of the Notes, or a clearing house, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act 2001 of Australia).

The exemption in section 128F of the Tax Act does not apply to interest (or an amount in the nature of interest) paid by the Issuer of the Notes to a holder in respect of a Note, if the Issuer was aware or had reasonable grounds to suspect, at the time of payment, that:

- (a) the holder is an associate (as defined in subsection (9) of section 128F of the Tax Act) of the Issuer; and
- (b) either:
 - (i) the associate is a non-resident and the payment is not received by the associate in respect of a Note that the associate acquired in carrying on a business in Australia at or through a permanent establishment in Australia; or
 - (ii) the associate is a resident of Australia and the payment is received by the associate in respect of a Note that the associate acquired in carrying on a business in a country outside Australia at or through a permanent establishment in a country outside Australia; and
- (c) the associate does not receive the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as defined in the Corporations Act 2001 of Australia).

An "associate" of the issuer for the purposes of section 128F of the Tax Act (when the issuer is not a trustee) includes: (i) a person or entity which holds more than 50% of the voting shares in or otherwise controls, the issuer, (ii) an entity in which more than 50% of the voting shares are held by, or which is otherwise controlled by, the issuer, (iii) a trustee of a trust where the issuer is capable of benefiting (whether directly or indirectly) under that trust, and (iv) a person or entity which is an "associate" or another person or company which is an "associate" of the issuer under any of the foregoing.

In certain circumstances, section 126 of the Tax Act imposes a type of withholding tax at the rate of 45 per cent. on the payment of interest on bearer notes if the issuer fails to disclose the names and addresses of the holders to the Australian Taxation Office. The Australian Tax Office is of the view that the holder of a debenture for the purposes of section 126(e) of the Tax Act is the person or entity in possession of the debenture and that this is the person or entity to whom the issuer makes the payment of interest. Consequently section 126 should only apply to persons or entities in possession of Notes who are residents of Australia or non-residents who are engaged in carrying on business in Australia at or through a permanent establishment in Australia. Where interests in the relevant Notes are held by persons through Euroclear and/or Clearstream, Luxembourg, the Issuer intends to treat the operators of those systems as the holders of the relevant Notes for the purpose of section 126.

If the Issuer is compelled by law at any time to withhold or deduct an amount in respect of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of the Commonwealth of Australia or any authority therein having the power to tax, it will, except as

stated in the Notes, pay such additional amounts as will result in the payment to the Noteholders concerned the sum which would otherwise have been payable on the Notes.

Taxation Administration Act 1953 of Australia also requires a further type of withholding (Foreign Resident Withholding) which broadly provides that an entity carrying on business in Australia must withhold an amount from certain payments (prescribed by regulation) paid to non-residents, unless an appropriate exemption applies. Foreign Resident Withholding does not apply to payments of interest for the purposes of Division 11A of the Tax Act. Noteholders should obtain their own specific advice as to the effect (if any) of the Foreign Resident Withholding provisions in respect of any other payments received in connection with the Notes.

Rabobank Australia Branch has been advised by its Australian counsel that, under current Australian tax law:

- (a) subject to compliance with the requirements of section 128F of the Tax Act referred to above, payments of principal and interest (or amounts in the nature of, or in substitution for, interest) to a holder of a Note who:
 - (i) is a non-resident of Australia; and
 - (ii) during the taxable year has not carried on business at or through a permanent establishment within Australia; and
 - (iii) is not an associate (as defined in subsection (9) of section 128F of the Tax Act) of the Issuer of the Note or, if the holder is such an associate, either the Issuer did not know this or have reasonable grounds to suspect it, or the associate receives the payment in the capacity of a clearing house, paying agent, custodian, funds manager or responsible entity of a registered scheme (as referred to above),

will not be subject to Australian income tax;

- (b) a holder of a Note who is a non-resident of Australia and who during the taxable year has not carried on business at or through a permanent establishment in Australia will not be subject to Australian income or capital gains tax on gains realised during that year on sale or redemption of the Note, provided that such gains do not have an Australian source and the Note was not used at any time by the holder in carrying on a business at or through a permanent establishment in Australia. A gain arising on the sale of a Note by a non-Australian resident holder to another non-Australian resident where the Note is sold outside Australia and all negotiations and documentation are conducted and executed outside Australia should not be regarded as having an Australian source;
- (c) the Notes will not be subject to death, estate or succession duties imposed by Australia or by any instrumentality thereof or therein, if held outside Australia, or by a non-resident, at the time of death;
- (d) no ad valorem stamp duty nor issue, registration or similar taxes will be payable in Australia on the issue or transfer of the Notes ;

- (e) no Australian goods and services tax is payable on the issue or transfer of Notes or in respect of the payment of principal or interest on the Notes;
- (f) Australian resident Noteholders and non-resident Noteholders who hold their Notes in the course of carrying on a business through an Australian permanent establishment, will be required to include any interest derived in respect of the Notes in their assessable income. Depending upon the terms of the Notes, such Noteholders may also be required to include in their assessable income, or may be allowed a deduction in respect of, any profit or loss (respectively) on sale or redemption of the Notes; and
- (g) payments of interest on Notes issued by Rabobank Australia Branch to Australian residents may be subject to withholding tax under Part VA of the Tax Act and section 12-140 of Schedule 1 of the Taxation Administration Act 1953 of Australia where the recipient of the interest does not quote their tax file number, or in certain circumstances, their Australian Business Number, or proof of some other relevant exemption. Any such tax will be withheld at the then current rate. The rate at the date of this document is 46.5%.
- (h) payments in respect of the Notes should be able to be made free and clear of Australian withholding tax imposed pursuant to section 12-190 of Schedule 1 of the Taxation Administration Act;
- (i) Division 974 of the Tax Act contains tests for characterising debt (for all entities) and equity (for companies) for Australian tax purposes including interest withholding tax. The issuer intends to issue Notes which are to be characterised as "debt interests" for the purposes of the tests provided in Division 974 and the returns on the Notes should be treated as "interests" for the purposes of the interest withholding tax provisions in the Tax Act (including section 128F of that Act). A more detailed consideration of the rules set out in Division 974 of the Tax Act and the thin capitalisation rules set out in Division 820 of the Tax Act is beyond the scope of this summary;
- (j) On 3 January 2007 the Australian Minister for Revenue and Assistant Treasurer issued a second exposure draft of the proposed new rules for the "Taxation of Financial Arrangements". It is intended that the proposed rules (if enacted) would represent a code for the taxation of receipts and payments in relation to financial arrangements.

The second exposure draft indicates that if passed the proposed legislation will apply to all financial arrangements entered into after 1 July 2008 unless a relevant exemption applies. A taxpayer may however elect to have the legislation apply to all financial arrangements entered into after 1 July 2007.

It appears likely that the proposed measures should not apply to holders of Notes who are non-residents of Australia and who do not hold their Notes in the course of carrying on business at or through a permanent establishment in Australia.

Taxation in Luxembourg

The following is intended as general information only and it does not purport to present any comprehensive or complete picture of all aspects of Luxembourg tax laws which could be of relevance to a holder of Notes. Prospective holders of Notes should therefore

consult their tax advisor regarding the tax consequences of any purchase, ownership or disposal of Notes.

The following summary is based on the Luxembourg tax law, published case law, and tax practice as in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Under Luxembourg tax law currently in effect and subject to the application of the Luxembourg laws dated 21 June 2005 (the **Laws**) implementing the European Council Directive 2003/48/EC on the taxation of savings income (the **Directive**) and several agreements concluded between Luxembourg and certain dependant territories of the European Union, there is no withholding tax on payments of interest (including accrued but unpaid interest) made to Luxembourg resident and non-resident Noteholders. There is also no Luxembourg withholding tax, subject to the application of the Laws, upon repayment of the principal or upon redemption or exchange of the Notes.

Luxembourg withholding tax may in the future be introduced for interest payments made to Luxembourg individual residents.

Under the Directive, a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State, unless the beneficiary of the interest payments elects for an exchange of information. The same regime applies to payments to individuals resident in any of the following territories: Netherlands Antilles, Aruba, Guernsey, Jersey, the Isle of Man, Montserrat and the British Virgin Islands.

The withholding tax rate is set initially at 15%, increasing steadily to 20% and to 35%. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain other countries (the transitional period may therefore never end).

Taxation in New Zealand

The comments below are of a general nature and are based on provisions currently in force in New Zealand as at the date of this Information Memorandum. They relate to the position of persons who are the beneficial owners of the Notes. The comments are not exhaustive and, in particular, may not deal with the position of certain classes of Noteholders. Noteholders should consult their own professional advisers in relation to the New Zealand taxation implications of acquiring, holding or disposing of the Notes in their own particular circumstances.

One of two kinds of withholding tax potentially applies to interest paid on a New Zealand Note. In addition, approved issuer levy might apply for some non-residents. Neither the Issuer nor the New Zealand Registrar will make any additional payment to the holders on account of the deduction of the withholding tax or the approved issuer levy.

Resident withholding tax

Resident withholding tax potentially applies to interest paid to the holder of a New Zealand Note who:

- (a) is resident in New Zealand for New Zealand income tax purposes; or
- (b) is not resident in New Zealand for New Zealand income tax purposes but who is engaged in business in New Zealand through a fixed establishment in New Zealand.

Resident withholding tax is not applicable if the holder is a registered bank or is the holder of a valid certificate of exemption. Where appropriate, the holder of a New Zealand Note should provide satisfactory evidence to the Issuer or the New Zealand Registrar that such holder holds a valid certificate of exemption.

If the holder has provided evidence of the holding of a valid certificate of exemption, and the certificate of exemption is subsequently cancelled, the holder is required by New Zealand law to notify the New Zealand Registrar of the cancellation within five working days of receipt of the notice of cancellation.

If applicable, resident withholding tax will be deducted from a payment of interest at a rate of 19.5%, 33% or 39%, at the holder's election, if the holder's tax file number is supplied to the Issuer or the New Zealand Registrar. However, a company cannot elect the 19.5% rate. A "non-declaration" 39% rate applies if the holder's tax file number is not supplied.

Resident withholding tax would not apply in the case of a non-resident who is paid interest on a New Zealand Note that does not have a New Zealand source.

Non-resident withholding tax

Non-resident withholding tax applies to interest with a New Zealand source that is paid to the holder of the New Zealand Note who:

- (a) is not resident in New Zealand for New Zealand income tax purposes; and
- (b) is not engaged in business in New Zealand through a fixed establishment in New Zealand.

If applicable, the New Zealand Income Tax Act 2004 provides that non-resident withholding tax shall be deducted from a payment of interest at a rate of 15% and accounted for to the New Zealand Inland Revenue Department. However, double tax agreements to which New Zealand is a party may provide that the New Zealand taxation of interest arising from New Zealand may not exceed 10% of the gross amount of the interest. The holder of a New Zealand Note who believes that a double tax agreement has the effect that the 10% rate of non-resident withholding tax applies to interest payable to the holder should provide the Issuer or the New Zealand Registrar with satisfactory evidence supporting the application of that rate.

Non-resident withholding tax would not apply to interest paid on a New Zealand Note that does not have a New Zealand source.

Approved issuer levy

A non-resident holder of a New Zealand Note may elect that approved issuer levy shall apply instead of non-resident withholding tax.

New Zealand Notes may become a "registered security" subject to the approved issuer levy taxation regime. If so, and the non-resident holder elects that approved issuer levy may apply instead of non-resident withholding tax, the interest otherwise payable will be reduced by an appropriate amount of approved issuer levy. The Issuer will pay the approved issuer levy to the New Zealand Inland Revenue Department.

The current rate of approved issuer levy is 2%.

If approved issuer levy is applied, the holder agrees that the net payment becomes the interest payable to the holder and that no further payment is required to be made by the Issuer or the New Zealand Registrar to compensate the holder for the reduction on account of approved issuer levy.

Income tax

The New Zealand financial arrangements rules may apply to the holder of a New Zealand Note who:

- (a) is resident in New Zealand for New Zealand income tax purposes; or
- (b) is not resident in New Zealand for New Zealand income tax purposes but who holds the Note for the purposes of a business carried on in New Zealand through a fixed establishment in New Zealand.

If applicable, the financial arrangements rules may require the holder to adopt a spreading method to recognise the holder's annual interest income from the Notes. The adoption of a spreading method is not required for a holder able to be classified as a "cash basis person".

The financial arrangements rules require all holders subject to the rules, including a cash basis person, to perform a "base price adjustment" calculation upon sale, transfer, maturity or repurchase of the Notes. The calculation may bring to account any previously unrecognised gain on the Notes, including any gain from the sale, transfer, maturity or redemption.

FORM OF SERIES SUPPLEMENT

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum (the “**Information Memorandum**”) dated 5 March 2007 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”). This Series Supplement 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 Information Memorandum, as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Series Supplement and the Information Memorandum as approved by the AFM on 5 March 2007. The Notes will be issued on the terms of this Series Supplement read together with the Information Memorandum. The Issuer accepts responsibility for the information contained in this Series Supplement which, when read together with the Information Memorandum, contains all information that is material in the context of the issue of the Notes. The Information Memorandum is available for viewing at, and copies may be obtained from, Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands and the principal office in Australia of the Arranger and of each Registrar.

The following alternative language applies if the first tranche of an issue which is being increased was issued under an Information Memorandum with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in Information Memorandum dated [original date]. This document constitutes the final terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”) and must be read in conjunction with the Information Memorandum dated [current date], which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Information Memorandum dated [original date]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Series Supplement and the Information Memorandums dated [original date] and [current date]. The Information Memorandums are available for viewing at, and copies may be obtained from Rabobank Nederland at Croeselaan 18, 3521 CB Utrecht, the Netherlands, the principal office in Australia of the Arranger and of the Registrar.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs.]

[When completing the Series Supplement, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Information Memorandum under Article 16 of the Prospectus Directive.]

[In case the Prospectus Directive is not applicable, the Issuer may vary the form of Series Supplement from time to time without the consent of any party. The form of the Series Supplement (subject to any variations made by the Issuer) to be issued by the Issuer in relation to a Tranche of MTNs is set out below.]

A Series Supplement may be issued under the A\$ and NZ\$ debt securities programme for Rabobank Australia Branch, Rabobank New Zealand Branch and Rabobank Nederland, and it may supplement and vary the Terms and Conditions set out in Annexure A to the Fourth Supplemental Deed Poll with respect to the MTNs specified in the Series Supplement.

Series Supplement

[Date]

MTNs to be issued, with terms and conditions set out below, and otherwise in accordance with the Fourth Supplemental Deed Poll and the Conditions as set out in Annexure A to the Fourth Supplemental Deed Poll (the "**Conditions**"). Terms not defined in this Series Supplement have the meanings given to them in the Conditions.

[Complete whichever of the following apply, tick box(es) where applicable and insert "N/A" opposite non-applicable items.]

Overall MTN Details

Issuer: [Coöperatieve Centrale Raiffeisen-Boerenleenbank
B.A. (Rabobank Nederland) [Australia Branch/New
Zealand Branch]]

Name and address of Lead Manager: _____

Principal Amount (face amount) on
the Issue Date of each MTN: \$ _____

Number of MTNs to be issued: _____

Status: Unsecured, unsubordinated

Series No.

Tranche No.

Type of MTNs: Amortised Notes
Fixed Rate Notes
Floating Rate Notes
Indexed Notes
Structured Notes
Zero Coupon
Perpetual Notes
Other (specify)

Maturity Date: _____

Issued at: Par
 Discount
 Premium

Settlement Price:

Issue Date: _____

Total Principal Amount of Series:

Total Principal Amount of the Tranche:

Australian Notes/New Zealand Notes

Registrar

[This Tranche is fungible with the Series [●], Tranche [●] issued on [●]]

Interest Calculation and Payment, Repayment

- **Amortised Notes** (Give details, including Redemption Amount and Redemption Dates)

- **Fixed Rate Notes**

Interest Rate(s): _____ per centum per annum

Interest Payment Dates: _____

Day Count Fraction: [Actual/365/other]

Redemption Amount:

Indication of yield:

- **Floating Rate Notes**

Interest Rate(s): Floating Rate Basis plus Margin per centum per annum

Floating Rate Basis: Bank Bill Rate/specify other

Margin: +/- _____ per centum per annum

Interest Payment Dates:

Redemption Amount:

Day Count Fraction: [Actual/365/other]

Business Day Convention: [Specify if not Modified Following]

- **Indexed Notes**

Index: _____

(Specify method of calculation of variable indexed amount):

Details to include:

- Source for index:
-

- Person responsible
for calculations:

Provision for calculation
on early redemption, where
reference to Index or formula
is impossible or impracticable etc.

Base Index Figure:

\$ _____

Interest Payment Dates:

[Redemption Amount]:

Business Day Convention: [Specify if not Modified Following]

- **Structured Notes**

Describe characteristics:

(Give details including, as required, source, calculation arrangements, alternatives etc.)

Business Day Convention: [Specify if not Modified Following]

- **Zero Coupon Notes**

Redemption Price: [Specify calculation – such as:
Redemption Amount x (100% - discount)
as at date of redemption].]

Amortisation Rate for Early Redemption: _____

Business Day Convention: [Specify if not Modified Following]

- **Perpetual Notes**

Describe characteristics _____

- **Other Options**

(Give details)

Other Issue Details

Special Issuance

Instructions: _____

Other special conditions including, as appropriate:

Events of Default: [Specify any variations to Conditions]

Selling Restrictions: [Specify any variations to Conditions]

Issuing outside Australia: [specify conditions for issue, but only if amendments are made to section 128F of the Income Tax Assessment Act 1936]

Redemption at option of the Issuer: [Call option]

Redemption at option of Noteholders: [Put option]

Other variations to Conditions: _____

Listing: Yes/No

Information Required for Luxembourg Stock Exchange Listing:

Programme under which this Series Supplement is attached:

Estimate of total expenses related to admission to trading:

Total Programme Amount:

Issue Price:

Denomination:

Responsibility for this Series Supplement: The Issuer accepts responsibility for the information contained in this Series Supplement. [Information on the underlying has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

Listing Application: This Series Supplement comprises the details required to list the issue of Notes described herein pursuant to the listing of the A\$7,000,000,000 Debt Securities Programme of Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland), Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) Australia Branch and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) New Zealand Branch.

Notification: The Netherlands Authority for the Financial Markets (Autoriteit Financiële Markten) has provided the Commission de Surveillance du Secteur Financier with a certificate of approval attesting that the Information Memorandum has been drawn up in accordance with the Prospectus Directive.

Interests of persons involved in the [issue/offer]: [Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer – *Amend as appropriate if there are other interests*]

Clearing System(s) [Austraclear System/Austraclear New Zealand System specify others]

ISIN:

Common Code:

[Additional or alternate newspapers:]

This Series Supplement should be read in conjunction with the Terms and Conditions as set out in Annexure A to the Fourth Supplemental Deed Poll dated on or about 5 March 2007.

[Name of Lead Manager]:

By:

[Authorised Representative of Lead Manager]

[Date]

ISSUE NUMBER:

[Authorised Representative of Issuer]

[Date]

FORM OF STN TERMS SHEET

[Date]

STNs to be issued, with the terms and conditions set out below, and otherwise in accordance with the terms and conditions contained in Annexure A to the Deed Poll (the "**Conditions**"). Terms not defined in this STN Terms Sheet have the meanings given to them in the Conditions.

[Complete whichever of the following apply, tick box(es) where applicable and insert "N/A" opposite non-applicable items]

Overall STN Details

Issuer: Coöperatieve Centrale Raiffeisen-Boerenleenbank B. A. (Rabobank Nederland)
[Australia Branch/New Zealand Branch]

STN Manager _____

Principal Amount (Face Amount)
on the Issue Date of each STN:

\$ _____

Number and denominations of
STNs to be issued:

Maturity Date:

Issued at a discount – issue price:

Yield Rate:

Issue Date:

Purchase Price:

Total Principal Amount of Series:

Australian Notes/New Zealand Notes

Payment and Repayment

Redemption Price:

Amortisation Rate for Early Redemption:

[Name of STN Manager]: _____ -

By: _____

[Authorised Representative of STN Manager] [Date]

The above details are confirmed by the Issuer, in respect of:

ISSUE NUMBER:

[Authorised Representative of Issuer]

GENERAL INFORMATION

- In connection with the application to list the Notes under the Programme on the Luxembourg Stock Exchange a legal notice relating to the issue of the Notes and copies of the Articles of Association of the Issuer will be deposited with the Registre de Commerce et des Sociétés à Luxembourg where such documents may be examined and copies may be obtained. The Luxembourg Stock Exchange has allocated to the Programme the number 12933 for listing purposes.
- The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes. The update and amendment of the Programme was authorised by Rabobank Nederland (in its capacity as Issuer) by a resolution of the Executive Board of Rabobank Nederland passed on 7 November 2006, by a resolution of the Supervisory Board passed on 30 November 2006 and by a Secretary's Certificate dated 1 March 2007; and
- Except as disclosed under 'Recent Developments' on pages 46 and 47 of this Information Memorandum, there has been no significant change in the financial or trading position of the Issuer or of the Group since 30 June 2006, and there has been no material adverse change in the financial position or prospects of the Issuer or of the Group since 31 December 2005.
- Neither the Issuer nor any member, subsidiary or affiliate of the Group is, or has been during the 12 months preceding the date of this Information Memorandum, involved in any governmental, legal or arbitration proceedings 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, nor so far as the Issuer is aware are any such proceedings involving any of them pending or threatened.
- So long as any of the outstanding Notes are listed on the Luxembourg Stock Exchange, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of Deutsche Bank Luxembourg S.A. (the "**Luxembourg Listing Agent**"):
 - (i) the Deed Poll (as amended and supplemented from time to time);
 - (ii) each Registry Agreement (as amended and supplemented from time to time);
 - (iii) the Articles of Association of Rabobank Nederland.

Copies of the latest annual consolidated and non-consolidated accounts of Rabobank Nederland, the latest unaudited consolidated half-yearly interim accounts of Rabobank Nederland and the latest Information Memorandum (together with any supplement changes) and the Series Supplement may be obtained at the Luxembourg Listing Agent during normal business hours, so long as any of the Notes is outstanding. Neither Rabobank Australia Branch nor Rabobank New Zealand Branch publishes annual accounts. Neither Rabobank Australia Branch nor Rabobank New Zealand Branch publishes interim accounts or non-consolidated accounts.

- Ernst & Young Accountants, of which the "Registeraccountants" are members of the Netherlands Institute for Registeraccountants NIVRA, has audited, and issued unqualified audit reports, on the financial statements of Rabobank Nederland for the years ended 31 December 2005, 2004 and 2003.

ISSUERS

**Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank Nederland)**

Australia Branch
Level 16, Darling Park Tower 3
201 Sussex Street
Sydney NSW 2000
Australia

**Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank Nederland)**

Croeselaan 18
NL-3521 CB Utrecht
The Netherlands

**Coöperatieve Centrale Raiffeisen-Boerenleenbank
B.A. (Rabobank Nederland) New Zealand Branch**

Level 12
80 The Terrace
Wellington
New Zealand

ARRANGER

Commonwealth Bank of Australia

Level 4
Corner Pitt Street and Martin Place
Sydney NSW 1155
Australia

DEALERS

ASB Bank Limited

Level 28, ASB Bank Centre
135 Albert Street
Auckland
New Zealand

Bank of New Zealand

Level 13, BNZ Tower
125 Queen Street
Auckland
New Zealand

Commonwealth Bank of Australia

Level 4
Corner Pitt Street and Martin Place
Sydney NSW 1155
Australia

**Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank
International)**

Croeselaan 18
NL-3521 CB Utrecht
The Netherlands

National Australia Bank Limited

Level 26
255 George Street
Sydney NSW 2000

**Citigroup Global Markets Australia Pty
Limited**

Citigroup Centre, 2 Park Street
Sydney NSW 2000
Australia

The Toronto-Dominion Bank

Level 24
9 Castlereagh Street
Sydney NSW 2000
Australia

Westpac Banking Corporation

Level 2
275 Kent Street
Sydney NSW 2000
Australia

LUXEMBOURG LISTING AGENT

Deutsche Bank Luxembourg S.A.
2 Boulevard Konrad Adenauer
L-1115 Luxembourg
Luxembourg

AUSTRALIAN REGISTRAR

Computershare Investor Services Pty Limited
Level 3, 60 Carrington Street
Sydney NSW 2000
Australia

NEW ZEALAND REGISTRAR

Computershare Investor Services Limited
Level 2
159 Hurstmere Road, Takapuna
Auckland
New Zealand

AUSTRALIAN LEGAL COUNSEL TO THE ISSUER

Blake Dawson Waldron

Level 36
225 George Street
Sydney NSW 2000
Australia

NEW ZEALAND LEGAL COUNSEL TO THE ISSUER

Bell Gully

HP Tower
171 Featherston Street
Wellington
New Zealand

INDEPENDENT AUDITORS

*To Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank Nederland)*

Ernst & Young Accountants

Euclideslaan 1
3584 BL Utrecht
The Netherlands

*To Coöperatieve Centrale Raiffeisen-
Boerenleenbank B.A. (Rabobank Nederland)
Australia Branch*

Ernst & Young

680 George Street
Sydney NSW 2000
Australia