Prospectus dated June 4, 2009



Rabobank

Rabobank Nederland
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.

U.S.$2,868,297,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities

Issue Price of the Capital Securities: 100.00%

On May 15, 2009, Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland) ("Rabobank Nederland", the "Issuer" or the "Bank") made an offer to the holders of the U.S.$1.75 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust II (the "TPS II") and the U.S.$1.50 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust III (the "TPS III" and, together with the TPS II, the "TPS" or the "Trust Preferred Securities") to exchange such TPS for U.S.$ Fixed to Floating Rate Perpetual Noncumulative Capital Securities (the "New Capital Securities") to be issued by Rabobank Nederland (the "Exchange Offers"). In addition, the Issuer has agreed to issue U.S.$1,500,000,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities (the "Additional New Capital Securities" and together with the New Capital Securities, the "Capital Securities") to other subscribers. This prospectus (the "Prospectus") relates to the Capital Securities to be issued by Rabobank Nederland. The Issuer has received the requisite number of consents required to effect the Proposed Amendment (as defined herein) and has achieved the Minimum Tender Amounts (as defined herein) and therefore intends to accept for exchange TPS validly tendered and not withdrawn under the Exchange Offers. The total amount of New Capital Securities issued under the Exchange Offers will not be known until the final settlement date of the Exchange Offers, which is expected to be on or around June 18, 2009. See "Summary – Exchange Offers".

Interest on the Capital Securities will accrue from (and including) June 4, 2009 (the "Issue Date") to (but excluding) June 30, 2019 (the "First Call Date") at the rate of 11.0% per annum, and will be payable semi-annually in arrear on 30 June and 31 December in each year. From (and including) the First Call Date, the Capital Securities will bear interest at a rate of three-month U.S. dollar LIBOR plus 10.868%, payable quarterly in arrear on 31 March, 30 June, 30 September and 31 December in each year, all as more particularly described in the "Terms and Conditions of the Capital Securities – 5. Interest". Payments on the Capital Securities will be made without deduction for, or on account of, taxes of the Netherlands to the extent described under the "Terms and Conditions of the Capital Securities – Taxation".

The Capital Securities will be perpetual securities and will have no fixed or final redemption date. Subject to satisfaction of certain conditions (as described herein) and applicable law, the Capital Securities will be redeemable (at the option of the Issuer) on the "First Call Date", or on each Interest Payment Date thereafter, in whole but not in part in an amount equal to the Redemption Price (as defined in the "Terms and Conditions of the Capital Securities") with respect to such Capital Securities. Unless the Capital Securities have previously been redeemed or purchased and cancelled as provided in the "Terms and Conditions of the Capital Securities", the Issuer undertakes to exercise its option to redeem the Capital Securities as aforesaid on the first Interest Payment Date falling on or after June 30, 2039 on which the Conditional Call Exercise Requirements (as defined in the "Terms and Conditions of the Capital Securities") have been satisfied, as further described herein. In addition, upon the occurrence of a Tax Law Change or a Capital Event (each as defined in the "Terms and Conditions of the Capital Securities"), the Capital Securities may be redeemed (at the option of the Issuer) prior to the First Call Date in whole but not in part in an amount equal to their Make Whole Redemption Price or Redemption Price, as the case may be, as further described herein. The Capital Securities will constitute direct, unsecured and subordinated obligations of the Issuer and shall rank at all times *pari passu* and without any preference among themselves.

The Capital Securities have not been and will not be registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any other jurisdiction. Accordingly, the Capital Securities are being offered and sold only to (i) "qualified institutional buyers", as that term is defined in Rule 144A under the Securities Act ("Rule 144A"), in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act or (ii) persons other than "U.S. persons", as that term is defined in Regulation S under the Securities Act ("Regulation S"), in offshore transactions in reliance on Regulation S. The Capital Securities are subject to restrictions on transfer and resale an may not be transferred or resold except as permitted under the Securities Act and other applicable securities laws, pursuant to registration or exemption therefrom. For a description of certain restrictions on resales and transfers of the Capital Securities, see "Transfer Restrictions".

Application has been made to the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten* or "AFM"), in its capacity as competent authority under the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) and regulations thereunder (together "Dutch securities laws"), for the approval of this Prospectus for the purposes of Directive 2003/71/EC (the "Prospectus Directive"). Applications have also been made for the Capital Securities to be admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. ("Euronext Amsterdam"). References in this Prospectus to the Capital Securities being "listed" (and all related references) shall mean that the Capital Securities have been admitted to trading on Euronext Amsterdam. Euronext Amsterdam is a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and the Council on Markets in Financial Instruments. The denomination of the Capital Securities shall be U.S.$75,000 and integral multiples of U.S.$1,000 in excess thereof. The Capital Securities issued in reliance on Regulation S will be represented by interests in a permanent, unrestricted global certificate (the "Regulation S Global Capital Security Certificate") without interest coupons, which will be deposited with a common depositary for, and registered in the name of a nominee of, Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, *société anonyme* ("Clearstream, Luxembourg"), on the Issue Date. Beneficial interests in the Regulation S Global Capital Security Certificate will be shown on, and transfer thereof will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg. The Capital Securities issued in reliance on the exemption from registration under the Securities Act provided by Rule 144A will be represented by a new restricted capital security certificate (the "Rule 144A Global Capital Security Certificate") (the Regulation S Global Capital Security Certificate and the Rule 144A Global Capital Security Certificate, together the "Global Capital Security Certificates") without interest coupons, which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company ("DTC") on the Issue Date. Beneficial interests in the Rule 144A Global Capital Security Certificate will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants. See "Clearing and Settlement". Individual, definitive certificates in registered form ("Definitive Capital Securities") will only be available in certain limited circumstances as described herein. See "Summary of the Provisions Relating to the Capital Securities in Global Form".

The Capital Securities are expected upon issue to be rated "Aa2" by Moody's Investors Service Inc., "AA-" by Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc. and "AA" by Fitch Ratings Ltd. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Joint Book-Running Managers

Banc of America Securities LLC **Credit Suisse** **UBS Investment Bank**

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Important Information – Documents Incorporated by Reference" below).

This Prospectus does not constitute an offer or form part of, and should not be construed as, an offer for sale or subscription of, or a solicitation of any offer to buy or subscribe for the Capital Securities in certain jurisdictions which may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. This Prospectus does not constitute an offer in any circumstances in which such offer is unlawful. The Issuer will not incur any liability for its own failure or the failure of any other person or persons to comply with the provisions of any such restrictions.

No person is, or has been, authorised to give any information or to make any representation other than as contained in this Prospectus in its entirety in connection with the issue or offering of the Capital Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer. The delivery of this Prospectus shall not, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this document has been most recently amended or supplemented or that any other information supplied in connection with the issue or offering of the Capital Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. Neither this Prospectus nor any other information supplied in connection with the issue or offering of the Capital Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by the Issuer that any recipient of this Prospectus or any other information supplied in connection with the issue or offering of the Capital Securities should purchase any Capital Securities. Each investor contemplating participating in the issue or offering of the Capital Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the credit-worthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the issue or offering of the Capital Securities constitutes an offer of, or an invitation by or on behalf of the Issuer to any person to subscribe for or purchase, any Capital Securities.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Capital Securities. Each potential investor in the Capital Securities should determine for itself the relevance of the information contained in this Prospectus and its purchase of Capital Securities should be based upon such investigation as it deems necessary.

Unless otherwise specified or the context requires, references to "£" are to the currency of the United Kingdom, "dollars", "U.S. dollars" and "U.S.$" are to United States dollars, "NZ$" are to the currency of New Zealand and references to "EUR" and "€" are to euro, which means the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Community.

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

Unless the context otherwise requires, references in this Prospectus to "Rabobank Nederland", the "Issuer" are to Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. and references to the "Rabobank Group" or the "Bank" or "Rabobank" are to Rabobank Nederland and its members, subsidiaries and affiliates. References to "Initial Purchasers" are to Banc of America Securities LLC, Credit Suisse Securities (USA) LLC and UBS Securities LLC.

All figures in this Prospectus have not been audited, unless stated otherwise. Such figures are internal figures of Rabobank Nederland or Rabobank Group (as defined hereafter).

The Capital Securities have not been approved or disapproved by the U.S. Securities and Exchange Commission, any State securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Capital Securities or the accuracy or adequacy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

In addition, until 40 days after the later of the commencement of the offering and the issue date of the Capital Securities, an offer or sale of the Capital Securities within the United States by any dealer not participating in the offering may violate the registration requirements of the Securities Act.

NOTICE TO NEW HAMPSHIRE RESIDENTS ONLY

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Available information under Rule 144A

Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the U.S. Securities Exchange Act of 1934 (the "Exchange Act"). As long as Rabobank Nederland is exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, it will furnish its annual report and certain other periodic reports and information to the SEC. At such time of filing, Rabobank Nederland will be exempt from providing the information required under Rule 144A(d)(4) described in the paragraph below. Copies of the materials furnished to the SEC may be inspected and copied at the public reference facilities maintained by the SEC at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington, D.C. 20549 and will also be available for inspection and copying at the regional office of the SEC located at Citicorp Center, 500 West Madison Street (Suite 1400), Chicago, Illinois 60661.

Rabobank Nederland has agreed that, for so long as any Capital Securities issued by it are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the Exchange Act nor exempt from reporting pursuant to Rule

12g3-2(b) thereunder, provide to any holder or beneficial owner of such restricted securities or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner upon the request of such holder, beneficial owner or prospective purchaser, the information required to be provided by Rule 144A(d)(4) under the Securities Act. Rabobank Nederland is not, nor does it intend to become, a reporting company under Section 13 or Section 15(d) of the Exchange Act. Any such request for information should be directed to Rabobank Nederland at its office set out at the end of this Prospectus.

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SUMMARY

This overview must be read as an introduction to this Prospectus. Any decision to invest in any Capital Securities should be based on a consideration of this Prospectus as a whole, including the documents incorporated by reference, by any investor. The Issuer has civil liability in respect of this summary, if it is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus. Where a claim relating to information contained in this Prospectus is brought before a court in an EEA State, the claimant may, under the national legislation of the EEA State where the claim is brought, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated.

Rabobank

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. It comprises 153 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 45 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 9.5 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food and agriculture. The Rabobank Group entities have strong internal relationships due to Rabobank's cooperative structure.

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world's 20 largest financial institutions.

Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With approximately 1,100 branches and nearly 3,100 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 7.5 million clients, both private and corporate, offering a comprehensive package of financial services.

Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

At December 31, 2008, the Rabobank Group had total assets of € 612.1 billion, a private sector loan portfolio of € 408.6 billion, amounts due to customers of € 304.2 billion, saving deposits of € 114.7 billion and equity of € 33.5 billion. At December 31, 2008, its Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 12.7%. For the year ended December 31, 2008, the Rabobank Group's efficiency ratio was 65.3%, and return on equity, or net profit expressed as a percentage of core capital, was 9.7%. For the year ended December 31, 2008, the Rabobank Group realised a 2% rise in net profit to € 2.8 billion and a risk-adjusted return on capital ("RAROC"), of 12.5% after tax. At December 31, 2008, the Rabobank Group had 60,568 full-time employees.

Objectives

According to article 3 of its articles of association, the objective of Rabobank Nederland is to promote the interests of its members, the local Rabobanks. It shall do so by: (i) promoting the establishment, continued existence and development of cooperative banks; (ii) conducting the business of banking in the widest sense, especially by acting as central bank for its members and as such entering into agreements with its members; (iii) negotiating rights on behalf of its members and, with due observance of the relevant provisions of the articles of association, entering into commitments on their behalf, provided that such commitments have the

same implications for all its members, including the entering into collective labour agreements on behalf of its members; (iv) participating in, managing and providing services to other enterprises and institutions, in particular enterprises and institutions operating in the fields of insurance, lending, investments and/or other financial services; (v) supervising the local Rabobanks in accordance with the provisions of the Financial Supervision Act (*Wet op het financieel toezicht*); and (vi) doing all such other things as may be regarded as being incidental or conducive to the attainment of the objectives specified above.

Market shares in the Netherlands

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services.

Residential mortgages: At December 31, 2008, the Rabobank Group had a market share of approximately 30% of new home mortgages in the Dutch mortgage market by value (source: Dutch Land Registry Office (*Kadaster*)).

Savings deposits of individuals: At December 31, 2008, the Rabobank Group had a market share of approximately 43% of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)).

Lending to small and medium-sized enterprises: At December 31, 2008, the Rabobank Group had a market share of approximately 39% of domestic loans to the trade, industry and services sector (source: measured by Rabobank's own surveys).

Agricultural loans: At December 31, 2008, the Rabobank Group had a market share of approximately 84% of loans and advances made by banks to the Dutch primary agricultural sector (source: measured by Rabobank's own surveys).

Asset quality record

In 2008 Rabobank's bad debt costs were 31 basis points of average lending, which is higher than the long-term average of 21 basis points. This ratio provides an indication of the probability of loan losses and reflects Rabobank Group's favourable credit risk profile.

At December 31, 2008, economic country risk exposure to non-OECD countries represented 3.1% of the Rabobank Group's total assets. Having taken into account country risk-reducing components, net country risk before provisions amounted to 1.2% of Rabobank's total assets.

Capitalisation

As a result of Rabobank's co-operative ownership structure it is not allowed to pay dividends, which benefits its capital base. At December 31, 2008, Rabobank's Tier 1 ratio was 12.7%.

Exchange Offers

On May 15, 2009, the Issuer made an offer to the holders of the U.S.$1.75 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust II and the U.S.$1.50 billion non-cumulative guaranteed trust preferred securities of Rabobank Capital Funding Trust III to exchange such TPS for New Capital Securities to be issued by the Issuer.

In connection with each Exchange Offer, the Issuer also announced on May 15, 2009 the solicitation of consents (the "Consent Solicitations") of the holders of the applicable series of TPS to a proposed amendment to each of the Amended and Restated Trust Agreement dated November 21, 2003 relating to the TPS II and

the Amended and Restated Trust Agreement dated October 21, 2004 relating to the TPS III (together, the "Trust Agreements"). The proposed amendments will have the effect of enabling the purchase of the TPS in the Exchange Offers relating to the applicable series of TPS by amending a certain restrictive provision in that regard (the "Proposed Amendment").

The purchase of the TPS in each Exchange Offer is conditioned upon (i)(a) the receipt of the consent of the holders of at least a majority of the then outstanding aggregate liquidation preference amount of the applicable series of TPS (as such terms are defined in the Trust Agreements), each voting as a separate class to the Proposed Amendment and (b) the effectiveness of the Proposed Amendment and (ii) on or before the May 28, 2009, either (a) TPS of the relevant series representing at least U.S.$500,000,000 of the aggregate liquidation preference amount of such series having been validly tendered and not withdrawn for exchange (the "Minimum Tender Amount") or (b) TPS of both series representing at least U.S.$750,000,000 of the aggregate liquidation preference amount of both series having been validly tendered and not withdrawn for exchange (the "Aggregate Minimum Tender Amount"). The Issuer may, in its sole discretion, amend, terminate or withdraw each and any of the Exchange Offers and Consent Solicitations at any time prior to June 12, 2009 and may, in its sole discretion, waive each and any of the conditions to the Exchange Offers, except for the condition of the required prior effectiveness of the Proposed Amendment if it accepts TPS for exchange.

The Issuer has received the requisite number of consents required to effect the Proposed Amendment and has achieved the Minimum Tender Amounts and therefore intends to accept for exchange TPS validly tendered and not withdrawn under the Exchange Offers. As at 5:00 p.m. New York City time on May 28, 2009 (the "Early Participation Deadline"), the aggregate participation rate for the Exchange Offers was approximately 54.1% of the outstanding Trust Preferred Securities. Approximately U.S.$1,013,623,000, or 57.9%, face value of the TPS II and approximately U.S.$743,275,000, or 49.6%, face value of the TPS III have been tendered for exchange, which are expected to be exchanged for U.S.$1,368,297,000 of New Capital Securities. The Exchange Offers and offering of the Additional New Capital Securities will therefore result in an aggregate issuance of Capital Securities of U.S.$2,868,297,000.

New Capital Securities are expected to be issued on June 4, 2009, in exchange for any TPS validly tendered and not withdrawn by the Early Participation Deadline. Each Exchange Offer will expire at midnight, New York City time, on June 12, 2009, unless extended by Rabobank Nederland. New Capital Securities are expected to be issued on June 18, 2009 in exchange for any TPS validly tendered and not withdrawn after the Early Participation Deadline but prior to midnight, New York City time, on June 12, 2009.

Summary of the Terms of the Capital Securities

Capitalised terms used but not defined in this summary shall bear the respective meanings ascribed to them in "Terms and Conditions of the Capital Securities".

Issuer of the Capital Securities	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland)
Fiscal Agent, Principal Paying and Transfer Agent	Deutsche Bank AG, London Branch
Registrar and Paying Agent	Deutsche Bank Luxembourg S.A.
Registrar, Transfer Agent and Paying Agent	Deutsche Bank Trust Company Americas
Listing Agent and Paying Agent	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities)
Agent Bank	Deutsche Bank AG, London Branch
Maturity Date	The Capital Securities are perpetual securities and have no scheduled maturity date.
Issue Date	June 4, 2009
Interest	From (and including the Issue Date to (but excluding) the First Call Date, the Capital Securities will bear interest at a rate of 11.0% per annum payable semi-annually in arrear. From (and including) the First Call Date, the Capital Securities will bear interest at a rate of three-month U.S. dollar LIBOR plus 10.868%, payable quarterly in arrear, as more fully described under Condition 5.
Interest Payment Dates	Except as described below, from (and including) the Issue Date to (but excluding) the First Call Date, interest will be payable on 30 June and 31 December in each year commencing on December 31, 2009 (long first period). From (and including) the First Call Date, interest will be payable on 31 March, 30 June, 30 September and 31 December in each year.
Ranking	The payment obligations under the Capital Securities constitute unsecured obligations of the Issuer and shall, in the case of (a) the bankruptcy of the Issuer; (b) a Moratorium; or (c) dissolution (*ontbinding*) of the Issuer, rank: (i) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's obligations under the Capital Securities (including, without limitation, the Existing Capital Securities and the Junior Member Certificates Related Agreements)); (ii) *pari passu* (a) with the Issuer's obligations under the guarantees and contingent guarantees in relation to the

	Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI and the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI, (b) with the Issuer's obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares of the Issuer; and (iii) senior to the Issuer's obligations under the Junior Member Certificates Related Agreements and any other instruments ranking *pari passu* with the Junior Member Certificates Related Agreements (in accordance with, and by virtue of, the subordination provisions of, the Junior Member Certificates Related Agreements) and any other instruments ranking *pari passu* therewith. By virtue of such subordination, payments to the Holders will, in the case of the bankruptcy or dissolution of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to the Capital Securities have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Holder by the Issuer under or in connection with such Capital Security shall be excluded and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.
Required Interest	The Issuer will be required to pay interest on the Capital Securities, unless payment thereof is prohibited, as follows: (1) **In full** (i) The payment of Interest will be required in full for Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or immediately follows the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends or other distributions annually or semi-annually, if any (other than any Group Declarations and any Excluded Declarations). (ii) The payment of Interest will be required in full for Interest Periods covering six consecutive months

commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group exchanges or converts, redeems, repurchases or otherwise acquires (w) a Parity Share, (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument, for any consideration, or any moneys are paid to or made available for a sinking fund, or for redemption of any such securities (other than (i) any redemption, repurchase or other acquisition of such share capital or other instrument held by any member of the Rabobank Group and any payments in connection therewith by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank, (ii) as a result of a reclassification of the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group or the exchange or conversion of one class or series of such share capital for another class or series of such share capital or (iii) the purchase of fractional interests in the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged).

(2) **Fractional or in full**

The payment of Interest will be required in full or in part on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment (other than any Group Declarations and any Excluded Declarations) with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends on a basis other than annually or semi-annually, if any, at an amount equal to the Interest Amount on the Capital Securities for the related Interest Period, multiplied by a fraction, the numerator of which is the number of days in the dividend, distribution or

payment period applicable to the payment on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument and the denominator of which is the number of days in the related Interest Period; provided, however, that, if the dividends, distributions or payments on any Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument that triggers the requirement to pay Interest on the Capital Securities as provided by Condition 6(b) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or immediately after the date on which the dividend, distribution or payment is declared or made on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument;

(3) **Pro rata to Parity Shares**

The payment of Interest will be required:

(i) for Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends annually or semi-annually, if any (other than any Excluded Declarations); and

(ii) on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends on a basis other than annually or semi-annually, if any (other than any Excluded Declarations);

provided that in the event that Interest on the Capital Securities is payable (or deemed to be payable) as provided under Condition 6(c), such Interest shall be payable (or deemed to be payable) in the same proportion that the declaration or payment on such Parity Share bears to the stated annual or semi-annual dividends, distributions or payments to be declared and paid on such Parity Share. If the dividend, distribution or payment on any such Parity Share that triggers the requirement to pay Interest on the Capital Securities as provided by Condition 6(c) is made, but not with respect to a specified dividend, distribution or

	payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or first following the date on which the dividend, distribution or payment is declared or made on such Parity Share.
Prohibited and Discretionary Interest	***Prohibited Interest***
	Notwithstanding the provisions set out in "Required Interest" above, the Issuer shall not pay the Interest due on an Interest Payment Date to the extent that applicable Solvency Rules prohibit the Issuer, any Local Rabobank or any other member of the Rabobank Group from declaring or paying dividends or distributions or making other payments on the Capital Securities or any Parity Share or any of their other respective instruments which effectively rank *pari passu* with any Parity Share on such Interest Payment Date. In such case and to such extent there will be no Required Interest.
	Discretionary Interest
	Any Interest that is neither Required Interest nor Prohibited Interest shall be payable on the relevant Interest Payment Date at the sole discretion of the Issuer, subject to the approval of the Dutch Central Bank, if required.
	Any Prohibited Interest or Discretionary Interest not paid on any relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.
Optional Redemption	Subject to certain conditions, as more particularly set out in Condition 8(b), the Issuer may elect to redeem all, but not some only, of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.
	Unless the Capital Securities have previously been redeemed or purchased and cancelled, the Issuer undertakes to exercise its option to redeem the Capital Securities on the Conditional Call Exercise Date (being the first Interest Payment Date falling on or after June 30, 2039 on which (i) all Interest is Required Interest and (ii) the Issuer has previously raised (or caused to be raised by a member of the Rabobank Group) the amount of net proceeds which the Issuer determines (at any time prior to such date in its sole discretion but in consultation with the Dutch Central Bank, as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the Capital Securities (as more particularly set out in Condition 8(c) of the Capital Securities)).
Tax Law Change	If as a result of a Tax Law Change:
	(i) there is more than an insubstantial risk that the Issuer will

	be required to pay Additional Amounts with respect to payments on the Capital Securities; or (ii) Interest payable on the Capital Securities when paid would not be deductible by the Issuer for Netherlands corporate income tax liability purposes, then the Issuer may, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Redemption Price or their Make Whole Redemption Price, as the case may be, on the relevant date fixed for redemption as more particularly set out in Condition 8(d).
Withholding Tax and Additional Amounts	The Issuer will pay such Additional Amounts as may be necessary in order that the net payment received by each Holder in respect of the Capital Securities, after withholding for any taxes imposed by tax authorities in the Netherlands upon payments made by or on behalf of the Issuer in respect of the Capital Securities, will equal the amount which would have been received in the absence of any such withholding taxes, subject to customary exceptions, as more particularly set out in Condition 11.
Capital Event	If a Capital Event has occurred and is continuing, then the Issuer may, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Make Whole Redemption Price, on the relevant date fixed for redemption, as more particularly set out in Condition 8(e).
Listing	Application has been made to list the Capital Securities on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V. It is expected that admission to listing will become effective and dealings are expected to commence on June 4, 2009.
Governing Law	The Capital Securities will be governed by, and construed in accordance with, the laws of the Netherlands.
Form	Registered. The Capital Securities issued in reliance on Regulation S will be represented by interests in the Regulation S Global Capital Security Certificate. The Capital Securities issued in reliance on Rule 144A will be represented by the Rule 144A Global Capital Security Certificate. The Global Capital Security Certificates will be exchangeable for Definitive Capital Securities only in the limited circumstances specified in the Global Capital Security Certificates.
Denomination	U.S.$75,000 and integral multiples of U.S.$1,000 in excess thereof.
Clearing and Settlement	The Capital Securities have been accepted for clearance through the facilities of each of The Depository Trust Company and Euroclear and Clearstream, Luxembourg.
Rating	The Capital Securities are expected to be assigned on issue a

	rating of "Aa2" by Moody's Investors Service Inc., "AA-" by Standard & Poor's Rating Services, a Division of The McGraw-Hill Companies, Inc. and "AA" by Fitch Ratings Ltd. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the assigning rating agency.
Risk Factors	Prospective investors should carefully consider the information under "Risk Factors" in conjunction with the other information contained or incorporated by reference in this document. The Issuer considers that, *inter alia*, the following factors may affect its ability to fulfil its obligations under the Capital Securities, as more particularly set out in "Risk Factors": • Business and general economic conditions; • Credit risk; • Bad debt costs/average private sector lending ratio; • Country risk; • Interest rate risk; • Funding and liquidity risk; • Market risk; • Currency risk; • Operational risk; • Legal risk; • Tax risk; and • Effect of governmental policy and regulation. In addition, the following factors, *inter alia*, are material for the purpose of assessing the market risks associated with the Capital Securities, as more particularly set out in "Risk Factors": • Risks relating to the Capital Securities being subordinated obligations of the Issuer; • Risks relating to the Capital Securities being subject to certain restrictions on the payment of interest; • Risks relating to the Capital Securities having no scheduled repayment date and Holders having restricted ability to require redemption of the Capital Securities; and • Risks relating to the Conditions permitting defined majorities to bind all Holders of Capital Securities at meetings of such Holders.
Use of Proceeds	There will be no proceeds from the New Capital Securities. The net proceeds of the issue of the Additional New Capital Securities, expected to amount to approximately U.S.$1,484,500,000 will be used to fund the general banking

	business of the Rabobank Group and to strengthen its capital base.
Security Codes	***For the Rule 144A Global Capital Security Certificate:*** CUSIP: 749770AQ6 ISIN: US749770AQ67 Common Code: 043198416 ***For the Regulation S Global Capital Security Certificate:*** ISIN: XS0431744282 Common Code: 043174428
Selling Restrictions	The United States, the European Economic Area, the United Kingdom, France, Belgium, Italy, Singapore and Hong Kong. The Capital Securities have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Capital Securities are being offered and sold only to (i) "qualified institutional buyers", as that term is defined in Rule 144A, in a private transaction in reliance up on an exemption from the registration requirements of the Securities Act or (ii) persons other than "U.S. persons", as that term is defined in Regulation S, in offshore transactions in reliance on Regulation S. For a description of these and certain further restrictions on offers, sales and transfers of the Capital Securities and distribution of this Prospectus, see "Subscription and Sale".

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Capital Securities. All 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 the Capital Securities are also described below.

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

Factors that may affect the Issuer's ability to fulfil its obligations under the Capital Securities

Business and general economic conditions

The profitability of the Rabobank Group could be adversely affected by a continued worsening of general economic conditions in the Netherlands or globally. The financial crisis which started in the second half of 2007, affects all banks, particularly in respect of funding due to the liquidity shortage. Factors such as interest rates, inflation, deflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices can significantly affect the activity level of customers and the profitability of the Rabobank Group. For example, the continuing economic downturn, or significantly higher interest rates, could adversely affect the credit quality of the Rabobank Group's assets by increasing the risk that a greater number of its customers would be unable to meet their obligations. Moreover, the market downturn and worsening of the economy could cause the Rabobank Group to incur further mark-to-market losses in its trading portfolios or could reduce the fees the Rabobank Group earns for managing assets or the levels of assets under management. In addition, the continuing market downturn and increased competition for savings in the Netherlands could lead to a decline in the volume of customer transactions that the Rabobank Group executes and, therefore, a decline in customer deposits and the income it receives from fees and commissions and interest. See "Management's Discussion and Analysis of Financial Condition and Results of Operations – Factors affecting results of operations – General market conditions" and "– Impact of the financial crisis". Continuing volatility in the financial markets or a protracted economic downturn in the Netherlands or the Rabobank Group's other major markets could have a material adverse effect on the Rabobank Group's results of operations.

Credit risk

Credit risk is the risk that a client defaults on its obligations to pay sums due. In order to minimise this risk, Rabobank Group pursues a prudent policy for accepting new clients, characterised by careful assessment of clients and their ability to make repayments. Rabobank Group grants loans only if it is expected that a client can fully meet its obligations. Rabobank's portfolio is divided across a large number of business sectors. This creates a large and balanced risk diversification, so that the quality of the credit loan portfolio should not significantly deteriorate if one or more business sectors go through a difficult period or are adversely affected by the current economic recession. Approval of larger financing applications is decided on by various committees, the level of the applicable committee depending on the amount of total exposure including the requested financing. The Executive Board decides on the largest financing applications.

EAD (Exposure at Default), PD (Probability of Default) and LGD (Loss Given Default) are important Basel II parameters that are increasingly being used in the context of credit risk management, and it is partly on these parameters that Rabobank Group determines the economic capital and the RAROC (Risk-Adjusted Return On Capital).

The use of Basel II parameters and RAROC supports credit analysts and credit committees in making well-considered decisions. Every entity of Rabobank Group has determined a RAROC target at customer level. Next to credit quality, this is an important factor in taking decisions on specific credit applications. The EAD is defined as the Bank's exposure to the client in the case of a default. At the end of 2008, the EAD of Rabobank Group's credit portfolio amounted to €515 billion (2007: €465 billion). The EAD includes the potential future usage of unused credit lines. In its financing approval process, Rabobank Group uses the Rabobank risk rating, which reflects the counterparty's PD over a one-year period. Counterparties have been assigned to one of the 25 rating classes, including four default ratings. The final four categories are being used if the customer defaults, and cover situations varying from payment arrears of 90 days to bankruptcy.

As a result of Rabobank Group's high level of diversification, it has not experienced major fluctuations in its levels of profitability in the past. However, the current economic downturn may result in loan losses that are above Rabobank Group's long-term average, which could have a material adverse effect on the Rabobank Group's results of operations.

Bad debt costs/average private sector lending ratio

At Rabobank Group level, the average for bad debt costs as a percentage of private sector lending during the past 10 years was 21 basis points, while for 2008 it was 31 basis points. For the wholesale and international retail banking operations, the bad debt costs as a percentage of private sector lending increased from 2 basis points in 2007 to 93 basis points in 2008, mainly due to the adverse conditions in the financial markets. The Irish real estate sector was particularly affected in 2008. The financing provided by the Rabobank Group's wholesale and international retail banking operations to this sector had a significant impact on bad debt costs. For the domestic retail operations, this ratio increased from 6 basis points in 2007 to 8 basis points in 2008. The ratio for the leasing portfolio increased from 61 basis points in 2007 to 64 basis points in 2008. Continuing adverse financial conditions in the Netherlands or the Rabobank Group's other major markets could further increase the Rabobank Group's bad debt costs, which could have a material adverse effect on the Rabobank Group's results of operations.

Country risk

With respect to country risk, a distinction is made between transfer risk and collective debtor risk. Transfer risk relates to the possibility of foreign governments placing restrictions on funds transfers from debtors in that country to creditors abroad. Collective debtor risk relates to the situation in which a large number of debtors in a country cannot meet their commitments for the same reason (e.g. war, political and social unrest or natural disasters, but also government policy that does not succeed in creating macro-economic and financial stability). Rabobank Group uses a country limit system to manage transfer risk and collective debtor risk. After careful review, relevant countries are given an internal country risk rating, after which transfer limits and general limits are established.

Transfer limits are determined according to the net transfer risk, which is defined as total loans granted, less loans granted in local currency, less guarantees and other collateral obtained to cover transfer risk, and less a reduced weighting of specific products. The limits are allocated to the offices, which are themselves responsible for day-to-day monitoring of the loans granted by them and for reporting on this to Group Risk Management.

At Rabobank Group level, the country risk outstanding, including additional capital requirements and provisions for country risks, is reported every quarter to the Balance Sheet and Risk Management Committee Rabobank Group ("BRMC-RG") and the Country Limit Committee. The calculation of additional capital requirements and provisions for country risk are made in accordance with internal guidelines and concern countries with a high transfer risk.

At 31 December, 2008, the net transfer risk before provisions for non-OECD countries was 1.2% (2007: 1.2%).

Interest rate risk

An important risk component 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 change, 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 interest rate fixation 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 Rabobank Group's cash resources or by selling or pledging assets or by borrowing funds from third parties.

In addition to having a diversified funding base, maintaining appropriate levels of central bank-eligible collateral and limiting net cash outflows, methods of managing and measuring liquidity risk include the CA/CL method (Core Assets/Core Liabilities). This analysis is based on the cash flow schedule of assets and liabilities. A quantification is made of the assets (and unused facilities) and liabilities that will probably still be or come onto the balance sheet after a defined stress scenario has taken place. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities respectively. The CA/CL ratio is the liquidity ratio. Given the weightings used, a ratio of below 1.2 is considered adequate. In 2008, this was the case for the scenarios used.

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, credit products 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 Rabobank Group 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.

In 2008, the Value at Risk fluctuated between € 31 million and € 58 million, with an average of € 39 million. Although positions were reduced, the instability in the financial markets in the latter half of 2008 resulted in a substantial rise in the Value at Risk. The value of the Rabobank Group's trading portfolio is affected by the factors above. A deterioration in the value of the Rabobank Group's trading portfolio could have a material adverse effect on the Rabobank Group's results of operations.

Currency risk

Currency risk positions can be found in both trading and non-trading books. As is the case with 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 risk on capital invested in foreign activities and issues of trust preferred securities not denominated in euros. Translation risk is the risk that exists when assets or liabilities are denominated in a currency deviating from the presentation currency.

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. 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.

Legal risk

The Rabobank Group is subject to a comprehensive range of legal obligations in all countries in which it operates. As a result, the Rabobank Group is exposed to many forms of legal risk, which may arise in a number of ways. The Rabobank Group faces risk where legal proceedings are brought against it. Regardless of whether such claims have merit, the outcome of legal proceedings is inherently uncertain and could result in financial loss. Defending legal proceedings can be expensive and time-consuming and there is no guarantee that all costs incurred will be recovered even if the Rabobank Group is successful. Although the Rabobank Group has processes and controls to manage legal risks, failure to manage these risks could impact the Rabobank Group adversely, both financially and in terms of reputation.

Tax risk

The Rabobank Group is subject to the tax laws of all countries in which it operates. Tax risk is the risk associated with changes in tax law or in the interpretation of tax law. It also includes the risk of changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Failure to manage tax risks could lead to an additional tax charge. It could also lead to a financial penalty for failure to comply with required tax procedures or other aspects of tax law. If, as a result of a particular tax risk materialising, the tax costs associated with particular transactions are greater than anticipated, it could affect the profitability of those transactions.

Effect of governmental policy and regulation

The Rabobank Group's businesses and earnings can be affected by the fiscal or other policies and other actions of various governmental and regulatory authorities in the Netherlands, the European Union, the United States and elsewhere. Areas where changes could have an impact include (but are not limited to): the monetary, interest rate and other policies of central banks and regulatory authorities; changes in government or regulatory policy that may significantly influence investor decisions in particular markets in which the Rabobank Group operates; changes and rules in competition and pricing environments; developments in the financial reporting environment; or unfavourable developments producing social instability or legal uncertainty which in turn may affect demand for the Rabobank Group's products and services. Regulatory compliance risk arises from a failure or inability to comply fully with the laws, regulations or codes applicable specifically to the financial services industry. Non-compliance could lead to fines, public reprimands, damage to reputation, enforced suspension of operations or, in extreme cases, withdrawal of authorisations to operate.

In 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. This may affect the competitive environment in which the Rabobank Group operates in the Netherlands.

Factors which are material for the purpose of assessing the market risks associated with the Capital Securities

The Capital Securities may not be a suitable investment for all investors

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

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

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

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Capital Securities, including where the currency for principal or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the Capital Securities and be familiar with the behaviour of any relevant financial markets; and

(e) 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.

The Capital Securities are subordinated obligations

The obligations of the Issuer to make payments under Capital Securities provide to the Holders of the Capital Securities, as nearly as possible, rights to payment upon liquidation or redemption equivalent to those which the Holders would be entitled if they held the most senior ranking preferred equity securities or preferred or preference shares directly issued by the Issuer.

The Issuer's obligation to make payments under the Capital Securities is limited. In particular, the Issuer's obligations under the Capital Securities constitute unsecured obligations of the Issuer and rank:

(a) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's obligations under the Capital Securities (including, without limitation, the Junior Member Certificates Related Agreements (as defined in Condition 1)));

(b) *pari passu* (a) with the Issuer's obligations under the guarantees and contingent guarantees in relation to the Non-cumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI and the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI, (b) effectively, with the most senior ranking preferred equity securities or preferred or preference shares of the Issuer, (c) with the NZ$ Perpetual Noncumulative Capital Securities issued on October 8, 2007, the U.S.$ Perpetual Noncumulative Capital Securities issued on October 22, 2007, the U.S.$ Perpetual Noncumulative Capital Securities issued on June 6, 2008, the £ Perpetual Noncumulative Capital Securities issued on June 10, 2008, the

CHF Perpetual Noncumulative Capital Securities issued on June 27, 2008, the ILS Perpetual Noncumulative Capital Securities issued on July 14, 2008 the U.S.$ Perpetual Noncumulative Capital Securities issued on September 24, 2008, the € Perpetual Noncumulative Capital Securities issued on February 27, 2009 and the NZ$ Perpetual Noncumulative Capital Securities issued on May 27, 2009; and

(c) senior to the Issuer's obligations under the Junior Member Certificates Related Agreements and any other instruments ranking *pari passu* with the Junior Member Certificates Related Agreements (in accordance with and by virtue of the subordination provisions of the Junior Member Certificates Related Agreements) and any other instruments ranking *pari passu* therewith.

By virtue of this subordination, payments to the Holders will, in the case of the bankruptcy or dissolution of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to Capital Securities have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Holder by the Issuer under or in connection with such Capital Security shall be excluded and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.

Other than the limitations in relation to the issue of prior rating Tier 1 Capital of the Rabobank Group as set out in Condition 4(c), the Capital Securities do not limit the Issuer's ability or the ability of any entity in the Rabobank Group to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Capital Securities.

No limitation on issuing pari passu securities; subordination

There is no restriction on the amount of securities which the Issuer may issue and which rank *pari passu* with, the Capital Securities.

The issue of any such securities may reduce the amount recoverable by Holders on a winding-up of the Issuer. Accordingly, in the winding-up of the Issuer and after payment of the claims of senior creditors and of depositors, there may not be a sufficient amount to satisfy the amounts owing to the Holders.

Profit Risk

The extent to which the Issuer makes a profit from its operations (if any) will affect whether the payment of interest is required, prohibited or discretionary as more particularly set out in Conditions 6 and 7.

Prohibited and Discretionary Interest

Payments of interest on any Interest Payment Date may be prohibited to the extent that the Solvency Rules prevent the Issuer, any Local Rabobank or any other member of the Rabobank Group from declaring or paying dividends or distributions or any Parity Share or any of their other respective instruments which effectively rank *pari passu* with any Parity Share on such Interest Payment Date.

In addition, any Interest that is neither Required Interest nor Prohibited Interest shall be payable on the relevant Interest Payment Date at the sole discretion of the Issuer, subject to the approval of the Dutch Central Bank, if required.

Any Prohibited Interest or Discretionary Interest not paid on the relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise. Thus, any interest not paid as a result of these restrictions will be lost and the Issuer will have no obligation to make payment of such interest or to pay interest thereon. Furthermore, if the Issuer is prohibited from paying interest on the Capital Securities by virtue of non-compliance with its regulatory capital ratios as described

above, there will be no restriction on the Issuer from otherwise making distributions to holders of its member certificates should it have available distributable funds available for such purpose.

Perpetual Securities

The Capital Securities are perpetual securities which have no scheduled repayment date. However, the Issuer has the option to redeem the Capital Securities in certain circumstances (including from the First Call Date) and, subject to the Conditions, has undertaken to exercise its option to redeem the Capital Securities on the Conditional Call Exercise Date. The ability of the Issuer to redeem Capital Securities, including on a Conditional Call Exercise Date, is subject to the Issuer satisfying certain conditions (see Condition 8).

Holders of Capital Securities have no ability to require the Issuer to redeem their Capital Securities unless an Event of Default occurs. The Events of Default, and Holders' rights following an Event of Default, are set out in Condition 10.

This means that Holders of Capital Securities have no ability to cash in their investment, except:

(a) if the Issuer exercises its rights to redeem or purchase the Capital Securities;

(b) if permitted following an Event of Default; or

(c) by selling their Capital Securities.

In addition, upon the occurrence of a Tax Law Change or a Capital Event, the Capital Securities may be redeemed at their Redemption Price or their Make Whole Redemption Price, as the case may be, as more particularly described herein. There can be no assurance that Holders will be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Capital Securities.

Risks related to Capital Securities generally

Set out below is a brief description of the principal risks relating to the Capital Securities generally:

Modification, waivers and substitution

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

The Terms and Conditions of the Capital Securities may be amended by the Issuer (i) for the purposes of curing any ambiguity, or for curing, correcting or supplementing any defective provision contained therein or (ii) in any manner which the Issuer may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Capital Securities, to all of which each Holder shall, by acceptance thereof, consent.

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

The Capital Securities 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 Capital Securities 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 Capital Securities that are especially sensitive to interest rate, or market risks. These types of Capital Securities 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 the Capital Securities.

Exchange rate risks and exchange controls

The Issuer will, in the circumstances provided herein, pay principal and interest on the Capital Securities in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (i) the Investor's Currency-equivalent yield on the Capital Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Capital Securities and (iii) the Investor's Currency-equivalent market value of the Capital Securities. If the Capital Securities are denominated in another currency than the currency of the country in which the Holder is resident, the Holder is exposed to the risk of fluctuations in the exchange rate between the two aforementioned currencies. The Holder 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 Capital Security 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.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Capital Securities. 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 Capital Securities. 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) Capital Securities are legal investments for it, (ii) Capital Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Capital Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Capital Securities under any applicable risk-based capital or similar rules.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from July 1, 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).

Also with effect from July 1, 2005, a number of non-EU countries, including Switzerland, and certain dependent or associated territories of certain Member States, agreed to adopt similar measures (either provision of information or transitional withholding) (a withholding system in the case of Switzerland) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories. If 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 Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Capital Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The conditions of the Capital Securities are based on Dutch law in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to Dutch law or administrative practice after the date of this Prospectus.

IMPORTANT INFORMATION

Responsibility Statement

This Prospectus comprises a prospectus for the purposes of the Prospectus Directive and the Dutch securities laws. Rabobank Nederland, 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 Prospectus with respect to the Rabobank Group and the Capital Securities or otherwise is in accordance with the facts and does not omit anything likely to affect the import of such information. Rabobank Nederland accepts responsibility accordingly.

Documents incorporated by reference

This Prospectus should be read and construed in conjunction with the following documents which have been previously published or are published simultaneously with this Prospectus and which have been filed with the AFM:

(a) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2006 (together with the audit reports thereon and explanatory notes thereto);

(b) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2007 (together with the audit reports thereon and explanatory notes thereto);

(c) the audited consolidated and unconsolidated annual financial statements of the Issuer for the financial year ended December 31, 2008 (together with the audit reports thereon and explanatory notes thereto); and

(d) the "Historical Financial Information" section from the Issuer's Euro 110,000,000,000 Global Medium-Term Note Programme Offering Circular dated May 8, 2009, on pages F-72 to F-84 (inclusive).

Such documents shall be incorporated in, and form part of, this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Rabobank Nederland will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the request of such person, a copy of any or all of the documents incorporated herein by reference unless such documents have been modified or superseded as specified above, in which case the modified or superseding version of such document will be provided. Requests for such documents should be directed to Rabobank Nederland at its office set out at the end of this Prospectus. In addition, such documents will be available, without charge, from the principal office in the Netherlands of Rabo Securities (as Euronext Amsterdam Listing Agent).

Presentation of financial information

The audited consolidated financial statements for the years ended December 31, 2006, December 31, 2007 and December 31, 2008 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU pursuant to EU Regulation No 1606/2002.

Change in accounting policies

As a result of changes in accounting policies and presentation, certain figures for the Rabobank Group as at and for the year ended December 31, 2007 in this Prospectus have been restated. Actuarial gains or losses from adjustments to actual developments and modified actuarial assumptions are recognised using the corridor method. Insofar as unrecognised cumulative actuarial gains or losses exceed 10% of the higher of the present value of the gross obligation under the defined benefit plan or the fair value of the fund, such excess, as from January 1, 2008, is taken to profit or loss, spread over two years. Up until 2008, actuarial gains and losses were recognised over the expected average remaining years of service of the employees participating in the plan. The comparative figures have been restated accordingly and the positive effect on profit (after tax) and equity for 2007 amounted to € 34 million. The initial capital for 2007 was not affected. Furthermore, in 2007, € 477 million in value adjustments of available-for-sale financial assets was transferred to "Net income from financial assets and liabilities at fair value through profit and loss". Insofar as there were other reclassifications, the comparative figures have been restated. See Note 2 to the consolidated financial statements for the Rabobank Group for the year ended December 31, 2008.

FORWARD-LOOKING STATEMENTS

This Prospectus includes forward-looking statements. All statements other than statements of historical facts included in this Prospectus, including, without limitation, those regarding the Rabobank Group's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Rabobank Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Rabobank Group's present and future business strategies and the environment in which the Rabobank Group will operate in the future. Among the important factors that could cause the Rabobank Group's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the competitive nature of the banking business in the Netherlands; credit and other risks of lending; volatility in Dutch and international equity markets; government regulation and tax matters; the outcome of legal or regulatory disputes and proceedings; and changes in Dutch economic conditions, political events, interest rates, exchange rates and inflation. These forward-looking statements speak only as of their dates. The Rabobank Group expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Rabobank Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The foregoing paragraph applies to those forward-looking statements which are both set out in this Prospectus and which are incorporated by reference herein. See "Important Information – Documents Incorporated by Reference".

TERMS AND CONDITIONS OF THE CAPITAL SECURITIES

The following, save for the paragraphs in italics, is the text of the Terms and Conditions of the Capital Securities.

The issue of the Capital Securities of the Issuer has been authorised by a resolution of the Executive Board passed on February 17, 2009. The Agency Agreement will be entered into in respect of the Capital Securities on June 4, 2009 and available for inspection during usual business hours at the specified offices of each of the Paying Agents and the Registrar.

1 Definitions

In these Conditions:

"**Additional Amounts**" means such additional amounts as may be necessary so that the net amount received by the Holders, after the relevant withholding or deduction of any Relevant Tax, will equal the amount which would have been received in respect of the Capital Securities in the absence of such withholding or deduction;

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

"**Agency Agreement**" means the fiscal agency agreement dated June 4, 2009 entered into between the Issuer, the Fiscal Agent, the Registrar, the Transfer Agent, the Paying Agents and the Agent Bank;

"**Agent Bank**" means the agent bank for the time being in respect of the Capital Securities appointed from time to time under the Agency Agreement;

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

"**Bank Instrument**" means any share capital or other instrument of the Issuer;

"**Business Day**" means a day, other than a Saturday, Sunday or public holiday, on which registered banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and, if on that day a payment is to be made, in New York City also;

"**Calculation Amount**" means U.S.$1,000 in principal amount;

"**Call Exercise Determination Date**" means each date which is 60 calendar days prior to an Interest Payment Date falling on or after June 30, 2039;

"**Capital Bank Guarantee**" means any guarantee issued by the Issuer of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks senior to a Parity Bank Guarantee;

A "**Capital Event**" is deemed to have occurred if the Issuer is notified in writing by the Dutch Central Bank to the effect that the Capital Securities may not be included in the consolidated Tier 1 Capital of Rabobank Group;

"**Capital Local Rabobank Guarantee**" means any guarantee issued by any Local Rabobank of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks senior to a Parity Local Rabobank Guarantee;

"**Capital Securities**" means the U.S.$2,868,297,000 Fixed to Floating Rate Perpetual Noncumulative Capital Securities, which expression shall, unless the context otherwise requires, include any further instruments issued pursuant to Condition 16 and forming a single series with the Capital Securities;

"**Certificate**" means the certificate representing a Holder's registered holding of the Rule 144A Global Capital Security or the Regulation S Global Capital Security, as the case may be;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Conditional Call Exercise Date**" means the first Interest Payment Date falling on or after June 30, 2039 on which all of the Conditional Call Exercise Requirements are satisfied;

"**Conditional Call Exercise Requirements**" shall be deemed to be satisfied as at an Interest Payment Date falling on or after June 30, 2039 if (a) Interest on such date is Required Interest and (b) the Issuer (or any member of the Rabobank Group) has raised the Replacement Capital Amount, if any, on or before such date;

"**Conditions**" means these terms and conditions of the Capital Securities, as they may be amended from time to time in accordance with the provisions hereof;

"**Day-count Fraction**" means (i) in respect of an Interest Amount payable on or prior to the First Call Date on a scheduled Interest Payment Date, one-half, (ii) in respect of an Interest Amount payable on the first scheduled Interest Payment Date or on or prior to the First Call Date (other than on a scheduled Interest Payment Date), the number of days in the relevant period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months and, in the case of an incomplete month, the number of days elapsed in the Interest Period in which the relevant period falls (including the first such day but excluding the last) and (iii) in respect of an Interest Amount payable after the First Call Date, the actual number of days elapsed in the relevant period divided by 360;

"**Discretionary Interest**" means Interest that the Issuer may pay at its discretion in accordance with Condition 7(b);

"**DTC**" means The Depository Trust Company;

"**Dutch Central Bank**" means De Nederlandsche Bank N.V., or such other governmental authority in the Netherlands having primary supervisory authority with respect to the Group;

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Euronext Amsterdam**" means Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V.;

"**Event of Default**" means, any of the following events:

(i) default by the Issuer is made for more than 30 days in the payment of interest or principal in respect of any of the Capital Securities; or

(ii) the Issuer becomes bankrupt, an administrator is appointed, or an order is made or an effective resolution is passed for the winding-up, liquidation or administration of the Issuer (except for the purposes of a reconstruction or merger the terms of which have previously been approved by a meeting of Holders) or an application is filed for a declaration (which is not revoked within a period of 30 days), or a declaration is made, under Art 3:160 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*), as modified or re-enacted from time to time, in respect of the Issuer;

"**Excluded Declarations**" means any declarations or payments by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank;

"**Executive Board**" means the executive board (*raad van bestuur*) of the Issuer;

"**Existing Capital Securities**" means the NZ$ Perpetual Noncumulative Capital Securities issued on October 8, 2007, the U.S.$ Perpetual Noncumulative Capital Securities issued on October 22, 2007, the U.S.$ Perpetual Noncumulative Capital Securities issued on June 6, 2008, the £ Perpetual Noncumulative Capital Securities issued on June 10, 2008, the CHF Perpetual Noncumulative Capital Securities issued on June 27, 2008, the ILS Inflation Linked Perpetual Noncumulative Capital Securities issued on July 14, 2008, the U.S.$ Perpetual Noncumulative Securities issued on September 24, 2008, the € Fixed to Floating Rate Perpetual Noncumulative Capital Securities issued on February 27, 2009, and the NZ$ Perpetual Noncumulative Capital Securities issued on May 27, 2009;

"**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with the Agency Agreement by a majority of at least 75% of the votes cast;

"**First Call Date**" means June 30, 2019;

"**Fiscal Agent**" means Deutsche Bank AG, London Branch in its capacity as fiscal agent, which expression shall include any successor thereto;

"**Fixed Rate**" means a rate of 11.0% per annum;

"**Fixed Rate Interest Payment Date**" means 30 June and 31 December in each year, commencing on December 31, 2009, in respect of the first Fixed Rate Interest Period, and ending on the First Call Date;

"**Fixed Rate Interest Period**" means the period from (and including) the Issue Date to (but excluding) the first Fixed Rate Interest Payment Date (long first period) and each successive period beginning on (and including) a Fixed Rate Interest Payment Date and ending on (but excluding) the next succeeding Fixed Rate Interest Payment Date;

"**Floating Rate**" means three-month U.S. dollar LIBOR, plus 10.868%, determined in accordance with Condition 5(d);

"**Floating Rate Interest Payment Date**" means 31 March, 30 June, 30 September, 31 December in each year, commencing after the First Call Date, provided that, if any Floating Rate Interest Payment Date would otherwise fall on a day which is not a Business Day, it shall be postponed to the next day which is a Business Day, unless it would thereby fall in the next calendar month, in which event it shall be brought forward to the immediately preceding Business Day;

"**Floating Rate Interest Period**" means the period from (and including) the First Call Date to (but excluding) the first Floating Rate Interest Payment Date and each successive period beginning on (and including) a Floating Rate Interest Payment Date and ending on (but excluding) the next succeeding Floating Rate Interest Payment Date;

"**Group Declarations**" means, in relation to any Parity Share, Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument, any declaration or payments with respect to such share capital or other instrument held by any member of the Rabobank Group;

"**Holder**" means the person in whose name a Capital Security is registered in the Register;

"**Interest**" means interest in respect of the Capital Securities including, as the case may be, any applicable Additional Amounts thereon;

"**Interest Amount**" means the amount of Interest payable per Calculation Amount in respect of the relevant Interest Period or Interest Periods, as calculated by the Fiscal Agent;

"**Interest Determination Date**" means, in relation to each Floating Rate Interest Period, the first Business Day of the relevant Floating Rate Interest Period;

"**Interest Payment Date**" means any Fixed Rate Interest Payment Date and/or Floating Rate Interest Payment Date;

"**Interest Period**" means any Fixed Rate Interest Period and/or Floating Rate Interest Period;

"**Interest Rate**" means the Fixed Rate and/or the Floating Rate;

"**Issue Date**" means June 4, 2009;

"**Issuer**" means Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabobank Nederland);

"**Junior Group Member Instrument**" means any share capital or other instrument of any other member of the Rabobank Group which (i) qualifies as consolidated Tier 1 Capital for the Rabobank Group, (ii) effectively ranks junior to the most senior preferred equity securities or preferred or preference shares of such member and is guaranteed by the Issuer or any Local Rabobank and which guarantee effectively ranks junior to a Parity Bank Share, in the case of the Issuer, or Parity Local Rabobank Share, in the case of a Local Rabobank (as well as the Member Certificates (*ledencertificaten*), issued by Stichting AK Rabobank Ledencertificaten representing depositary receipts of shares issued by Rabobank Ledencertificaten N.V.);

"**Junior Member Certificates Related Agreements**" means the junior subordinated loan agreements between the Issuer and Rabobank Ledencertificaten N.V., dated 30 December 2008(and including any similar junior subordinated loan agreements subsequently entered into between the parties referred to above in addition to the existing subordinated loan agreements) and the agreements regarding certain obligations of the Issuer between the Issuer and Stichting Buffer Rabobank Ledencertificaten and Stichting Buffer Rabobank Ledencertificaten II and Stichting Buffer Rabobank Ledencertificaten III, dated 30 December 2008, relating to the Member Certificates (*ledencertificaten*) issued by Stichting AK Rabobank Ledencertificaten representing depositary receipts of shares issued by Rabobank Ledencertificaten N.V.;

"**Local Rabobank**" means any of the Issuer's local member banks;

"**Local Rabobank Instrument**" means any share capital or other instrument of any Local Rabobank which qualifies as consolidated Tier 1 Capital for the Rabobank Group;

"**Make Whole Redemption Price**" means, in respect of each Capital Security, (a) the principal amount of such Capital Security or, if this is higher, (b) the amount equal to the sum of the present value of the principal amount of such Capital Security, together with the present values of the scheduled Interest payments (assuming for this purpose the relevant Interest payments are neither Prohibited Interest nor unpaid Discretionary Interest) from the relevant date fixed for redemption to the First Call Date, in each case, discounted to such redemption date on a semi-annual compounded basis at the adjusted U.S. Treasury Rate plus 1.00%, all as determined by the Agent Bank. For the purposes hereof, "**U.S. Treasury Rate**" means either (i) the rate per annum equal to the yield, under the heading that represents the average for the week immediately preceding the third Business Day prior to the relevant redemption date, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States Treasury securities adjusted to constant maturity under the caption "Treasury Constant Maturities" for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three months before or after the First Call Date, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the U.S. Treasury Rate shall be interpolated or

extrapolated from such yields on a straight-line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the third Business Day prior to the relevant date or does not contain such yields, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the relevant date fixed for redemption, in each case calculated on the third Business Day immediately preceding the relevant date fixed for redemption. For the purposes of this definition of Make Whole Redemption Price:

"**Comparable Treasury Issue**" means the United States Treasury selected by the Agent Bank as having a maturity comparable to the remaining term of the Capital Securities from the relevant date fixed for redemption to the First Call Date, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a maturity most nearly equal to the First Call Date;

"**Comparable Treasury Price**" means, with respect to any redemption date, the average of three, or such lesser number as is obtained by the Agent Bank, Reference Treasury Dealer Quotations for the relevant date fixed for redemption of the Capital Securities;

"**Reference Treasury Dealer**" means each of the three nationally recognised firms selected by the Agent Bank that are primary U.S. Government securities dealers;

"**Reference Treasury Dealer Quotations**" means, with respect to each Reference Treasury Dealer and any date fixed for redemption of the Capital Securities, the average, as determined by the Agent Bank, of the bid and asked prices for the Comparable Treasury Issue, expressed in each case as a percentage of its principal amount, quoted in writing to the Agent Bank by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day immediately preceding such due date for redemption;

"**Market Disruption Event**" means the occurrence or existence of any of the following events or circumstances:

(i) trading in securities generally on any national securities exchange or over-the-counter market on which any Parity Bank Share or other securities and instruments of the Issuer which effectively rank *pari passu* with or junior to the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing) are then listed or traded shall have been suspended or their settlement generally shall have been materially disrupted;

(ii) a banking moratorium shall have been declared by the relevant authorities in the Netherlands; or

(iii) the Issuer would be required to obtain the consent or approval of its members or a regulatory body or governmental authority to issue Qualifying Securities and the Issuer fails, notwithstanding its commercially reasonable efforts, to obtain that consent or approval,

provided that a "Market Disruption Event" will not have occurred nor be deemed to have occurred if the Issuer determines not to pursue or complete the issuance of Qualifying Securities due to pricing, distribution rate or dilution considerations;

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

"**Outstanding Payments**" means, in relation to any amounts payable on redemption or repayment of the Capital Securities, an amount representing accrued and unpaid Interest for the Interest Period during which

redemption or repayment occurs to the date of redemption or repayment plus Additional Amounts thereon, if any;

"**Parity Bank Guarantee**" means a guarantee issued by the Issuer of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks:

(i) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under (a) the Capital Securities, (b) any guarantee or contractual right effectively ranking *pari passu* with the Issuer's obligations under the Capital Securities (including, for the avoidance of doubt, the Existing Capital Securities and the guarantees and contingent guarantees in relation to (i) the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI, and (ii) the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI) and (c) any guarantee or contractual right effectively ranking junior to the Issuer's obligations under the Capital Securities (including, without limitation, the Junior Member Certificates Related Agreements));

(ii) *pari passu* with the Capital Securities, the Existing Capital Securities and the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing); and

(iii) senior to any other share capital of the Issuer not described in paragraph (i)(A) of the definition of "Parity Bank Share" or paragraph (ii) of this definition;

"**Parity Bank Share**" means:

(i)

(A) the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing);

(B) any Bank Instrument which effectively ranks:

(1) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under (a) the Capital Securities, (b) any guarantee or contractual right effectively ranking *pari passu* with the Issuer's obligations under the Capital Securities (including, for the avoidance of doubt, the Existing Capital Securities and the guarantees and contingent guarantees in relation to (i) the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI, and (ii) the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI); and (c) any guarantee or contractual right effectively ranking junior to the Issuer's obligations under the Capital Securities (including, without limitation, the Junior Member Certificates Related Agreements));

(2) *pari passu* with the Capital Securities, the Existing Capital Securities and the most senior ranking preferred equity securities or preferred or preference shares of the Issuer (if and when existing); and

(3) senior to any other share capital of the Issuer not described in paragraph (A) or (B)(2) of this definition;

and

(C) any Parity Bank Guarantee;

and

(ii) any preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which are guaranteed by the Issuer under a Parity Bank Guarantee or a Capital Bank Guarantee;

"**Parity Local Rabobank Guarantee**" means any guarantee issued by any Local Rabobank of preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which qualify as consolidated Tier 1 Capital for the Rabobank Group and which guarantee effectively ranks:

(i) subordinate and junior to indebtedness of such Local Rabobank;

(ii) *pari passu* with the most senior ranking preferred equity securities or preferred or preference shares of such Local Rabobank (if and when existing); and

(iii) senior to any other share capital of such Local Rabobank not described in paragraph (i)(A) of the definition of "Parity Local Rabobank Share" or paragraph (ii) of this definition (if and when existing);

"**Parity Local Rabobank Share**" means:

(i)

(A) the most senior ranking preferred equity securities or preferred or preference shares of any Local Rabobank (if and when existing);

(B) any Local Rabobank Instrument which effectively ranks:

(1) subordinate and junior to indebtedness of such Local Rabobank;

(2) *pari passu* with the most senior ranking preferred equity securities or preferred or preference shares of such Local Rabobank (if and when existing); and

(3) senior to any other share capital of such Local Rabobank not described in paragraph (A) or (B)(2) of this definition (if and when existing); and

(C) any Parity Local Rabobank Guarantee; and

(ii) any preferred equity securities or preferred or preference shares issued by any member of the Rabobank Group which are guaranteed by any Local Rabobank under a Parity Local Rabobank Guarantee or Capital Local Rabobank Guarantee;

"**Parity Share**" means (i) any Parity Bank Share and (ii) any Parity Local Rabobank Share; provided, however, that "Parity Share" shall not include any Parity Bank Share or Parity Local Rabobank Share which (a) is held by, or on which payments are made to, any member of the Rabobank Group or (b) is accounted for as a financial liability in accordance with the generally accepted accounting standards applicable to the Rabobank Group from time to time;

"**Paying Agents**" means Deutsche Bank AG, London Branch, Deutsche Bank Luxembourg S.A., Deutsche Bank Trust Company Americas and Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (Rabo Securities) in their capacity as paying agents, which expression includes any successor and additional paying agents appointed from time to time in connection with the Capital Securities;

"**Proceedings**" means legal action or proceedings arising out of or in connection with any Capital Securities;

"**Prohibited Interest**" means Interest that the Issuer is prohibited from paying in accordance with Condition 7(a);

"**Qualifying Securities**" means securities of the Issuer or any member of the Rabobank Group that qualify as consolidated Tier 1 Capital of the Rabobank Group under the Solvency Rules;

"**Rabobank Group**" means the Issuer together with its branches and consolidated subsidiaries and the Local Rabobanks;

"**Record Date**" means, in relation to any payment due on the Capital Securities, the date 15 calendar days prior to the date on which such payment is due;

"**Redemption Price**" means, in respect of each Capital Security, the principal amount thereof together with any Outstanding Payments;

"**Reference Banks**" means four major banks in the interbank market in London as selected by the Agent Bank, after consultation with the Issuer;

"**Register**" means the register in relation to the Capital Securities maintained by the Registrar in accordance with the Agency Agreement and these Conditions;

"**Registrar**" means Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas in its capacity as registrar, which expression shall include any successor thereto;

"**Regulation S Global Capital Security Certificate**" shall have the meaning set out in Condition 2;

"**Relevant Date**" means, in respect of any payment, the date on which such payment first becomes due and payable but, if such payment is improperly withheld or refused, the date on which payment is made;

"**Relevant Tax**" means, collectively, any present or future taxes, duties, assessments or governmental charges of whatever nature, which are imposed or levied by or on behalf of the Netherlands or any authority therein or thereof having power to tax;

"**Replacement Capital Amount**" means the amount of net proceeds, between zero and the aggregate Redemption Price of the Capital Securities (both inclusive), which the Issuer determines (at any time prior to a Conditional Call Exercise Date in its sole discretion but in consultation with the Dutch Central Bank as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the Capital Securities on or prior to their redemption;

"**Required Interest**" means Interest to the extent it is required to be paid by the Issuer in accordance with Condition 6;

"**Rule 144A Global Capital Security Certificate**" shall have the meaning set out in Condition 2;

"**Solvency Rules**" means the solvency rules from time to time pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) to which the Issuer and the Rabobank Group are subject;

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

"**Tier 1 Capital**" has the meaning given to such term from time to time by the Dutch Central Bank;

"**Transfer Agent**" means Deutsche Bank AG, London Branch and Deutsche Bank Trust Company Americas in their capacity as transfer agents, which expression includes any successor and additional transfer agents appointed from time to time in connection with the Capital Securities; and

"**U.S.$**", "**U.S. dollars**" or "**cent**" means the lawful currency of the United States of America.

2 Form, Denomination and Title

(a) Form and Denomination

The Capital Securities are serially numbered and in registered form in the denominations of U.S.$75,000 and integral multiples of U.S.$1,000 in excess thereof.

An individual Certificate will be issued to each Holder in respect of its registered holding of Capital Securities. Each Capital Security and each Certificate will have an identifying number which will be recorded on the relevant individual Certificate and in the Register.

Individual Certificates issued with respect to Rule 144A Capital Securities (a "**Rule 144A Capital Security Certificate**") will bear a Rule 144A legend, unless determined otherwise in accordance with the provisions of the Agency Agreement by reference to applicable law. Individual Certificates issued with respect to the Regulation S Capital Securities (a "**Regulation S Capital Security Certificate**") will not bear a Rule 144A legend.

Upon issue, the Regulation S Capital Securities will be represented by a permanent Regulation S Global Capital Security certificate (the "**Regulation S Global Capital Security Certificate**").

The Capital Securities issued in reliance on Rule 144A will be represented by a Rule 144A Global Capital Security certificate (the "**Rule 144A Global Capital Security Certificate**" and together with the Regulation S Global Capital Security Certificate, the "**Global Capital Security Certificates**") .

The Global Capital Security Certificates will be exchangeable for Definitive Capital Securities only in the limited circumstances specified in the Global Capital Security Certificates. The Regulation S Global Capital Security Certificate will be deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg and the Rule 144A Global Capital Security Certificate will be deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC.

Holders will not be entitled to receive physical delivery of individual Certificates in definitive form in respect of their individual holdings of Capital Securities except in the limited circumstances described in the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate.

(b) Title

Title to the Capital Securities passes by transfer and registration as described in Condition 3. The Holder of any Capital Security will (except as otherwise required by law) be treated as its absolute owner for all purposes and no person will be liable for so treating the Holder. Neither the Issuer nor the Registrar shall be affected by any trust or equity affecting any Capital Securities, whether or not either of them is aware of the same.

3 Transfers

(a) Transfer

Subject to Condition 3(d), a Capital Security may be transferred upon surrender of the relevant Certificate, with the endorsed form of transfer duly completed (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), at the specified office of the Registrar or Transfer Agent, together with such evidence as the Registrar or Transfer Agent may reasonably require to provide the title of the transferor and the authority of the individuals who have executed the form of transfer. Where not all the Capital Securities represented by the surrendered Certificate are the subject of the transfer, a new Certificate in respect of the part transferred will be issued to the transferee and a new Certificate in respect of the part not transferred will be issued to the transferor.

Upon the transfer, exchange or replacement of a Rule 144A Global Capital Security Certificate, a Transfer Agent will only deliver individual Certificates with respect to Rule 144A Capital Securities that bear the Rule 144A legend unless there is delivered to such Transfer Agent such satisfactory evidence, which may include an opinion of legal counsel, as may be reasonably required by the Issuer, that neither the Rule 144A legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

An interest in Capital Securities represented by the Regulation S Global Capital Security Certificate may be transferred to a person within the United States subject to any applicable transfer restrictions under the Securities Act. Any transfer of an interest in the Regulation S Global Capital Security Certificate prior to the expiration of the 40-day "distribution compliance period" (as such term is defined in Rule 902 of Regulation S) shall only be (a) to a non-U.S. person (and not acting for the account or benefit of a U.S. person) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) in accordance with Rule 144A under the Securities Act ("**Rule 144A**") to a person that it and any person acting on its behalf reasonably believe is a "qualified institutional buyer" as defined in Rule 144A ("**QIB**") purchasing for its own account or the account of a QIB, in each case in accordance with any applicable securities laws of any State of the United States.

Interests in Capital Securities represented by the Rule 144A Global Capital Security Certificate may be transferred to a person who wishes to take delivery of any such interest in the form of an interest in Capital Securities represented by the Regulation S Global Capital Security Certificate only if a Transfer Agent receives a written certificate from the transferor (in the form provided in the Agency Agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available).

(b) Registration and Delivery of Certificates

Within three business days of the surrender of a form of transfer and a Certificate in accordance with Condition 3(a), the Registrar will register the transfer in question and deliver a new Certificate of a like principal amount to the Capital Securities transferred to each relevant Holder or (as the case may be) the specified office of the Registrar or Transfer Agent or (at the request and risk of such relevant Holder) by uninsured first-class mail (airmail, if overseas) to the address specified for the purpose by such relevant Holder, unless such Holder requests otherwise and pays in advance to the Registrar the costs of such other method of delivery and/or insurance as it may specify. In this paragraph, "business day" means a day (other than a Saturday or Sunday) on which commercial banks are open for business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the Transfer Agent has its specified office.

Except in the limited circumstances described in "Summary of Provisions relating to the Capital Securities while in Global Form", owners of interests in Capital Securities represented by the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate will not be entitled to receive physical delivery of individual Certificates. Issues of individual Certificates upon transfers of Capital Securities are subject to compliance by the transferor and transferee with the certification procedures described above and in the Agency Agreement and, in the case of Rule 144A Capital Security Certificates, compliance with the Rule 144A legend.

(c) No Charge

The transfer of a Capital Security will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agent but against such indemnity as the Registrar or the Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(d) Closed Periods

Holders may not require transfers to be registered (i) during the period of 15 calendar days ending on (and including) the due date for redemption of the Capital Securities pursuant to Condition 8 or (ii) during the period of 15 calendar days ending on (and including) any Record Date in respect of any payment of Interest on the Capital Securities.

(e) Regulations concerning Transfer and Registration

All transfers of Capital Securities and entries in the Register are subject to the detailed regulations concerning the transfer of Capital Securities scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar and/or the Transfer Agent to any Holder who requests in writing a copy of such regulations.

4 Status and Subordination

(a) Status

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

(b) Subordination

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

(i) subordinate and junior to indebtedness of the Issuer (other than the Issuer's obligations under any guarantee or contractual right that effectively ranks *pari passu* with, or junior to, the Issuer's obligations under the Capital Securities (including, without limitation, the Existing Capital Securities and the Junior Member Certificates Related Agreements));

(ii) *pari passu* (a) with the Issuer's obligations under the guarantees and contingent guarantees in relation to the Noncumulative Guaranteed Trust Preferred Securities issued by Rabobank Capital Funding Trusts II, III, IV, V and VI and the corresponding LLC Class B Preferred Securities issued by Rabobank Capital Funding LLCs II, III, IV, V and VI, (b) with the Issuer's

obligations under the Existing Capital Securities, and (c) effectively, with the most senior ranking preferred equity securities or preferred or preference shares of the Issuer; and

(iii) senior to the Issuer's obligations under the Junior Member Certificates Related Agreements and any other instruments ranking *pari passu* with the Junior Member Certificates Related Agreements (in accordance with, and by virtue of the subordination provisions of, the Junior Member Certificates Related Agreements) and any other instruments ranking *pari passu* therewith.

By virtue of such subordination, payments to the Holders will, in the case of the bankruptcy or dissolution of the Issuer or in the event of a Moratorium, only be made after all payment obligations of the Issuer ranking senior to the Capital Securities have been satisfied. In addition, any right of set-off by the Holder in respect of any amount owed to such Holder by the Issuer under or in connection with such Capital Security shall be excluded and each Holder shall, by virtue of being the Holder of any Capital Security, be deemed to have waived all such rights of set-off.

(c) Other Issues

So long as the Capital Securities are outstanding, the Issuer shall not:

(a) issue any preferred equity securities or preferred or preference shares or debt or other securities, in each case that qualify as Tier 1 Capital of the Rabobank Group under the Solvency Rules; or

(b) enter into any guarantee, support or other credit enhancement of any such issue by any other member of the Rabobank Group,

in each case if such issue or guarantee, support or other credit enhancement would rank ahead of the Capital Securities as to entitlement to distribution upon a bankruptcy or dissolution of the Issuer, or in the event of a Moratorium unless the Issuer amends the terms of the Capital Securities prior thereto such that the rights and claims of Holders would be entitled to rank equally with such new issue or guarantee, support or other credit enhancement upon a bankruptcy or dissolution of the Issuer, or in the event of a Moratorium.

In addition, so long as the Capital Securities are outstanding, the Issuer shall not:

(i) permit (where such permission is required) or take any action to cause a Local Rabobank to issue any preferred equity securities or preferred or preference shares or debt or other securities, in each case that rank senior to any Parity Local Rabobank Share and qualify as Tier 1 Capital of the Rabobank Group under the Solvency Rules; or

(ii) permit (where such permission is required) or take any action to cause a Local Rabobank to issue any guarantee, support or other credit enhancement ranking senior to any Parity Local Rabobank Guarantee of any such issue by any other member of the Rabobank Group.

5 Interest

(a) General

The Capital Securities bear Interest at the applicable Interest Rate from (and including) the Issue Date in accordance with the provisions of this Condition 5.

Subject to Conditions 6 and 7, during the period commencing on (and including) the Issue Date and ending on (but excluding) the First Call Date, Interest shall be payable on the Capital Securities semi-annually in arrear in equal instalments on each Fixed Rate Interest Payment Date (save for Interest

payable on the first Fixed Rate Interest Payment Date) and thereafter shall be payable on the Capital Securities quarterly in arrear on each Floating Rate Interest Payment Date, in each case as provided in this Condition 5.

Interest will not be cumulative and Interest which is not paid will not accumulate or compound and Holders of the Capital Securities will have no right to receive such Interest at any time, even if Interest is paid in the future.

(b) Interest Accrual, Calculation and Rounding

The Capital Securities will cease to bear Interest from (and including) the date of redemption thereof pursuant to Condition 8 unless payment of all amounts due in respect of the Capital Securities is not properly and duly made, in which event Interest shall continue to accrue on the Capital Securities, both before and after judgment, at the Interest Rate and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Interest in respect of any Capital Security shall be calculated per Calculation Amount and shall be equal to the product of the Calculation Amount, the relevant Interest Rate and the relevant Day-count Fraction for the relevant period, rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(c) Fixed Interest Rate

From (and including) the Issue Date to (but excluding) the First Call Date, the Capital Securities bear interest at the Fixed Rate and will be payable semi-annually in arrear on each Fixed Rate Interest Payment Date.

If any Fixed Rate Interest Payment Date falls on a day that is not a Business Day, the relevant payment will be made on the next day which is a Business Day, without adjustment, interest or further payment as a result thereof.

(d) Floating Interest Rate

For each Floating Rate Interest Period, the Capital Securities will bear interest at the relevant Floating Rate and will be payable quarterly in arrear on each Floating Rate Interest Payment Date. The relevant Floating Rate in respect of each Floating Rate Interest Period commencing on or after the First Call Date will be determined by the Agent Bank on the basis of the following provisions:

(i) On each Interest Determination Date, the Agent Bank will determine the offered rate (expressed as a rate per annum) for three-month deposits in U.S. dollars as at 11:00a.m. hours (London time) on such Interest Determination Date, as displayed on the display designated as page "LIBOR01" on the Reuters Monitor Money Rates Service (or such other page or pages as may replace it for the purpose of displaying such information). The Floating Rate for the relevant Floating Rate Interest Period shall be such offered rate as determined by the Agent Bank plus 10.868%.

(ii) If such offered rate does not so appear, or if the relevant page is unavailable, the Agent Bank will, on such date, request the principal London office of the Reference Banks to provide the Agent Bank with its offered quotation to leading banks in the London interbank market for three-month deposits in U.S. dollars as at 11:00a.m. hours (New York City time) on the Interest Determination Date in question. If at least two of the Reference Banks provide the Agent Bank with such offered quotations, the Floating Rate for the relevant Floating Rate Interest Period shall be the rate determined by the Agent Bank to be the arithmetic mean (rounded if necessary

to the nearest one-hundred thousandth of a percentage point (0.000005% being rounded upwards)) of such offered quotations plus 10.868%

(iii) If on any Interest Determination Date to which the provisions of paragraph (ii) above apply, one only or none of the Reference Banks provides the Agent Bank with such a quotation, the Floating Rate for the relevant Floating Rate Interest Period shall be the rate which the Agent Bank determines to be the aggregate of 10.868% and the arithmetic mean (rounded, if necessary, to the nearest one-hundred thousandth of a percentage point (0.000005% being rounded upwards)) of the U.S. dollar lending rates which leading banks in London selected by the Agent Bank are quoting, on the relevant Interest Determination Date, to leading banks in London for a period of three months, except that, if the banks so selected by the Agent Bank are not quoting as mentioned above, the Floating Rate for such Interest Period shall be either (1) the Floating Rate in effect for the last preceding Interest Period to which one of the preceding paragraphs of this Condition 5(d) shall have applied or (2) if none, 10.868% per annum above the Fixed Rate.

(e) Determination of Floating Rate and Calculation of Floating Interest Amounts

The Agent Bank will, as soon as practicable after 11:00 a.m. hours (London time) on each Interest Determination Date, determine the Floating Rate in respect of the relevant Floating Interest Period and calculate the amount of interest payable in respect of a Calculation Amount on the Floating Interest Payment Date for that Floating Interest Period (the "**Floating Interest Amounts**").

(f) Publication of Floating Rate and Floating Interest Amounts

The Issuer shall cause notice of the Floating Rate determined in accordance with this Condition 5 in respect of each relevant Floating Interest Period, the Floating Interest Amount per Calculation Amount and the relevant date scheduled for payment to be given to the Fiscal Agent, the Paying Agents and, in accordance with Condition 15, the Holders, in each case as soon as practicable after its determination but in any event not later than the fourth Business Day thereafter.

The Floating Interest Amount, the Floating Rate and the date scheduled for payment so notified may subsequently be amended without notice in the event of any extension or shortening of the relevant period in accordance with these Conditions.

(g) Agent Bank and Reference Banks

With effect from the First Call Date, and so long as any Capital Securities remain outstanding thereafter, the Issuer will maintain an Agent Bank and the number of Reference Banks provided above where the Floating Rate is to be calculated by reference to them.

The Issuer may, from time to time, replace the Agent Bank or any Reference Bank with another leading investment, merchant or commercial bank or financial institution in London. If the Agent Bank is unable or unwilling to continue to act as the Agent Bank or fails duly to determine the Floating Rate in respect of any Floating Rate Interest Period as provided in Condition 5(d), or calculate the Floating Interest Amount or calculate the Make Whole Redemption Price (as applicable), the Issuer shall forthwith appoint another leading investment, merchant or commercial bank or financial institution in London to act as such in its place. The Agent Bank may not resign its duties or be removed without a successor having been appointed as aforesaid.

(h) Determinations of Agent Bank Binding

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 5 and Conditions 8(d) and 8(e) will (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer, the Registrar, the Paying Agents and all Holders and (subject as aforesaid) no liability to the Holders, or the Issuer shall attach to the Agent Bank in connection with the exercise or non-exercise by it of any of its powers, duties and discretions.

6 Required Interest

The Issuer shall pay Required Interest on the Capital Securities, unless payment thereof is prohibited under Condition 7, to the extent set out below:

(a) In Full

(i) The payment of Interest will be required in full for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment with respect to (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends or other distributions annually or semi-annually, if any (other than any Group Declarations and any Excluded Declarations).

(ii) The payment of Interest will be required in full for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group exchanges or converts, redeems, repurchases or otherwise acquires (w) a Parity Share, (x) any Bank Instrument which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument, for any consideration, or any moneys are paid to or made available for a sinking fund, or for redemption of any such securities (other than (i) any redemption, repurchase or other acquisition of such share capital or other instrument held by any member of the Rabobank Group and any payments in connection therewith by any Local Rabobank applied for the purposes deemed by such Local Rabobank to be of local or general interest as provided in the articles of association of such Local Rabobank, (ii) as a result of a reclassification of the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group or the exchange or conversion of one class or series of such share capital for another class or series of such share capital or (iii) the purchase of fractional interests in the share capital of the Issuer, any Local Rabobank or any other member of the Rabobank Group pursuant to the conversion or exchange provisions of such capital stock or the security being converted or exchanged).

(b) Fractional or in Full

The payment of Interest will be required in full or in part on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment (other than any Group Declarations and any Excluded Declarations) with respect to (x) any Bank Instrument

which effectively ranks junior to a Parity Bank Share, (y) any Local Rabobank Instrument which effectively ranks junior to a Parity Local Rabobank Share or (z) any Junior Group Member Instrument that, in the case of (x), (y) or (z), pays dividends on a basis other than annually or semi-annually, if any, at an amount equal to the Interest Amount on the Capital Securities for the related Interest Period, multiplied by a fraction, the numerator of which is the number of days in the dividend, distribution or payment period applicable to the payment on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument and the denominator of which is the number of days in the related Interest Period; provided, however, that, if the dividends, distributions or payments on any Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument that triggers the requirement to pay Interest on the Capital Securities as provided by this Condition 6(b) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or immediately after the date on which the dividend, distribution or payment is declared or made on such Bank Instrument, Local Rabobank Instrument or Junior Group Member Instrument.

(c) Pro Rata with Parity Shares

The payment of Interest will be required:

(i) for the Interest Periods covering six consecutive months commencing with the Interest Period with a related Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends annually or semi-annually, if any (other than any Excluded Declarations); and

(ii) on the Interest Payment Date that occurs on or first following the date on which the Issuer, any Local Rabobank or any other member of the Rabobank Group declares or pays a dividend or distribution or makes any other payment on any Parity Share that pays dividends on a basis other than annually or semi-annually, if any (other than any Excluded Declarations),

provided that, in the event that Interest on the Capital Securities is payable (or deemed to be payable) as provided in this Condition 6(c), such Interest shall be payable (or deemed to be payable) in the same proportion that the declaration or payment on such Parity Share bears to the stated annual or semi-annual dividends, distributions or payments to be declared and paid on such Parity Share. If the dividend, distribution or payment on any such Parity Share that triggers the requirement to pay Interest on the Capital Securities as provided by this Condition 6(c) is made, but not with respect to a specified dividend, distribution or payment period, full Interest on the Capital Securities will be deemed to be payable for the Interest Period with the related Interest Payment Date that occurs on or first following the date on which the dividend, distribution or payment is declared or made on such Parity Share.

(d) Notification of Fractional or Pro Rata Payments

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following any Interest Payment Date in respect of which Interest has been paid only in part pursuant to Condition 6(b) or proportionally pursuant to Condition 6(c), to such effect setting out brief details as to why the Interest has been paid in part or proportionally, as the case may be.

7 Prohibited and Discretionary Interest

(a) Prohibited Interest

Notwithstanding Condition 6, the Issuer shall not pay the Interest due on an Interest Payment Date to the extent that applicable Solvency Rules prohibit the Issuer, any Local Rabobank or any other member of the Rabobank Group from declaring or paying dividends or distributions or making other payments on the Capital Securities or any Parity Share or any of their other respective instruments which effectively rank *pari passu* with any Parity Share on such Interest Payment Date (for example, as a result of the Issuer's BIS ratio (total capital) falling below the then applicable minimum requirement). In such case and to such extent there will be no Required Interest.

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following any declaration that Interest is Prohibited Interest pursuant to this Condition 7(a) or, where no such prior declaration is made, following any Interest Payment Date on which Interest was scheduled to be paid if such Interest is Prohibited Interest, to such effect setting out brief details as to why the Interest is Prohibited Interest.

Any Prohibited Interest not paid on the relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.

(b) Discretionary Interest

Any Interest that is neither Required Interest nor Prohibited Interest shall be payable on the relevant Interest Payment Date at the sole discretion of the Issuer, subject to the approval of the Dutch Central Bank, if required.

Any Discretionary Interest not paid on the relevant Interest Payment Date shall not accumulate or be payable at any time thereafter, and Holders shall have no right thereto whether in a bankruptcy or dissolution of, or in the event of a Moratorium with respect to, the Issuer or otherwise.

The Issuer shall give notice to the Registrar, the Fiscal Agent, the Paying Agents, any stock exchange on which the Capital Securities are for the time being listed or admitted to trading and, in accordance with Condition 15, the Holders in each case as soon as practicable following the relevant Interest Payment Date on which Interest was scheduled to be paid if such Interest is Discretionary Interest and the Issuer has exercised its discretion under this Condition 7(b) to not pay such Discretionary Interest, to such effect setting out brief details of such exercise.

8 Redemption and Purchase

(a) No Fixed Redemption Date

The Capital Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall only have the right to redeem them or purchase them in accordance with the following provisions of this Condition 8.

(b) Conditions to Redemption and Purchase

Any redemption or purchase of the Capital Securities in accordance with Condition 8(c), (d), (e) or (f) is subject to the Issuer (i) obtaining the prior written consent of the Dutch Central Bank, provided that at the relevant time such consent is required to be given; (ii) both at the time of, and immediately following, the redemption or purchase, being in compliance with its capital requirements as provided

in the Solvency Rules applicable to it from time to time (and a certificate from any two Authorised Signatories confirming such compliance shall be conclusive evidence of such compliance); and (iii) except in the case of any purchase of the Capital Securities in accordance with Condition 8(f), giving not less than 30 nor more than 60 calendar days' notice to the Holders, the Registrar, the Fiscal Agent and the Paying Agents, in accordance with Condition 15, which notice shall be irrevocable.

Prior to the publication of any notice of redemption pursuant to this Condition 8 (other than redemption pursuant to Condition 8(c)), the Issuer shall deliver to the Registrar a certificate signed by any two members of the Executive Board stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

(c) Issuer's Call Option

Subject to the first paragraph of Condition 8(b), the Issuer may elect, in its sole discretion, to redeem all, but not some only, of the Capital Securities on the First Call Date or on each Interest Payment Date thereafter at their Redemption Price.

Unless the Capital Securities have previously been redeemed or purchased and cancelled in accordance with this Condition 8, the Issuer undertakes to exercise its option to redeem the Capital Securities on the Conditional Call Exercise Date (being the first Interest Payment Date falling on or after June 30, 2039 on which (i) all Interest is Required Interest and (ii) the Issuer has previously raised (or caused to be raised by a member of the Rabobank Group) the amount of net proceeds, between zero and the aggregate Redemption Price of the Capital Securities (both inclusive), which the Issuer determines (at any time prior to such date in its sole discretion but in consultation with the Dutch Central Bank, as necessary) is the minimum amount required by the Rabobank Group to be raised through the issuance of Qualifying Securities to replace the Capital Securities (on or prior to their redemption) in accordance with the remaining provisions of this Condition 8(c).

If, by reference to the facts pertaining on a Call Exercise Determination Date:

(I) any part of the Interest on the Interest Payment Date related thereto is not Required Interest, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Interest Payment Date;

(II) all Interest on the Interest Payment Date related thereto is Required Interest and:

(A) the Replacement Capital Amount is zero, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Capital Securities will be redeemed on such Interest Payment Date at their Redemption Price; or

(B) the Replacement Capital Amount is greater than zero, the Issuer shall use its commercially reasonable efforts (except while a Market Disruption Event persists) to raise (or cause to be raised by a member of the Rabobank Group), at a minimum, the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements as of, and to permit payment of the Redemption Price in full on, such Interest Payment Date.

If the Replacement Capital Amount is greater than zero and is raised in full on or before the date falling 35 calendar days prior to such Interest Payment Date and Interest on such Interest Payment Date continues, by reference to the facts pertaining at such time,

to be Required Interest, the Conditional Call Exercise Requirements shall be deemed to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15, which notice shall be irrevocable, that the Capital Securities will be redeemed on such Interest Payment Date at their Redemption Price.

If the Replacement Capital Amount is greater than zero and is not raised in full on or before the date falling 35 calendar days prior to such Interest Payment Date, the Conditional Call Exercise Requirements shall be deemed not to be satisfied as of such Interest Payment Date and the Issuer shall give not less than 30 calendar days' notice thereof to the Registrar, the Fiscal Agent and the Paying Agents and the Holders in accordance with Condition 15 and shall continue to use its commercially reasonable efforts (subject as aforesaid) to raise (or cause to be raised by a member of the Rabobank Group) the Replacement Capital Amount so as to satisfy the Conditional Call Exercise Requirements as of, and to permit redemption of the Capital Securities in full on, the next Interest Payment Date.

The Issuer shall continue the above procedure until the Capital Securities have been redeemed in full.

Interest on the Capital Securities shall, subject to the limitations thereon set out in Condition 7(a), continue to accrue at the relevant Interest Rate until the Capital Securities have been redeemed in full.

Subject to Condition 8(b), nothing in this Condition 8(c) shall prevent the Issuer from exercising its option to redeem the Capital Securities on the Interest Payment Date falling on or after June 30, 2039 or at any time thereafter, in its sole discretion in accordance with the first paragraph of this Condition 8(c) without regard to the Conditional Call Exercise Requirements.

(d) Redemption Due to Taxation

If, as a result of a Tax Law Change:

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

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

then the Issuer may, subject to Condition 8(b), having delivered to the Registrar a copy of an opinion of an independent nationally recognised law firm or other tax adviser in the Netherlands experienced in such matters to the effect set out in (i) or, as applicable, (ii) above, and having given the notice required by Condition 8(b) specifying the date fixed for redemption, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Redemption Price in the case of any redemption arising from the events detailed in paragraph (i) above and at their Make Whole Redemption Price in the case of any redemption arising from the events detailed in paragraph (ii) above on the relevant date fixed for redemption.

(e) Redemption for Regulatory Purposes

If a Capital Event has occurred and is continuing, then the Issuer may, subject to Condition 8(b) and having given the notice required by Condition 8(b) specifying the date fixed for redemption, at any time prior to the First Call Date redeem all, but not some only, of the Capital Securities at their Make Whole Redemption Price on the relevant date fixed for redemption.

(f) Purchases

The Issuer or any other member of the Rabobank Group may, subject to Condition 8(b)(i) and (ii), at any time purchase Capital Securities in any manner and at any price.

(g) Cancellation

All Capital Securities redeemed by the Issuer pursuant to this Condition 8 will forthwith be cancelled. All Capital Securities purchased by or on behalf of the Issuer or any other member of the Rabobank Group may be held, reissued, resold or, at the option of the Issuer, surrendered to the Registrar for cancellation. Capital Securities so surrendered shall be cancelled forthwith. Any Capital Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Capital Securities shall be discharged.

9 Payments

(a) Method of Payment

(i) Payments of principal, premium and Interest shall be made by U.S. dollar cheque drawn on, or, upon application by a Holder to the specified office of any Paying Agent or the Registrar not later than the 15th day before the due date for any such payment, by transfer to a U.S. dollar account maintained by the payee with, a bank in New York City upon surrender (or, in the case of part payment only, endorsement) of the relevant Certificate(s) at the specified office of any Paying Agent or the Registrar.

(ii) Payments of premium and interest may only be made at the specified offices of Paying Agents outside the United States of America, except that they may be made at the specified office of a Paying Agent in New York City if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States of America with the reasonable expectation that such Paying Agents would be able to make payment at such offices of the full amount of the premium and interest in U.S. dollars when due, (ii) payment of the full amount of such premium and interest at all specified offices of the Paying Agents outside the United States of America is illegal or effectively precluded by exchange controls or other similar restrictions, and (iii) the relevant payment is permitted by applicable U.S. law. If a Capital Security is presented for payment of principal at the specified office of any Paying Agent in the United States of America in circumstances where premium or interest is not to be paid there, the relevant Paying Agent will annotate the Capital Security with the record of the principal paid and return it to the holder for the obtaining of premium or interest elsewhere.

(b) Payments Subject to Fiscal Laws

Without prejudice to the terms of Condition 11, all payments made in accordance with these Conditions shall be made subject to any fiscal or other laws and regulations applicable in the place of payment. No commissions or expenses shall be charged to the Holders in respect of such payments.

(c) Payments on Business Days

Payments due on a Capital Security may only be made on a business day. Unless otherwise specified herein, if the due date for any payment in respect of the Capital Securities is not a business day that payment shall be made on the next following business day but the Holder shall not be entitled to any interest or other sum in respect of such postponed payment. In this Condition 9(c), "**business day**" means a day on which commercial banks and foreign exchange markets are open in the place of the location of the specified office of the relevant Paying Agent or of the Registrar, as the case may be.

(d) Record Date

Each payment in respect of a Capital Security will be made to the person shown as the holder in the Register at the opening of business (in the place of the Registrar's specified office) on the Record Date. Where payment in respect of a Capital Security is to be made by cheque, the cheque will be mailed to the address shown as the address of the holder in the Register at the opening of business on the relevant Record Date.

10 Events of Default

If an Event of Default occurs, the Holder of any Capital Security may, by written notice to the Issuer at its specified office, declare such Capital Security to be forthwith due and payable, whereupon the principal amount of such Capital Security together with any Outstanding Payments to the date of payment shall become immediately due and payable, provided that repayment will only be effected after the Issuer has obtained the prior written consent of the Dutch Central Bank.

11 Taxation

All payments made by or on behalf of the Issuer in respect of the Capital Securities will be made without withholding or deduction for or on account of Relevant Tax paid by or on behalf of the Issuer, unless the withholding or deduction of such Relevant Tax is required by law. In that event, the Issuer will pay, as further Interest, Additional Amounts, except that no such Additional Amounts will be payable to a Holder (or to a third party on the Holder's behalf) with respect to any Capital Securities:

(i) if such Holder is liable to such taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Netherlands in respect of the Capital Securities by reason of such Holder having some connection with the Netherlands other than by reason only of holding Capital Securities or the receipt of the relevant payment in respect thereof;

(ii) if such Holder could lawfully avoid (but has not so avoided) such deduction or withholding by complying, or procuring that any third party complied, with any statutory requirements or by making or procuring that a third party makes a declaration of non-residence or other similar claim for exemption to any tax authority;

(iii) where such deduction or withholding is imposed on a payment to an individual (or to certain transparent entities) and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of November 26-27, 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive or any related international agreement concluded with certain dependent or associated territories of the EU or the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008 relating to the payment of interest to Luxembourg individual residents, as such law may be amended or replaced in the future; or

(iv) if such Holder could lawfully avoid (but has not so avoided) such deduction or withholding by presenting and surrendering the relevant Certificate to another Paying Agent in a Member State of the European Union.

12 Prescription

Claims for principal, premium and Interest shall become void unless the relevant Certificates are presented for payment as required by Condition 9 within a period of five years of the appropriate due date.

13 Replacement of Certificates

If any Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar, subject to all applicable laws and stock exchange requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Certificates must be surrendered before replacements will be issued.

14 Meetings of Holders, Modification and Waiver

(a) Meetings of Holders

The Agency Agreement contains provisions for convening meetings of Holders to consider any matter affecting their interests, including sanctioning by Extraordinary Resolution of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or Holders holding not less than 10% in principal amount of the Capital Securities for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be two or more persons holding or representing a clear majority in principal amount of the Capital Securities for the time being outstanding, or at any adjourned meeting two or more persons holding or representing whatever the principal amount of the Capital Securities held or represented, unless the business of such meeting includes consideration or proposals, *inter alia*, (i) to modify the provisions for redemption of the Capital Securities or the dates on which Interest is payable in respect of the Capital Securities, (ii) to reduce or cancel the principal amount of, or the amount payable on redemption of, the Capital Securities, (iii) to reduce the rate of Interest in respect of the Capital Securities or to vary the method of calculating the rate of Interest, or method of calculating the Interest Amount, on the Capital Securities, (iv) to change the currency of payment of the Capital Securities, (v) to modify the provisions concerning the quorum required at any meeting of Holders or (vi) to modify the provisions regarding the status of the Capital Securities referred to in Condition 4(a), in which case the resolution must be approved by an Extraordinary Resolution.

(b) Modification and Waiver

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of, or any failure to comply with, the Agency Agreement if to do so could not reasonably be expected to be prejudicial to the interests of the Holders.

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

15 Notices

Notices to Holders shall be mailed to them at their respective addresses in the Register and shall be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to Holders shall, so long as the Capital Securities are listed on Euronext Amsterdam and the rules of such exchange so require, in the Euronext Amsterdam N.V.'s Daily Official List and a daily newspaper with general circulation in the Netherlands. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules

and regulations of any stock exchange on which the Capital Securities are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

So long as the Capital Securities are represented by the Rule 144A Global Capital Security Certificate and the Regulation S Global Capital Security Certificate and such Certificates are held on behalf of DTC, Euroclear or Clearstream, Luxembourg, notices to Holders may be given by delivery of the relevant notice to DTC, Euroclear or Clearstream, Luxembourg for communication by it to entitled accountholders in substitution for notification as required by the these terms and conditions.

16 Further Issues

The Issuer may, from time to time, without the consent of the Holders, create and issue further instruments ranking *pari passu* in all respects (or in all respects save for the date from which interest thereon accrues and the amount of the first interest payment on such further instruments) and so that such further issue shall be consolidated and form a single series with the outstanding Capital Securities.

17 Agents

The Registrar, Fiscal Agent, Paying Agents and Transfer Agent initially appointed by the Issuer and their respective specified offices are listed below. The Registrar, Fiscal Agent, Paying Agents and Transfer Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Registrar, Fiscal Agent, Paying Agents and Transfer Agent and to appoint additional or other agents, provided that it will at all times maintain (i) a Fiscal Agent, (ii) a Paying Agent, (iii) a Registrar, (iv) paying agents having specified offices in at least two major European cities (including Amsterdam) and (v) a Paying Agent having specified office in a major city in a Member State of the European Union other than the United Kingdom that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council Meeting of November 26-27 2000 or any law implementing or complying with, or introduced to conform to, such Directive. In addition, whenever a function which is expressed in these Conditions to be performed by the Agent Bank fails to be performed, the Issuer will appoint and (for so long as such function is required to be performed) maintain an Agent Bank.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in the circumstances described in Condition 9(a)(ii) (if there is no such Paying Agent at the time) and shall after such circumstances arise maintain such a Paying Agent.

Notice of any such termination or appointment and of any change in the specified office of the Registrar, the Fiscal Agent, the Paying Agents, the Transfer Agent and the Agent Bank will be given to the Holders in accordance with Condition 15. If the Fiscal Agent, any Paying Agent or the Transfer Agent is unable or unwilling to act as such or if it fails to make a determination or calculation or otherwise fails to perform its duties under these Conditions or the Agency Agreement (as the case may be), the Issuer shall appoint an independent investment bank or financial institution registrar to act as such in its place. The Registrar, the Fiscal Agent, the Paying Agents and the Transfer Agent may not resign their duties or be removed without a successor having been appointed as aforesaid.

18 Governing Law

The Capital Securities, and any non-contractual obligations arising out of or in connection with them, are governed by, and shall be construed in accordance with, the laws of the Netherlands.

19 Jurisdiction

The competent courts of Amsterdam, the Netherlands, are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Capital Securities and, accordingly, any Proceedings may be brought in such courts. This submission is made for the benefit of each of the Holders of the Capital Securities and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction.

SUMMARY OF PROVISIONS RELATING TO THE CAPITAL SECURITIES WHILE IN GLOBAL FORM

The Global Capital Security Certificates

The Capital Securities will be represented on issue by the Regulation S Global Capital Security Certificate (deposited with, and registered in the name of a nominee for, a common depositary for Euroclear and Clearstream, Luxembourg) and the Rule 144A Global Capital Security Certificate (deposited with a custodian for, and registered in the name of Cede & Co. as nominee of, DTC).

Beneficial interests in the Regulation S Global Capital Security Certificate may be held only through Euroclear or Clearstream, Luxembourg. See "Clearing and Settlement—Book-Entry Procedures for the Global Capital Security Certificates". By acquisition of a beneficial interest in the Regulation S Global Capital Security Certificate, the purchaser thereof will be deemed to represent, among other things, that it is located outside the United States. See "Offer Restrictions".

Beneficial interests in the Rule 144A Global Capital Security Certificate may only be held through DTC. See "Clearing and Settlement—Book-Entry Procedures for the Global Capital Security Certificates". By acquisition of a beneficial interest in the Rule 144A Global Capital Security Certificate, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the Agency Agreement. See "Offer Restrictions".

Beneficial interests in each Global Capital Security Certificate will be subject to certain restrictions on transfer set forth therein and in the Agency Agreement, and with respect to the Rule 144A Capital Securities, as set forth in Rule 144A, and the Capital Securities will bear the legends set forth thereon regarding such restrictions set forth under "Transfer Restrictions". A beneficial interest in the Regulation S Global Capital Security Certificate may be transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Capital Security Certificate in denominations greater than or equal to the minimum denominations applicable to interests in the Rule 144A Global Capital Security Certificate and only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) to the effect that the transferor reasonably believes that the transferee is a QIB and that such transaction is in accordance with any applicable securities laws of any state of the United States or any other jurisdiction. Beneficial interests in the Rule 144A Global Capital Security Certificate may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Capital Security Certificate only upon receipt by the Registrar of a written certification (in the form provided in the Agency Agreement) from the transferor to the effect that the transfer is being made in an offshore transaction and in accordance with Regulation S.

Any beneficial interest in the Regulation S Global Capital Security Certificate that is transferred to a person who takes delivery in the form of an interest in the Rule 144A Global Capital Security Certificate will, upon transfer, cease to be an interest in the Regulation S Global Capital Security Certificate and become an interest in the Rule 144A Global Capital Security Certificate, and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Rule 144A Global Capital Security Certificate for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Capital Security Certificate that is transferred to a person who takes delivery in the form of an interest in the Regulation S Global Capital Security Certificate will, upon transfer, cease to be an interest in the Rule 144A Global Capital Security Certificate and become an interest in the Regulation S Global Capital Security Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in the Regulation S Global Capital Security Certificate for so long as it

remains such an interest. No service charge will be made for any registration of transfer or exchange of Capital Securities, but the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Except in the limited circumstances described below, owners of beneficial interests in Global Capital Security Certificates will not be entitled to receive physical delivery of individual Certificates in definitive form. The Capital Securities are not issuable in bearer form.

In the event that a Global Capital Security Certificate is exchanged for Definitive Capital Securities, such Definitive Capital Securities shall be issued in denominations of U.S.$75,000 and integral multiples of U.S.$1,000 in excess thereof. Holders who hold Capital Securities in the relevant clearing system in amounts that are not integral multiples of U.S.$75,000 or U.S.$1,000 in excess thereof may need to purchase or sell, on or before the relevant Exchange Date (as defined below), a principal amount of Capital Securities such that their holding is an integral multiple of U.S.$75,000 or U.S.$1,000 in excess thereof.

Tradable Amounts

So long as the Capital Securities are represented by a Global Capital Security Certificate and the relevant clearing system(s) so permit, the Capital Securities shall be tradable only in principal amounts of at least U.S.$75,000 and integral multiples of U.S.$1,000 in excess thereof.

Exchange for Definitive Capital Securities

Exchange

Each Global Capital Security Certificate will be exchangeable, free of charge to the holder, in whole but not in part, for Capital Securities in definitive form if a Global Capital Security Certificate is held by or on behalf of a clearing system and such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the Registrar or any transfer agent of its intention to exchange the relevant Global Capital Security Certificate for Definitive Capital Securities on or after the Exchange Date (as defined below) specified in the notice.

The Registrar will not register the transfer of, or exchange of interests in, a Global Capital Security Certificate for Definitive Capital Securities for a period of 15 calendar days ending on the date for any payment of principal or interest in respect of the Capital Securities.

"Exchange Date" means a day falling not later than 90 days after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Registrar or the Transfer Agent is located.

Delivery

In such circumstances, the relevant Global Capital Security Certificate shall be exchanged in full for Definitive Capital Securities and the Issuer will, free of charge to the holders (but against such indemnity as the Registrar or any relevant Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange), cause sufficient Definitive Capital Securities to be executed and delivered to the Registrar for completion, authentication and dispatch to the relevant holders. A person having an interest in a Global Capital Security Certificate must provide the Registrar with (a) a written order containing instructions and such other information as the Issuer and the Registrar may require to complete, execute and deliver such Capital Securities and (b) in the case of the Rule 144A Global Capital Security Certificate only, a fully completed, signed certification substantially to the effect that the exchanging holder is not transferring its interest at the time of such exchange or, in the case of a simultaneous sale pursuant to Rule 144A, a certification that the transfer is being made in compliance with the

provisions of Rule 144A to a QIB. Definitive Capital Securities issued in exchange for a beneficial interest in the Rule 144A Global Capital Security Certificate shall bear a legend applicable to transfers pursuant to Rule 144A.

Legends

The holder of an Definitive Capital Securities may transfer the Capital Securities evidenced thereby in whole or in part in the applicable minimum denomination by surrendering it at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Rule 144A Definitive Capital Security bearing the appropriate legend, or upon specific request for removal of the legend on a Rule 144A Definitive Capital Security, the Issuer will deliver only Rule 144A Definitive Capital Securities that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Payments

Payments of principal and interest in respect of Capital Securities evidenced by a Rule 144A Global Capital Security Certificate or a Regulation S Global Capital Security Certificate will be made against presentation for endorsement by the Principal Paying and Transfer Agent and, if no further payment falls to be made in respect of the relevant Capital Securities, surrender of such Rule 144A Global Capital Security Certificate or Regulation S Global Capital Security Certificate, as the case may be, to or to the order of the Principal Paying and Transfer Agent or such other Paying and Transfer Agent as shall have been notified to the relevant Holders for such purpose. A record of each payment so made will be endorsed in the appropriate schedule to the relevant Certificate, which endorsement will be prima facie evidence that such payment has been made in respect of the relevant Capital Securities. Conditions 11(iii) and 17(v) will apply to the Definitive Capital Securities only.

Accountholders

Each of the persons shown in the records of DTC or Euroclear, Clearstream, Luxembourg, as the case may be, as the holder of a Capital Security represented by a Rule 144A Global Capital Security Certificate or a Regulation S Global Capital Security Certificate, as the case may be, the Holder must look solely to DTC or Euroclear, Clearstream, Luxembourg, as the case may be, for his share of each payment made by the Issuer to the holder of the underlying Certificate, and in relation to all other rights arising under such Certificate, subject to and in accordance with the respective rules and procedures of DTC or Euroclear, Clearstream, Luxembourg. Such persons shall have no claim directly against the Issuer in respect of payments due on the Capital Securities for so long as the Capital Securities are represented by such a Certificate and such obligations of the Issuer will be discharged by payment to the holder of such Certificate, as the case may be, in respect of each amount so paid.

Notices

So long as the Capital Securities are represented by a Rule 144A Global Capital Security Certificate and a Regulation S Global Capital Security Certificate on behalf of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, notices to Holders may be given by delivery of the relevant notice to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for communication by it to entitled accountholders for notification, except that so long as the Capital Securities are listed on Euronext Amsterdam and rules of such exchange so require, notices to Holders will also be published on the Euronext Daily Official List and a daily newspaper having general circulation in the Netherlands, or failing such publication, in accordance with the procedures set out in Condition 15.

Prescription

Claims against the Issuer in respect of principal and interest while the Capital Securities are represented by the Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be, will become void unless the relevant Certificate is presented for payment within a period of five years from the due date.

Meetings

The holder of a Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be, will be treated as being one person for the purposes of any quorum requirements of a meeting of Holders and, at any such meeting, as having one vote in respect of each U.S.$1,000 principal amount of Capital Securities held.

Purchase and Cancellation

Cancellation of any Capital Security required by the Conditions to be cancelled following its purchase will be effected by reduction in the principal amount of the Rule 144A Global Capital Security Certificate or the Regulation S Global Capital Security Certificate, as the case may be.

TRANSFER RESTRICTIONS

Rule 144A Capital Securities

Each purchaser of Rule 144A Capital Securities within the United States pursuant to Rule 144A, by accepting delivery of this Prospectus and the Rule 144A Capital Securities, will be deemed to have represented, agreed and acknowledged that:

It is (a) a QIB, (b) acting for its own account, or for the account of a QIB, (c) not formed for the purpose of investing in the Issuer, and (d) aware, and each beneficial owner of such Rule 144A Capital Securities has been advised, that the sale of such Rule 144A Capital Securities to it is being made in reliance on Rule 144A.

It understands that the Rule 144A Capital Securities have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (b) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act or (c) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any state or another jurisdiction of the United States.

It understands that the Rule 144A Capital Securities, unless otherwise agreed between the Issuer and the Fiscal Agent in accordance with applicable law, will bear a legend to the following effect:

THIS CAPITAL SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A (A "QIB"), THAT IS ACQUIRING THE CAPITAL SECURITY FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT FOR RESALES OF THE CAPITAL SECURITIES.

It acknowledges that the Issuer, the Registrar (as defined in the Terms and Conditions), the Initial Purchasers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of the Rule 144A Capital Securities is no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Rule 144A Capital Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of those accounts and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each account.

It understands that the Rule 144A Capital Securities will be evidenced by the Rule 144A Global Capital Security Certificate. Before any interest in the Rule 144A Global Capital Security Certificate may be offered,

sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Regulation S Global Capital Security Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws. Prospective purchasers are hereby notified that sellers of the Rule 144A Capital Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S Capital Securities

Each purchaser of Regulation S Capital Securities outside the United States and each subsequent purchaser of such Regulation S Capital Securities in resales prior to the expiration of the distribution compliance period by accepting delivery of this Prospectus and the Regulation S Capital Securities, will be deemed to have represented, agreed and acknowledged that:

It is, or at the time Regulation S Capital Securities are purchased will be, the beneficial owner of such Regulation S Capital Securities and (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate.

It understands that the Regulation S Capital Securities have not been and will not be registered under the Securities Act and, prior to the expiration of the 40-day distribution compliance period, it will not offer, sell, pledge or otherwise transfer such Regulation S Capital Securities except (a) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believes is a QIB purchasing for its own account or for the account of a QIB or (b) to a non-U.S. person (and not acting for the account or benefit of a U.S. person) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in each case in accordance with any applicable securities laws of any State of the United States.

It understands that Regulation S Capital Securities will be evidenced by a Regulation S Global Capital Security Certificate. Prior to the expiration of the 40-day distribution compliance period, before any interest in a Regulation S Global Capital Security Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Capital Security Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws.

It acknowledges that the Issuer, the Registrar, the Initial Purchasers and their affiliates and others will rely upon the truth and accuracy of the above acknowledgements, representations and agreements and agree that, if any of the acknowledgements, representations or agreements deemed to have been made by its purchase of Capital Securities is no longer accurate, it shall promptly notify the Issuer and the Initial Purchasers. If it is acquiring any Capital Securities as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

CLEARING AND SETTLEMENT OF THE CAPITAL SECURITIES

Book-Entry Procedures for the Global Capital Security Certificates

Custodial and depository links are to be established between DTC, Euroclear and Clearstream, Luxembourg to facilitate the initial issue of the Capital Securities and cross market transfers of the Capital Securities associated with secondary market trading. See "—Book-Entry Ownership" and "—Settlement and Transfer of Capital Securities".

Investors may hold their interests in the Global Capital Security Certificates directly through DTC, Euroclear or Clearstream, Luxembourg if they are accountholders ("Direct Participants") or indirectly ("Indirect Participants" and together with Direct Participants, "Participants") through organisations which are accountholders therein.

DTC

DTC has advised the Issuer as follows: DTC is a limited purpose trust company organised under the laws of the State of New York, a "banking organisation" under the laws of the State of New York, a member of the U.S. Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its Participants and facilitate the clearance and settlement of securities transactions between Participants through electronic computerised book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to DTC is available to others, such as banks, securities brokers, dealers and trust companies, that clear through or maintain a custodial relationship with a DTC Direct Participant, either directly or indirectly.

Investors may hold their interests in the Rule 144A Global Capital Security Certificate directly through DTC if they are Direct Participants in the DTC system, or as Indirect Participants through organisations which are Direct Participants in such system.

DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Capital Securities only at the direction of one or more Direct Participants and only in respect of such portion of the aggregate principal amount of the Rule 144A Global Capital Security Certificate as to which such Participant or Participants has or have given such direction. However, in the circumstances described under "Summary of Provisions Relating to the Capital Securities while in Global Form—Exchange for Definitive Capital Securities", DTC will surrender the Rule 144A Global Capital Security Certificate for exchange for individual Rule 144A Definitive Capital Securities (which will bear the legend applicable to transfers pursuant to Rule 144A).

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each hold securities for their customers and facilitate the clearance and settlement of securities transactions through electronic book-entry transfer between their respective accountholders. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions which clear through or maintain a custodial relationship with an accountholder of either system. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an

electronic bridge between their two systems across which their respective customers may settle trades with each other. Their customers are worldwide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations.

Book-Entry Ownership

Euroclear and Clearstream, Luxembourg

The Regulation S Global Capital Security Certificate representing the Regulation S Capital Securities will have an ISIN, a Common Code and a CUSIP number and will be registered in the name of a nominee for, and deposited with a common depositary on behalf of, Euroclear and Clearstream, Luxembourg.

The address of Euroclear is 1 Boulevard du Roi Albert 11, B-1210 Brussels, Belgium, and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, L-1855, Luxembourg.

DTC

The Rule 144A Global Capital Security Certificate representing the Rule 144A Capital Securities will have an ISIN, a Common Code and a CUSIP number and will be deposited with a custodian (the "Custodian") for, and registered in the name of Cede & Co. as nominee of, DTC. The Custodian and DTC will electronically record the principal amount of the Capital Securities held within the DTC System. The address of DTC is 55 Water Street, New York, New York 10041, United States of America.

Relationship of Participants with Clearing Systems

Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg (as the case may be) as the holder of a Capital Security evidenced by a Global Capital Security Certificate must look solely to DTC, Euroclear or Clearstream, Luxembourg (as the case may be) for his share of each payment made by the Issuer to the holder of such Global Capital Security and in relation to all other rights arising under such Global Capital Security Certificate, subject to and in accordance with the respective rules and procedures of DTC, Euroclear or Clearstream, Luxembourg (as the case may be). The Issuer expects that, upon receipt of any payment in respect of Capital Securities evidenced by a Global Capital Security Certificate, the common depositary by whom such Capital Security is held, or nominee in whose name it is registered, will immediately credit the relevant Participants' or accountholders' accounts in the relevant clearing system with payments in amounts proportionate to their respective beneficial interests in the principal amount of the relevant Global Capital Security Certificate as shown on the records of the relevant common depositary or its nominee. The Issuer also expects that payments by Direct Participants in any clearing system to owners of beneficial interests in any Global Capital Security Certificate held through such Direct Participants in any clearing system will be governed by standing instructions and customary practices. Save as aforesaid, such persons shall have no claim directly against the Issuer in respect of payments due on the Capital Securities for so long as the Capital Securities are evidenced by such Global Capital Security Certificate, and the obligations of the Issuer will be discharged by payment to the registered holder, as the case may be, of such Global Capital Security Certificate in respect of each amount so paid. None of the Issuer or any agent will have any responsibility or liability for any aspect of the records relating to or payments made on account of ownership interests in any Global Capital Security Certificate or for maintaining, supervising or reviewing any records relating to such ownership interests.

Settlement and Transfer of Capital Securities

Subject to the rules and procedures of each applicable clearing system, purchases of Capital Securities held within a clearing system must be made by or through Direct Participants, which will receive a credit for such Capital Securities on the clearing system's records. The ownership interest of each actual purchaser of each such Capital Security (the "Beneficial Owner") will in turn be recorded on the Direct and Indirect Participants' records.

Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Capital Securities held within the clearing system will be effected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Capital Securities, unless and until interests in any Global Capital Security Certificate held within a clearing system are exchanged for Definitive Capital Securities.

No clearing system has knowledge of the actual Beneficial Owners of the Capital Securities held within such clearing system, and its records will reflect only the identity of the Direct Participants to whose accounts such Capital Securities are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Capital Security Certificate to such persons may be limited. As DTC can only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in the Rule 144A Global Capital Security Certificate to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest.

Trading between Euroclear and/or Clearstream, Luxembourg Participants

Secondary market sales of book-entry interests in the Capital Securities held through Euroclear or Clearstream, Luxembourg to purchasers of book-entry interests in the Capital Securities held through Euroclear or Clearstream, Luxembourg will be conducted in accordance with the normal rules and operating procedures of Euroclear and Clearstream, Luxembourg and will be settled using the procedures applicable to conventional Eurobonds.

Trading between DTC Participants

Secondary market sales of book-entry interests in the Capital Securities between DTC Participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in DTC's Same-Day Funds Settlement system in same-day funds, if payment is effected in U.S. dollars, or free of payment, if payment is not effected in U.S. dollars. Where payment is not effected in U.S. dollars, separate payment arrangements outside DTC are required to be made between the DTC participants.

Trading between DTC seller and Euroclear/Clearstream, Luxembourg purchaser

When book-entry interests in Capital Securities are to be transferred from the account of a DTC Participant holding a beneficial interest in the Rule 144A Global Capital Security Certificate to the account of a Euroclear or Clearstream, Luxembourg accountholder wishing to purchase a beneficial interest in the Regulation S Global Capital Security Certificate (subject to the certification procedures provided in the Agency Agreement), the DTC participant will deliver instructions for delivery to the relevant Euroclear or Clearstream, Luxembourg accountholder to DTC by 12 noon, New York time, on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant

Euroclear or Clearstream, Luxembourg Participant. On the settlement date, the custodian of the Rule 144A Global Capital Security Certificate will instruct the Registrar to (i) decrease the amount of Capital Securities registered in the name of Cede & Co. and evidenced by the Rule 144A Global Capital Security Certificate of the relevant class and (ii) increase the amount of Capital Security registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Capital Security Certificate. Book-entry interests will be delivered free of payment to Euroclear or Clearstream, Luxembourg, as the case may be, for credit to the relevant accountholder on the first business day following the settlement date.

Trading between Euroclear/Clearstream, Luxembourg seller and DTC purchaser

When book-entry interests in the Capital Securities are to be transferred from the account of a Euroclear or Clearstream, Luxembourg accountholder to the account of a DTC Participant wishing to purchase a beneficial interest in the Rule 144A Global Capital Security Certificate (subject to the certification procedures provided in the Agency Agreement), the Euroclear or Clearstream, Luxembourg Participant must send to Euroclear or Clearstream, Luxembourg delivery free of payment instructions by 7:45 p.m., Brussels or Luxembourg time, one business day prior to the settlement date. Euroclear or Clearstream, Luxembourg, as the case may be, will in turn transmit appropriate instructions to the common depositary for Euroclear and Clearstream, Luxembourg and the Registrar to arrange delivery to the DTC Participant on the settlement date. Separate payment arrangements are required to be made between the DTC Participant and the relevant Euroclear or Clearstream, Luxembourg accountholder, as the case may be. On the settlement date, the common depositary for Euroclear and Clearstream, Luxembourg will (a) transmit appropriate instructions to the custodian of the Rule 144A Global Capital Security Certificate who will in turn deliver such book-entry interests in the Capital Securities free of payment to the relevant account of the DTC Participant and (b) instruct the Registrar to (i) decrease the amount of Capital Securities registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg and evidenced by the Regulation S Global Capital Security Certificate; and (ii) increase the amount of Capital Security registered in the name of Cede & Co. and evidenced by the Rule 144A Global Capital Security Certificate.

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of beneficial interests in Global Capital Security Certificates among Participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Fiscal Agent or any agent will have the responsibility for the performance by DTC, Euroclear, Clearstream, Luxembourg or their respective Direct or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

DESCRIPTION OF BUSINESS OF THE RABOBANK GROUP

General

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. It comprises 153 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 45 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 9.5 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food & agri. The Rabobank Group entities have strong relationships due to Rabobank's cooperative structure.

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world's 20 largest financial institutions.

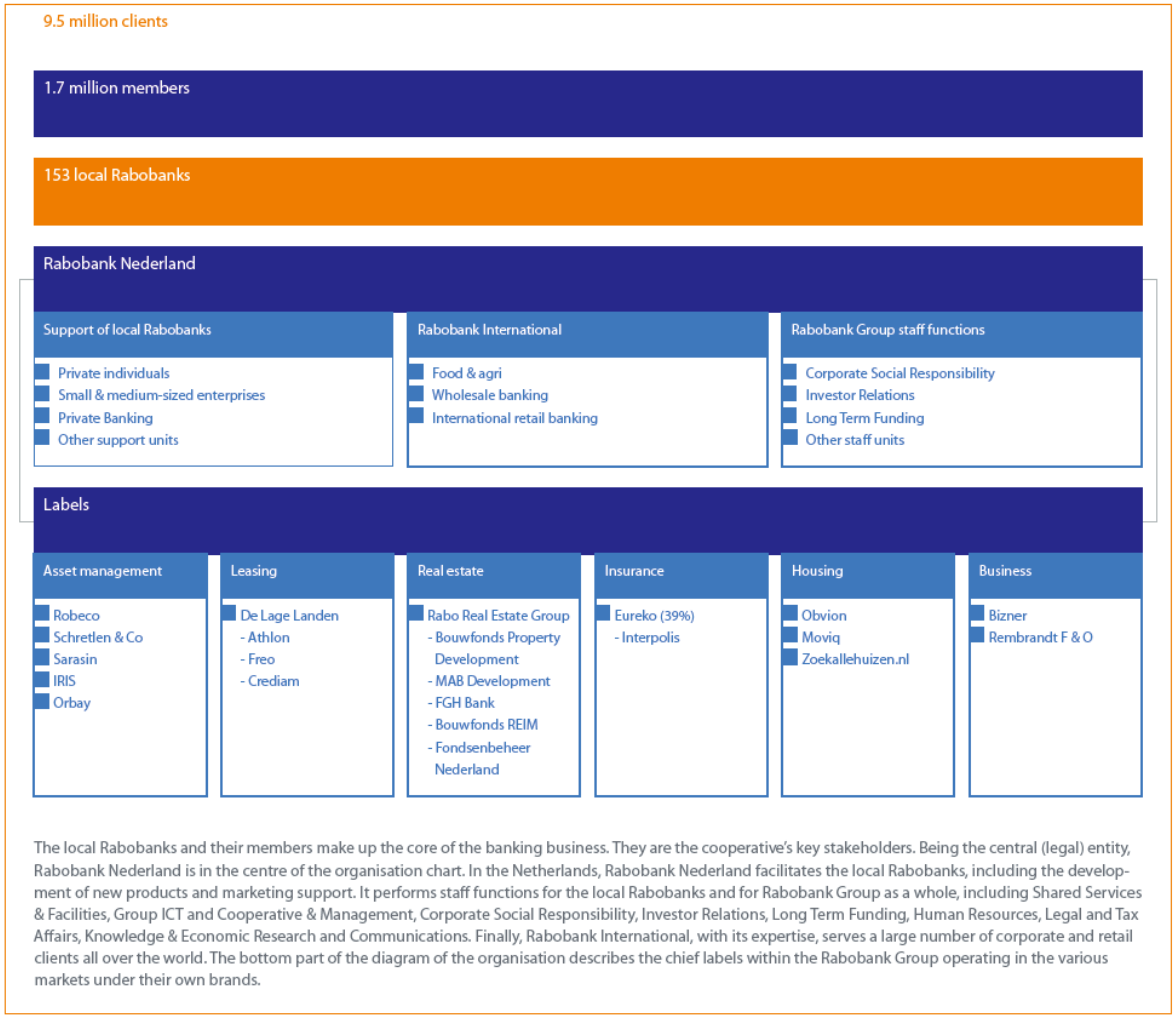
Rabobank Group's cooperative core business comprises independent local Rabobanks. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With approximately 1,100 branches and nearly 3,100 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 7.5 million clients, both private and corporate, offering a comprehensive package of financial services.

Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

Historically, Rabobank Group has engaged primarily in lending to the agricultural and horticultural sectors in the Dutch market. Since the 1990s, Rabobank Group has also offered a wide variety of commercial banking and other financial services not only in the Netherlands but also internationally. As part of an ongoing programme, Rabobank Group has increased both the number and type of products and services available to its customers in order to diversify from a traditional savings and mortgage-based business to be a provider of a full range of financial products and services, both in the Netherlands and internationally. To this end, Rabobank Group pursues an all-finance concept, meaning that it provides an integrated range of financial services comprising primarily 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 all-finance strategy, Rabobank Group focuses on operations that produce fee-based income in addition to its traditional interest-based income sources.

At December 31, 2008, the Rabobank Group had total assets of € 612.1 billion, a private sector loan portfolio of € 408.6 billion, amounts due to customers of € 304.2 billion, saving deposits of € 114.7 billion and equity of € 33.5 billion. Of the private sector loan portfolio, € 194.0 billion, virtually all of which are mortgages, consists of loans to private individuals, € 146.3 billion of loans to the trade, industry and services sector and € 68.3 billion of loans to the food & agri sector. At December 31, 2008, its Tier I ratio, which is the ratio between core capital and total risk-weighted assets, was 12.7%. For the year ended December 31, 2008, the Rabobank Group's efficiency ratio was 65.3%, and the return on equity, or net profit expressed as a percentage of core capital, was 9.7%. For the year ended December 31, 2008, the Rabobank Group realised a 2% rise in net profit to € 2.8 billion and a RAROC or the risk-adjusted return on capital, of 12.5% after tax. At December 31, 2008, the Rabobank Group had 60,568 full-time employees.

Rabobank Group



Business activities of the Rabobank Group

Through Rabobank Nederland, the local Rabobanks and its 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.

Domestic retail banking

The domestic retail banking business comprises the local Rabobanks, Obvion and Bizner. The 153 independent local Rabobanks have over 1,100 branches and operate more than 3,100 cash-dispensing machines. In the Netherlands, Rabobank is the largest mortgage bank, savings bank and insurance agent. Based on internal estimates, the Group believes it is also the leading bank for the small and medium-sized enterprises sector in the Netherlands. Obvion focuses exclusively on collaboration with independent brokers and it is the largest mortgage lender in this field in the Netherlands. Bizner is an internet bank where businesses can handle their own banking transactions online.

At December 31, 2008, Rabobank Group's domestic retail banking operations had total assets of € 309.7 billion, a private sector loan portfolio of € 268.3 billion, amounts due to customers of € 175.6 billion and saving deposits of € 101.5 billion. For the year ended December 31, 2008, Rabobank Group's domestic retail banking operations accounted for 55%, or € 6,401 million, of Rabobank Group's total income and 59%, or €

1,617 million, of Rabobank Group's net profit. At December 31, 2008, Rabobank Group's domestic retail banking operations employed 28,953 full-time employees.

Local Rabobanks

The local Rabobanks serve approximately 7.5 million Dutch clients, both private and corporate, with a comprehensive package of financial services. Many private individuals have current, savings and/or investment accounts and/or mortgages with Rabobank. Traditionally, the local Rabobanks have had close ties with the agricultural sector. In addition, they finance a broad range of enterprises, from small companies to listed enterprises. Together, the local Rabobanks are the largest insurance broker in the Netherlands.

Obvion N.V.

Obvion is a joint venture of Rabobank Group and ABP (the Dutch civil service pension fund). It is a provider of mortgages and several service products, including guarantees and bridging loans. Obvion focuses exclusively on collaboration with independent brokers. Obvion is the largest mortgage lender in this field in the Netherlands. Rabobank Group has a 50% shareholding in Obvion and a voting share of 70%.

Bizner

Bizner, which is a trade name of Rabobank Nederland, is an Internet bank for entrepreneurs who prefer to manage their own banking transactions online. At Bizner, entrepreneurs can purchase, manage and change all basic financial products.

Rabohypotheekbank

Rabohypotheekbank, with its statutory seat in Amsterdam, the Netherlands, provides mortgage-lending documentation services to all of the local Rabobanks and is owned 100% 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 December 31, 2008, Rabohypotheekbank had assets of € 11.9 billion.

Wholesale and international retail banking

Rabobank International

Rabobank International, which is the wholesale banking business and international retail banking business, focuses its activities on the food & agri sector. Rabobank International is a division of Rabobank Nederland and has branches in 27 countries. Its activities are subdivided into the following regions: the Netherlands, Europe outside the Netherlands, North and South America, Australia and New Zealand, and Asia. Across these regions, Rabobank International has created a number of units with global operations: Global Financial Markets, Structured Finance, Leveraged Finance, Renewable Energy & Infrastructure Finance, Direct Banking and Trade & Commodity Finance. For optimum service to their clients and markets, the various regions and the units with global operations work closely together. In addition to customer-focused activities, Global Financial Markets manages the trade in money market products for the day-to-day management of the liquidity position, the credit risk and the market risk of Rabobank Group and its clients. Leveraged Finance is involved in financing acquisitions by private equity companies and has a significant market share in the agricultural market. Structured Finance offers client-tailored products aimed at both the asset and liability sides of the balance sheet. The Renewable Energy & Infrastructure Finance department operates in the sustainable sectors wind, solar, bio fuels and biomass. The Trade & Commodity Finance department serves

clients that operate in the market for agricultural products and, on a limited scale, other commodities as well. This department also offers a large number of export finance products. Direct Banking services clients with saving products in Belgium, Australia, Ireland and New Zealand.

Rabobank's retail activities are performed under the Rabobank label, with the exception of the Irish ACCBank, which is a wholly owned subsidiary, and the Polish Bank BGZ, in which Rabobank International has a 59% stake.

Over the last few years, Rabobank International has strengthened its position in retail banking. It expanded its activities in the United States by acquiring Community Bank of Central California in 2006 and Mid-State Bank & Trust in 2007. In 2008, Rabobank International increased its 46% stake in the Polish Bank BGZ to a majority interest of 59%. Smaller acquisitions of retail banking activities were made in Chile and Indonesia in 2007.

In addition, Rabobank International has interests in private equity. Under the Rabo Participaties and Rabo Capital labels, Rabobank Group's investment unit, Rabo Private Equity, focuses on medium-sized Dutch enterprises. Its Rabo Ventures label focuses on new enterprises in the clean technology sector. Rabobank also participates in independent private equity enterprises such as Langholm and a number of Gilde funds.

At December 31, 2008, Rabobank Group's wholesale and international retail banking operations had total assets of € 420.2 billion and a private sector loan portfolio of € 100.7 billion. For the year ended December 31, 2008, Rabobank Group's wholesale and international retail banking operations accounted for 17%, or € 1,997 million, of Rabobank Group's total income and 1%, or € 27 million, of Rabobank Group's net profit. For the year ended December 31, 2008, Rabobank International's retail activities accounted for 43% of total wholesale and international retail banking operations income. At December 31, 2008, Rabobank Group's wholesale and international retail banking operations had 15,223 full-time employees.

Asset management and investment

Rabobank Group's asset management business is handled by Robeco, an asset manager with global operations, as well as by the Swiss private bank Sarasin and by Schretlen & Co, the Dutch private bank. Rabobank Group has a 46% stake in Sarasin and a voting share of 69%.

At December 31, 2008, the assets managed and held in custody of Rabobank Group's asset management and investment operations amounted € 184 billion. For the year ended December 31, 2008, Rabobank Group's asset management and investment operations accounted for 14%, or € 1,618 million, of Rabobank Group's total income and 16%, or € 438 million, of Rabobank Group's net profit. At December 31, 2008, Rabobank Group's asset management and investment operations had 3,620 full-time employees.

Robeco Groep N.V.

Robeco was founded in Rotterdam in 1929. It provides investment products and services to approximately 700 institutional and approximately 1.5 million private clients around the world. Services to private individuals are provided both through banks and other distribution partners, and through direct channels. Robeco's product range includes equity and fixed-income investments, money market and real estate funds, sustainable and socially responsible investments, as well as alternative investments, including private equity, hedge funds and structured products. In addition to its home markets in the Netherlands and the United States, Robeco operates in Europe, Asia and the Middle East.

Rabobank Nederland owns a 100% equity interest in Robeco. Robeco has its statutory seat in Rotterdam. Its issued and fully paid-up share capital amounted to € 4,537,803 (4,537,803 shares with a nominal value of € 1 each) at December 31, 2008.

For the year ended December 31, 2008, Robeco's net result was € 159 million, corresponding to € 35.15 per share. At December 31, 2008, Rabobank Nederland's liabilities to Robeco amounted to € 252 million (bonds), € 1,287 million (current account) and € 271 million (loans and deposits). At December 31, 2008 Rabobank Nederland's claims on Robeco amounted to € 243 million (loans) and € 200 million (current account).

At December 31, 2008, Robeco managed € 110.7 billion in assets.

Schretlen & Co N.V.

Schretlen & Co is the private banking specialist within Rabobank Group. Its activities include asset management and advice, combined with asset planning, which are focused on high net-worth individuals and medium-sized institutional investors in the Netherlands. In addition to its head office in Amsterdam, Schretlen & Co has branches in Apeldoorn, Heerenveen, Rotterdam and Waalre. Collaboration with local Rabobanks has resulted in, among other things, Rabobank Beheerd Beleggen and the Rabobank Effecten Advies Desk. Rabobank Nederland owns a 100% equity interest in Schretlen & Co.

At December 31, 2008, Schretlen & Co managed € 6.8 billion in assets.

Bank Sarasin & Cie S.A.

Sarasin is a Swiss private bank founded in 1841. Its shares are listed at the Swiss stock exchange SWX. Rabobank Group has, by holding shares with and without voting rights, a 46% shareholding in Sarasin and a voting share of 69%. The Sarasin Group is an international service provider, with a focus on sustainability. It is represented in 13 countries in Europe, the Middle East and Asia. Sarasin offers a high level of services and expertise as an investment advisor and asset manager for high net-worth private individuals and institutions.

At December 31, 2008, Sarasin managed € 46.9 billion in assets.

Leasing, De Lage Landen International B.V.

De Lage Landen is responsible for Rabobank Group's leasing business. Asset financing products help manufacturers, vendors and distributors to promote sales in more than 30 countries around the world. In addition, De Lage Landen operates its international car lease business Athlon Car Lease in eight European countries. In the Netherlands, De Lage Landen offers a broad range of leasing and trade financing products. Through the Freo brand, among others, it supports Rabobank Group's efforts to be the Dutch market leader in consumer credits.

De Lage Landen has its statutory seat in Eindhoven, the Netherlands. Its issued share capital amounts to € 98,470,307 all of which is owned by Rabobank Nederland. At December 31, 2008, Rabobank Nederland's liabilities to De Lage Landen amounted to € 2,007 million. At December 31, 2008 Rabobank Nederland's claims on De Lage Landen amounted to € 21,768 million (loans and current account). All liabilities of De Lage Landen are guaranteed (through the cross guarantee system) by Rabobank Nederland and the other participants of this system.

At December 31, 2008, De Lage Landen had a loan portfolio of € 23.3 billion. For the year ended December 31, 2008, De Lage Landen accounted for 9%, or € 1,015 million, of Rabobank Group's total income and 9%, or € 235 million, of Rabobank Group's net profit. At December 31, 2008 Rabobank Group's Leasing operations employed 4,667 full-time employees.

Real estate, Rabo Vastgoedgroep N.V.

Rabobank Group's private and corporate Real Estate activities are performed by Rabo Real Estate Group (Rabo Vastgoedgroep). This real estate enterprise focuses on three core businesses: the development of owner occupied houses and commercial real estate, finance and asset management. In these markets, Rabo Real Estate Group operates under the brands Bouwfonds Property Development, MAB Development, FGH Bank

and Bouwfonds REIM. Rabo Real Estate Group operates mainly in the Benelux countries, Germany and France. Rabobank Nederland owns a 100% equity interest in Rabo Real Estate Group.

For the year ended December 31, 2008, the Rabo Real Estate Group sold 8,746 houses and managed € 6.8 billion of real estate assets and its loan portfolio amounted € 16.5 billion. For the year ended December 31, 2008, the Real Estate operations accounted for 4%, or € 427 million, of Rabobank Group's total income and 1%, or € 24 million, of Rabobank Group's net profit. At December 31, 2008, Rabobank Group's Real Estate operations had 1,743 full-time employees.

Participations

Eureko B.V.

Rabobank has a 39% interest in Eureko, an international provider of financial services in the area of insurance with approximately 25,000 full-time employees. Rabobank does not exercise control over Eureko and therefore does not consolidate Eureko as a subsidiary in Rabobank's financial statements. Eureko is accounted for as an associate in Rabobank's financial statements in accordance with the equity method. Achmea, which is part of Eureko, is the largest insurance group in the Dutch domestic market (source: Eureko Annual Report 2008), with brands including Centraal Beheer Achmea, Interpolis, Avéro Achmea, FBTO, Agis Zorgverzekeringen and Zilveren Kruis Achmea. In the Netherlands, Eureko serves a broad customer base of private individuals as well as government and corporate clients. Abroad, Eureko operates in 12 European countries. Rabobank and Eureko work closely together in the area of insurance. The majority of the insurance products sold by local Rabobanks is from Interpolis, which provides a broad range of non-life, health and life insurance policies for both private individuals and enterprises. With more than a million private individuals and several hundreds of thousands of enterprises as clients, Interpolis is one of the major players in the Dutch insurance market. In the Netherlands, Interpolis is a market leader in the agricultural sector (source: Eureko Annual Report 2008).

Recent developments

Rabobank and Rothschild establish global food & agri cooperation

As from January 1, 2009 Rabobank International Holding B.V. and Rothschild entered into a cooperation agreement in the field of mergers and acquisitions and equity capital markets advisory in the food & agri sectors on a global basis. Rothschild and Rabobank both have strong global food & agri advisory franchises in mergers and acquisitions. Under the agreement both firms will pool their respective industry knowledge, resources and relationships while expanding their respective geographic reach and client base through an enhanced breadth of services. In order to strengthen the relationship between the two parties, Rabobank also acquired a 7.5% stake in Rothschilds Continuation Holdings ("RCH") and a Rabobank representative joined the RCH board of directors.

Eureko

On February 16, 2009, Eureko announced that, following consultations with its shareholders Rabobank and Achmea Association, it will increase its capital by € 1 billion. This measure is intended to increase Eureko's solvency. Rabobank is contributing € 400 million to the capital injection; however, this will not increase Rabobank's relative ownership stake in Eureko.

Issue of Capital Securities

On February 27, 2009, Rabobank Nederland issued € 500 million Perpetual Noncumulative Capital Securities and on May 27, 2009, Rabobank Nederland issued NZ$280 million Perpetual Noncumulative Capital Securities.

Strategy of the Rabobank Group

Rabobank's strategic objectives are set out in its Strategic Framework 2005-2010, which it has been implementing since its introduction. Following changes in the Dutch banking market that took place in 2008, and the turbulent developments in the international financial markets, the Rabobank Group has been considering adjustments to the framework. Accordingly, at the end of 2008, the Rabobank Group began formulating adjustment proposals for a revised Strategic Framework covering the period 2009-2012. Under these proposals, the principles of the framework were refocused and reprioritised in several areas. Rabobank approved the new Strategic Framework on March 18, 2009 in its Central Delegates Assembly.

Strategy principles

As a cooperative, Rabobank prioritises clients' interests, and Rabobank's structure and processes are focused accordingly. Through their influence and control, members enforce discipline on the cooperative.

As an all-finance service provider, Rabobank Group offers a comprehensive package of financial products and services. Management believes that the diversification within the Rabobank Group benefits its financial stability, and that Rabobank Group's broad range of knowledge and expertise results in innovation and synergies within Rabobank. Market leadership remains important to Rabobank Group, but Management believes this must be balanced with prudent margins and the Rabobank Group's cooperative mandate.

International growth is necessary because opportunities for growth in the domestic market are set to gradually level out. Moreover, Management believes food & agri is an attractive niche because of Rabobank's global knowledge of food & agri, which it attributes to its connection with the agricultural and horticultural sectors of the Dutch market. Rabobank International also intends to expand its activities in sustainable energy and clean technology.

Under the present economic conditions Management believes a high credit rating is important and that a healthy balance sheet, stable profit growth and a high Tier I ratio are prerequisites for a high credit rating.

In addition, Corporate Social Responsibility ("CSR") policy within Rabobank Group, including its core banking processes, must meet high standards.

Strategy adjustment

Under the revised Strategic Framework, Rabobank is putting greater emphasis on sound balance sheet ratios. Growth in lending largely depends on growth in amounts due to customers and as a result, Management believes that both the local Rabobanks and Rabobank International should provide for a significant part of their own funding. Expansion of the activities of subsidiaries will be aligned with the volume of funding available at Rabobank Group level.

In the Netherlands, Rabobank aims to be the largest bank for corporate enterprises. A stronger position in the corporate market offers private banks additional opportunities to the "private entrepreneur" as well. Rabobank also seeks further growth in the private-banking segment through differentiated customer service, collaboration with subsidiaries and improved quality of advice.

Rabobank aims to develop further as a cooperative. The revised Strategic Framework will enable local Rabobanks to respond to changing client priorities. At the same time, the programme introduces an optimised servicing model and produces cost reductions from standardisation. In order to maintain their market leadership, the local Rabobanks must operate at competitive rates.

Rabobank International will focus more on Rabobank Group's core activities. In the Netherlands, this means supporting the Rabobank Group's aim to be the largest corporate bank in the Netherlands. Outside the Netherlands, Rabobank International intends to focus more on food & agri. In addition, Rabobank International plans to expand its activities in the areas of sustainable energy and clean technology. Global

Financial Markets will confine itself to client-related activities and liquidity management; other activities will be phased out. In the Netherlands, Rabo Development intends to gradually increase the number of minority interests in partner banks having a food & agri focus in developing countries. Abroad, the Rabobank Foundation will focus on countries where Rabobank International and/or Rabo Development operate.

The Rabobank Group's subsidiaries will similarly focus more on supporting the realisation of Rabobank Group's core objectives: market leadership in all-finance services in the Netherlands and building up a distinct position as the world's pre-eminent food & agri bank. Other important main functions of the subsidiaries and participations will continue to be leveraging of specialisations and achieving sound financial returns.

Strategic core objectives

The Rabobank Group's strategic core objectives are:

- to achieve all-finance market leadership in the Netherlands;
- to strengthen Rabobank's position as the leading international food & agri bank;
- to expand, and develop additional synergies with, the Rabobank Group subsidiaries.

Strategy for domestic retail banking

The adjustment of the Strategic Framework reflects that Rabobank is pursing market leadership in the Netherlands as an all-finance service provider. This market leadership strategy also includes roles for mortgage provider Obvion as well as for Bizner. By increasing its focus on the corporate market, Rabobank aims to be the largest corporate bank in the Netherlands. In addition, it has expressed its ambitions for growth in the market for private banking. As a result of a stronger focus on sound balance sheet ratios, the local Rabobanks will be financing a large proportion of their growth in lending from amounts due to customers. The implementation of the revised Strategic Framework is another important element in the adjusted strategy.

Strategy for wholesale banking and international retail banking

Rabobank aims to be the pre-eminent global food & agri bank, with a focus on renewable energy and clean technology. Rabobank International intends to address this further and to broaden and deepen its product range for the food & agri market. Global Financial Markets will focus on client-related activities and liquidity management. Other activities will be phased out and its services will be tailored more to core clients. Rabobank International intends to strengthen the international retail banking activities further, while giving priority to existing major agricultural focus areas in Australia, Brazil, California and Poland. Renewable energy and clean technology will receive greater attention through project finance and venture capital.

Strategy for asset management and investment

Asset managers Robeco, Sarasin and Schretlen & Co offer high-quality services to a range of investors and intend to expand the range of products and services offered. Both the distribution network and the institutional sales and asset management activities will be expanded on a selective basis. At the same time, Rabobank Group aims to strengthen its position in the market for high net-worth individuals and institutional investors and consolidate its positions in the Netherlands and abroad.

Strategy for leasing

De Lage Landen offers finance solutions worldwide for producers and distributors of capital assets. Athlon Car Lease is considering opportunities to expand its operations in Europe. De Lage Landen serves Rabobank clients with a broad package of lease and factoring products. De Lage Landen aims to strengthen Rabobank Group's position in the Dutch market for consumer credits by granting consumer credits through the local Rabobanks and the Freo label.

Strategy for real estate

Rabo Real Estate Group operates in three core businesses: developing, finance and investing. Its target is to maintain and strengthen its leading position in the Dutch market for owner-occupied houses and commercial real estate. In addition, Rabo Real Estate Group intends to maintain and, where possible, expand its solid position in the Dutch real estate finance market. Within Rabobank Group, Rabo Real Estate Group is the centre of expertise on real estate investments. Leveraging Rabobank's distribution power and growing its knowledge of real estate management will contribute to growth in assets under management.

Corporate social responsibility

One of the cornerstones of the Rabobank Group Strategic Framework is a high quality policy for corporate social responsibility. Within this scope, Rabobank continued to develop its CSR policy and activities in 2008.

Employees

The Rabobank Group needs the right people to achieve its strategic goals. Rabobank invests in its employees, not just in terms of their conditions of employment, but also by providing training, opportunities for growth and healthcare, and helping employees achieve a good work/life balance. The Rabobank Group's workforce is aging, and in a changing and innovative environment such as Rabobank's, it is vital that its employees are versatile and have the relevant skills. Rabobank also prioritises talent development, diversity and raising awareness of CSR among its employees.

For the year ended December 31, 2008, the rate of absenteeism was 3.8% and Rabobank's employee satisfaction score was 86% according to internal surveys. At December 31, 2008, the Rabobank Group employed 60,568 full-time employees.

Competition

The Rabobank Group competes in the Netherlands with several other large commercial banks and financial institutions, such as ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, and also with smaller financial institutions in specific markets. Over the last few years, banks have increased their emphasis on the credit quality of borrowers. This emphasis, combined with the deregulation of capital markets, has increased competition among banks in the Netherlands significantly. 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 2008, several large commercial banks and financial institutions in the Netherlands, including ABN AMRO, Fortis Nederland, ING Group and SNS Reaal, received financial support from the Dutch government. This may affect the competitive environment in which the Rabobank Group operates in the Netherlands and Management expects competition in the Dutch savings market to continue in 2009.

The Dutch mortgage loan market is highly competitive. Driven by the tax deductibility of mortgage loan interest payments, Dutch homeowners usually take out relatively high mortgage loans. This does not necessarily indicate a high risk for banks with mortgage-lending operations. Rabobank has a balanced mortgage loan portfolio with a weighted loan-to-value of approximately 60%. Historically, mortgage lending in the Netherlands has been relatively low risk and all mortgage loans are collateralised. Mortgage loan defaults do not occur frequently, either in the Rabobank Group's mortgage lending operations or in the Netherlands generally. Almost all mortgages in the Netherlands have a maturity of 30 years. Generally, mortgages have a long-term (greater than five years) fixed interest rate, after which period the rate is reset at the current market rate. Customers generally 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.

Market shares in the Netherlands

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

Residential mortgages: At December 31, 2008, the Rabobank Group had a market share of 30% of new home mortgages in the Dutch mortgage market by value (23.6% by local Rabobanks and 6.0% by Obvion; source: Dutch Land Registry Office (*Kadaster*)). The Rabobank Group is the largest mortgage-lending institution in the Netherlands.

Saving deposits of individuals: At December 31, 2008, the Rabobank Group had a market share of approximately 43% of the Dutch savings market (source: Statistics Netherlands (*Centraal Bureau voor de Statistiek*)). The Rabobank Group is the largest savings institution in the Netherlands measured as a percentage of the amount of saving deposits. Of the total saving deposits in the Netherlands, 40.9% are held by the local Rabobanks and 2.2% are held by Robeco's savings bank Roparco.

Lending to small and medium-sized enterprises: At December 31, 2008, the Rabobank Group had a market share of approximately 39% of domestic loans to the trade, industry and services sector (i.e. small enterprises with fewer than 100 employees; measured by Rabobank's own surveys). The Rabobank Group is the leader in loans to the Dutch agricultural sector and in the small and medium-sized business sector.

Agricultural loans: At December 31, 2008, the Rabobank Group had a market share of approximately 84% of loans and advances made by banks to the Dutch primary agricultural sector (measured by Rabobank's own surveys).

Properties

Rabobank Nederland and the local Rabobanks typically own the land and buildings used in the ordinary course of their business activities in the Netherlands. Outside the Netherlands, some of the Rabobank Group entities also own the land and buildings used in the ordinary course of their business activities. In addition, the Rabobank Group's 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.

Insurance

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

Legal proceedings

The Rabobank Group is involved in governmental, litigation and arbitration proceedings in the Netherlands and in foreign jurisdictions, including the United States, involving claims by and against the Rabobank Group which arise in the ordinary course of its businesses, including in connection with Rabobank Group's 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 the Rabobank Group's financial condition or profitability, given its size, robust balance sheet, stable income stream and prudent provisioning policy.

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 and was incorporated with unlimited duration on December 22, 1970. A cooperative under the laws of the Netherlands has members and has the statutory objective to provide for certain material needs of its members. Rabobank Nederland was registered with the Trade Register of the Chamber of Commerce in Utrecht, the Netherlands in December 1970 under number 30046259. 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. In addition to being a member of Rabobank Nederland, each local Rabobank has shares in Rabobank Nederland in accordance with Article 15 of Rabobank Nederland's articles of association. 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. As of July 1, 2008, after amendment of the articles of association approved by the General Meeting on June 19, 2008, the total number of outstanding shares is 2,004,015 of € 1,000 each, thus increasing the share capital of Rabobank Nederland from € 638 million to more than € 2 billion. On the basis of a prescribed allocation formula, which included taking into account the total balance sheet position, Tier I capital and commercial profits of each local Rabobank, these shares were distributed to the members.

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 (as described below).

Rabobank Nederland's functions within the Rabobank Group can be broadly divided into several areas. Traditionally, an important task of Rabobank Nederland has been its function as a bankers' bank. Another important task is to provide service to the local Rabobanks 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 various subsidiaries.

The local Rabobanks are organised as cooperative entities under the laws of the Netherlands and draw all of their members from their customers. Through mergers, the number of local Rabobanks has decreased from 188 at December 31, 2006, to 174 at December 31, 2007, to 153 at December 31, 2008. At December 31, 2008, the local Rabobanks had approximately 1,707,000 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.

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

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 (*kruislingse garantieregeling*), 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
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.

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

403 Declaration

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

In addition, Rabobank Nederland provides (bank) guarantees in its ordinary course of business.

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 (*De Nederlandsche Bank N.V.*) on a consolidated basis, based on Article 3:111 of the Financial Supervision Act, Rabobank Nederland has responsibility for ensuring compliance by the local Rabobanks with the applicable capital adequacy and liquidity regulations. The 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 law. 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's 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.

Supervision on market conduct

Pursuant to Section 2:105 of the Financial Supervision Act, Rabobank Nederland has been designated by the Minister of Finance (*Ministerie van Financiën*) as an undertaking which is deemed to have a collective licence, applying both to itself and to all local Rabobanks. As a consequence of this collective licence, 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.

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

The following discussion should be read in conjunction with the financial statements and the notes thereto of the Rabobank Group incorporated by reference in this Prospectus. As of 2005, the financial statements have been prepared in accordance with IFRS as adopted by the European Union. The financial data in the (sub) paragraphs in this chapter marked with an asterisk (*) has not been directly extracted from the audited financial statements but instead is unaudited and derived from the accounting records of Rabobank Nederland, unless otherwise stated.

Business overview*

Rabobank Group is an international financial service provider operating on the basis of cooperative principles. It comprises 153 independent local Rabobanks and their central organisation Rabobank Nederland and its subsidiaries. Rabobank Group operates in 45 countries. Its operations include domestic retail banking, wholesale and international retail banking, asset management and investment, leasing and real estate. It serves approximately 9.5 million clients around the world. In the Netherlands, its focus is on all-finance services and, internationally, on food & agri. The Rabobank Group entities have strong relationships due to Rabobank's cooperative structure. At December 31, 2008, the Rabobank Group had total assets of € 612.1 billion and 60,568 full-time employees.

Rabobank Group has the highest credit rating awarded by the international rating agencies Standard & Poor's (AAA since 1981) and Moody's (Aaa since 1981). In terms of Tier I capital, Rabobank Group is among the world's 20 largest financial institutions.

Rabobank Nederland, the local Rabobanks and certain subsidiaries in the Rabobank Group are linked through a "cross-guarantee system". The cross-guarantee system provides for intra-group credit support among Rabobank Nederland, all local Rabobanks and certain of the Rabobank Group's subsidiaries that are the other participating institutions. Under the cross-guarantee system, funds are made available by each participating institution if another participant suffers a shortfall in its funds. If a participating institution is liquidated and has insufficient assets to cover its liabilities, the other participating institutions are liable for its debts. For more details see, "The Rabobank Group Structure - Internal liability (cross-guarantee system)".

The independent local Rabobanks make up Rabobank Group's cooperative core business. Clients can become members of their local Rabobank. In turn, the local Rabobanks are members of Rabobank Nederland, the supralocal cooperative organisation that advises and supports the banks in their local services. Rabobank Nederland also supervises the operations, sourcing, solvency and liquidity of the local Rabobanks. With approximately 1,100 branches and nearly 3,100 cash-dispensing machines, the local Rabobanks form a dense banking network in the Netherlands. In the Netherlands, the local Rabobanks serve approximately 7.5 million clients, both private and corporate, offering a comprehensive package of financial services.

Rabobank Nederland is the holding company of a number of specialised subsidiaries in the Netherlands and abroad. Rabobank International is Rabobank Group's wholesale bank and international retail bank.

Factors affecting results of operations

*General market conditions**

Rabobank Group's results of operations are affected by a variety of market conditions, including economic cycles, fluctuations in stock markets, interest rates and increased competition. The financial crisis, which started in the second half of 2007, has affected banks particularly in respect of funding, due to the liquidity

shortage. See "Impact of the financial crisis" below. In the Netherlands, competition for savings is likely to continue. Management expects that the recession will impact Rabobank Group's growth in lending and will result in loan losses that are expected to be above Rabobank Group's long-term average.

In 2008, approximately three-quarters of the Rabobank Group's total income was derived from its Dutch operations. Accordingly, changes in the Dutch economy, the levels of Dutch consumer spending and changes in the Dutch real estate, securities and other markets may have a material effect on Rabobank Group's operations. However, because of Rabobank Group's high level of product diversification, it has not experienced major fluctuations in its levels of profitability in the past. Outside of the Netherlands, the markets Rabobank Group focuses on, i.e. principally food & agri, are impacted by business cycles only in a limited way.

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

Impact of the financial crisis

Due to the impact of the financial crisis on the market value of various financial assets and the need to recognise financial assets at fair value, the carrying amounts of these assets have been affected. At December 31, 2008, the total negative revaluation of the portfolio of available-for-sale debt instruments amounted to € 407 million after tax and was recognised directly in equity.

In the first quarter of 2008, two Asset Backed Commercial Paper ("ABCP") structures were phased out, in part following the introduction of the new Basel II regulation that became applicable to Rabobank Group as of January 1, 2008. As a consequence, the ABCP outstanding at December 31, 2008 decreased to € 17.5 billion (2007: €23.0 billion), mainly for funding own originated loans and customer loans and receivables. In the fourth quarter of 2008, limited use was made of the Commercial Paper Funding Facility launched by the U.S. Federal Reserve to support the commercial paper market.

In the first quarter of 2008, due to the scarcity of funding opportunities for Structured Investment Vehicles ("SIV"), the remaining SIV Tango assets managed by Rabobank were taken onto the balance sheet of the Rabobank Group. As a result of currency exchange rate fluctuations and sales, the valuation of the portfolio of former SIV Tango assets on the Rabobank Group's balance sheet was reduced to € 3.8 billion as at December 31, 2008. Rabobank has no other investments in SIVs.

An important element of the bank's liquidity risk management is to maintain a large portfolio of liquid and/or central bank eligible assets that can be used, if necessary, to generate liquidity quickly. Rabobank Group's trade and investment portfolios have a limited direct exposure to more structured investments, which amounts to € 9 billion, the majority of which is AAA-rated. Due to the further deterioration of the U.S. housing market, related investments such as Residential Mortgage Backed Securities and Collateralised Debt Obligations, have been impaired and the resulting loss charged to profit. For the year ended December 31, 2008 this amounted to a post-tax loss of € 418 million. An additional provision of € 152 million after tax was made for a liquidity facility granted by Rabobank which was partly secured on subprime-related assets.

In a number of cases, monoline insurers are the counterparty to credit default swaps that hedge the credit risk of certain investments. In most cases, solvency objectives are the main reason for the existence of these hedges rather than the credit quality of these investments. The impact of the ongoing deterioration of the U.S. mortgage market undermined the creditworthiness of monoline insurers in 2008, which adversely affected the

rating of these institutions. Counterparty risk relating to these monoline insurers arises because the value of the credit default swaps with these counterparties increases, due to the fair value of the underlying investments decreasing, or because other insured investments can lead to payment claims against these insurers. In 2008, value adjustments amounting to € 393 million were recognised in profit and loss. A provision of € 260 million after tax has been made in respect of counterparty risk. At December 31, 2008, the remaining counterparty risk after value adjustments for the Rabobank Group amounted to € 1,729 million.

See also Note 4.10 to the consolidated financial statements of the Rabobank Group for the year ended December 31, 2008 for a discussion of the impact of the financial crisis on Rabobank.

Stock market fluctuations

Following a broad-based increase in global stock markets between 2002 and 2007, equity markets have been adversely affected since the outbreak of the financial crisis in the second half of 2007. Stock prices dropped significantly in 2008 and in the first four months of 2009. Uncertainty among investors and market volatility remain high. A further decline in the stock markets could adversely affect the Rabobank Group's results of operations and its financial assets.

Interest rates

Changes in prevailing interest rates (including changes in the difference between the levels of prevailing short-term and long-term rates) can materially affect the Rabobank Group's results. For example, the relatively low interest rate risk environment in the Netherlands and the Rabobank Group's other major markets has driven growth in mortgage volumes, which is positive. However, a low interest rate environment also adversely affected the Rabobank Group's results, due to the structure of its balance sheet, Rabobank has a high level of non- and low-interest bearing liabilities (its reserves, balances on payment accounts and current accounts). Generally, a sustained period of lower interest rates will reduce the yields on the assets that are financed with these liabilities. Conversely, rising interest rates should, over time, increase investment income but may, at the same time, reduce the market value of pre-existing investment portfolios. Rising rates can also lead to higher or lower interest margins depending on whether Rabobank Group's interest-earning assets reprice at a faster rate than interest-bearing liabilities or the degree to which the spreads on assets or liabilities narrow or widen. Management expects that the current low interest rate environment is likely to continue in 2009, with a corresponding impact on the Rabobank Group's results.

As discussed under "Risk Management - Interest rate risk", the Rabobank Group generally takes a limited interest rate position that is managed within strict limits and designed to take advantage of expected changes in interest rates and the yield curve.

Critical accounting policies

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

Value adjustments

Management regularly assesses the adequacy of the provision for loan losses, by performing ongoing evaluations of the loan portfolio. Rabobank's policies and procedures to measure impairment are IFRS compliant. Rabobank considers a loan to be impaired when based on current information and events, it is

probable that Rabobank will not be able to collect all amounts due (principal and interest) according to the original contractual terms of the loan.

Rabobank distinguishes:

- Specific provisions for impaired corporate loans. For these loans, impairment is measured on a case-by-case basis. Once a loan is identified as impaired, the impairment amount is measured as the difference between the carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.
- Collective retail provisions for loans that are not significant enough to be assessed individually. Retail portfolios of loans that are not individually assessed for impairment are grouped into pools, based on similar risk characteristics and are collectively assessed for impairment.
- An Incurred But Not Reported ("IBNR") provision for losses on loans that have been incurred but have not yet been individually identified at the balance sheet date. Non-impaired loans are included in groups with similar risk characteristics and are collectively assessed for the potential losses, based on expected loss parameters. Furthermore, a factor is used which assumes that within six months impairment will be discovered.

The impairment amount thus determined is recorded in the profit and loss account as a bad debt cost with the corresponding credit posted as a provision against the loan balance in the balance sheet.

A Provisioning Committee headed by a member of the Executive Board decides twice a year on provision-taking for all impaired loans above a certain threshold (currently over € 20 million).

Trading activities

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

Change in accounting policies

As a result of changes in accounting policies and presentation, certain figures for the Rabobank Group as at and for the year ended December 31, 2007 in this Prospectus have been restated. See "Important Information – Presentation of financial information – Change in accounting policies" and Note 2 to the consolidated financial statements for the Rabobank Group for the year ended December 31, 2008. Where the year ended December 31, 2008 is compared with the year ended December 31, 2007, the restated figures for 2007 are discussed. Where the year ended December 31, 2007 is compared with the year ended December 31, 2006, the figures for 2007 have not been restated.

Results of operations

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

	Year ended December 31,			
(in millions of euros)	**2008**	**2007* (restated)**	**2007**	**2006**
Interest	8,517	6,771	6,771	6,472
Fees and commission	2,889	2,857	2,857	2,296
Other income	246	1,394	1,871	1,281
Total income	**11,652**	**11,022**	**11,499**	**10,049**
Staff costs	4,290	4,400	4,445	4,117
Other administrative expenses	2,796	2,779	2,846	2,429
Depreciation	525	484	418	341
Operating expenses	**7,611**	**7,663**	**7,709**	**6,887**
Gross profit	**4,041**	**3,359**	**3,790**	**3,162**
Value adjustments	1,189	266	742	450
Operating profit before taxation	**2,852**	**3,093**	**3,048**	**2,712**
Taxation	98	397	386	367
Net profit	**2,754**	**2,696**	**2,662**	**2,345**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income grew by 6% in 2008 to € 11,652 million compared to € 11,022 million in 2007, with a particularly strong contribution from interest income. Interest income accounted for 73% of total income in 2008. Other income fell by 82% to € 246 million (2007: €1,394 million).

Interest. Interest income was 26% higher in 2008, at € 8,517 million compared to € 6,771 million in 2007. This increase was mainly due to Rabobank International's interest income being higher as a result of growth in lending and higher spreads.

Fees and commission. Fees and commission were 1% higher, at € 2,889 million compared to € 2,857 million in 2007.

Other income. Other income was 82% lower, at € 246 million compared to € 1,394 million in 2007. The continuing adverse conditions in the financial markets depressed Rabobank International's results. On a net basis, the fair value changes of assets and liabilities had a limited impact on earnings. Rabo Real Estate Group's project results were also lower. Income from the Eureko participation was negative. The sale of Alex and the consolidation of Bank BGZ made positive contributions to earnings. In 2007, other income benefited from revenues from the sale of activities at Sarasin.

Operating expenses. Total operating expenses decreased by 1% in 2008 to € 7,611 million compared to € 7,663 million in 2007. Staff costs accounted for 56% of total operating expenses.

Staff costs. Partly as a result of a reduction of the bonuses, staff costs were 3% lower, at € 4,290 million compared to € 4,400 million in 2007. From 2008, Bank BGZ employees are included in Rabobank Group's

staff count. As a result, staff numbers at Rabobank Group increased by 11% to 60,568 (2007: 54,737) full-time employees. Staff numbers at the local Rabobanks and Robeco declined.

Other administrative expenses. Other administrative expenses were 1% higher, at € 2,796 million compared to € 2,779 million in 2007.

Depreciation. Depreciation charges were 8% higher, at € 525 million compared to € 484 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

Value adjustments. Mainly as a result of the increase in the item "value adjustments" at Rabobank International, this item rose to € 1,189 million compared to € 266 million in 2007. This corresponds to 31 basis points of average lending and is higher than the 10-year average of 21 basis points (based on the period 1998 to 2007).

Taxation. Income tax recognised in 2008 amounted to € 98 million compared to € 397 million in 2007, which is equivalent to an effective tax rate of 3.4% (2007: 12.8%). The results from equity investments such as those in the Gilde funds and the equity investments in Rabo Private Equity, which are exempt from taxation, contributed to the lower effective tax rate.

Net profit. Rabobank Group's net profit grew by 2% in 2008 to € 2,754 million compared to € 2,696 million in 2007. After deduction for minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the amount remaining was € 2,089 million compared to € 1,971 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income grew by 14% in 2007 to € 11,499 million compared to € 10,049 million in 2006, with a particularly strong contribution from commission and other income. Interest accounted for 59% of total income in 2007.

Interest. Interest income was 5% higher, at € 6,771 million compared to € 6,472 million in 2006. Due to higher interest rates, fewer clients settled their mortgage loans prematurely. Income from penalty interest declined. The margin in domestic retail banking declined as a result of the continued competition in the mortgages market. The margin in the leasing activities declined likewise. The growth in lending offset the effects of the lower penalty interest income and the lower interest margin.

Fees and commission. Total fees and commission were 24% higher, at € 2,857 million compared to € 2,296 million in 2006. The increase in asset management commission was largely due to the fact that Sarasin was consolidated as of the end of 2006. Further, the investment performance of the Transtrend Diversified Trend Program and the expansion of the interest in Transtrend contributed to the higher commission income.

Other income. Other income was 46% higher, at € 1,871 million compared to € 1,281 million in 2006, with a strong contribution from the parts of Bouwfonds which had been acquired in December 2006. The acquisition of Athlon in the second half of 2006 and the sale of activities at Sarasin contributed to the increase in other income. Income from the Eureko participation, which is included in other income, was lower.

Operating expenses. Total operating expenses increased by 12% in 2007 to € 7,709 million compared to € 6,887 million in 2006. Staff costs accounted for 58% of total expenses.

Staff costs. The higher staffing level caused staff costs to go up by 8% to € 4,445 million compared to € 4,117 million in 2006. In 2007, several acquisitions resulted in an increase in staff numbers by approximately 2,800 full-time employees. Rabobank Group's total number of employees grew by 8% in 2007 to 54,737 (2006: 50,573) full-time employees.

Other administrative expenses. The growth in activities, both organic and due to acquisitions, caused a 17% increase to € 2,846 million in other administrative expenses compared to € 2,429 million in 2006.

Depreciation. Depreciation charges were 23% higher, at € 418 million compared to € 341 million in 2006, mainly because of higher depreciation on buildings and proprietary software.

Value adjustments. Value adjustments, which comprise bad debt costs and losses incurred on financial assets, increased by 65% in 2007 to € 742 million compared to € 450 million in 2006. The increase is due to higher-value adjustments on the item available-for-sale financial assets. This corresponds to 22 basis points of average lending (2006: 15), which is in line with the five-year average (based on the period 2002 to 2006) of 23 basis points.

Taxation. Taxation recognised in 2007 amounted to € 386 million compared to € 367 million in 2006. This is equivalent to an effective tax rate of 12.7% (2006: 13.5%). One of the contributors to the lower effective tax rate was the reduction in the Dutch corporate tax rate. In addition, profits from participations and associations, which are exempt from taxation, contributed to the lower effective tax rate.

Net profit. Rabobank Group's net profit grew by 14% in 2007 to € 2,662 million compared to € 2,345 million in 2006. After deduction of the portion attributable to minority interests and payments on Rabobank Member Certificates, Capital Securities and Trust Preferred Securities III to VI, the sum remaining was € 1,937 million compared to € 1,757 million in 2006.

Segment discussion*

Domestic retail banking

The following table sets forth certain summarised financial information for the Rabobank Group's domestic retail banking business for the years indicated:

	Year ended December 31,			
(in millions of euros)	**2008**	**2007* (restated)**	**2007**	**2006**
Interest	5,005	4,504	4,391	4,226
Fees and commission	1,354	1,379	1,379	1,259
Other income	42	25	25	66
Total income	**6,401**	**5,908**	**5,795**	**5,551**
Staff costs	2,264	2,072	2,072	2,118
Other administrative expenses	1,639	1,618	1,618	1,607
Depreciation	141	145	145	152
Operating expenses	**4,044**	**3,835**	**3,835**	**3,877**
Gross profit	**2,357**	**2,073**	**1,960**	**1,674**
Value adjustments	199	145	145	139
Operating profit before taxation	**2,158**	**1,928**	**1,815**	**1,535**
Taxation	541	495	466	444
Net profit	**1,617**	**1,433**	**1,349**	**1,091**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income was 8% higher, at € 6,401 million compared to € 5,908 million in 2007, mainly due to growth in interest income.

Interest. The rise in lending and funding through the amounts due to customers resulted in an 11% increase in interest income, to € 5,005 million compared to € 4,504 million in 2007. The spreads on lending were higher because of higher risk costs and higher funding costs, whereas the spreads on amounts due to customers were depressed by stronger competition in the savings market.

Fees and commission. Securities commission income was slightly lower reflecting continued adverse stock market conditions. Insurance commission income was likewise lower than in 2007. Commission income from treasury services and payment services was higher. Total commission income for 2008 showed a net decrease of 2%, to € 1,354 million compared to € 1,379 million in 2007.

Other income. Other income increased by € 17 million to € 42 million compared to € 25 million in 2007.

Operating expenses. Total operating expenses were 5% higher in 2008, at € 4,044 million compared to € 3,835 million in 2007.

Staff costs. Staff costs were 9% higher in 2008, at € 2,264 million compared to € 2,072 million in 2007, as a result of higher cost of contractors, salary increases and higher social insurance contributions. Staffing level in the domestic retail banking business declined by 1% to 28,953 (2007: 29,304) full-time employees.

Other administrative expenses. Other administrative expenses were 1% higher, at € 1,639 million compared to € 1,618 million in 2007.

Depreciation. Depreciation decreased by € 4 million to € 141 million compared to € 145 million in 2007, mainly due to lower depreciation on property and equipment.

Value adjustments. The item "value adjustments" increased by 37% in 2008 to € 199 million compared to € 145 million in 2007. Due to the deteriorating economic conditions, loan losses were higher, particularly in the corporate loan portfolio. As a result, the bad debt costs were 8 (2007: 6) basis points of average lending, against the 10-year average of 11 basis points.

Taxation. Taxation increased in 2008 by € 46 million to € 541 million compared to € 495 million in 2007.

Net profit. Net profit increased by 13% to € 1,617 million compared to € 1,433 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income was 4% higher, at € 5,795 million compared to € 5,551 million in 2006, mainly due to growth in interest income.

Interest. Despite competition in the mortgages market and lower income from penalty interest, interest income in 2007 was 4% higher, at € 4,391 million compared to € 4,226 million in 2006. The increases in both lending and savings offset the effects of lower mortgage margins and lower penalty interest income.

Fees and commission. Commission income from payment transactions and other financial services were major factors in the 10% rise in fees and commission income to € 1,379 million, compared to € 1,259 million in 2006. Commission income from insurance activities was 1% lower, at € 376 million compared to € 379 million in 2006.

Other income. Other income decreased by € 41 million to € 25 million compared to € 66 million in 2006. The decrease was mainly due to lower income from associates.

Operating expenses. Total operating expenses were 1% lower in 2007, at € 3,835 million compared to € 3,877 million in 2006.

Staff costs. The staffing level declined by 71 full-time employees to 29,304 full-time employees. Accordingly, staff costs were 2% lower, at € 2,072 million compared to € 2,118 million in 2006.

Other administrative expenses. Other administrative expenses were 1% higher, at € 1,618 million compared to € 1,607 million in 2006, partly as a result of higher training costs and higher marketing expenses.

Depreciation. Depreciation decreased by € 7 million to € 145 million compared to € 152 million in 2006, mainly due to lower depreciation on property and equipment.

Value adjustments. The increase in the item value adjustments was broadly in line with the growth in lending. Value adjustments rose by 4% to € 145 million in 2007 compared to € 139 million in 2006. This corresponds to 6 basis points of average lending and is lower than the five-year average of 12 basis points.

Taxation. Taxation increased in 2007 by € 22 million to € 466 million compared to € 444 million in 2006. The lower effective tax rate is the result of the reduction in the Dutch corporate tax rate from 29.6% to 25.5%.

Net profit. Net profit increased by 24% to € 1,349 million compared to € 1,091 million in 2006.

Wholesale and international retail banking

The following table sets forth certain summarised financial information for the Rabobank Group's wholesale and international retail banking business for the years indicated:

	Year ended December 31,			
(in millions of euros)	**2008**	**2007* (restated)**	**2007**	**2006**
Interest	3,156	1,832	1,832	1,649
Fees and commission	304	332	394	372
Other income	(1,463)	(175)	320	601
Total income	**1,997**	**1,989**	**2,546**	**2,622**
Staff costs	909	890	890	867
Other administrative expenses	715	772	772	668
Depreciation	84	53	53	51
Operating expenses	**1,708**	**1,715**	**1,715**	**1,586**
Gross profit	**289**	**274**	**831**	**1,036**
Value adjustments	786	16	493	234
Operating profit before taxation	**(497)**	**258**	**338**	**802**
Taxation	(524)	(76)	(56)	115
Net profit	**27**	**334**	**394**	**687**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income was stable in 2008, at € 1,997 million compared to € 1,989 million in 2007. Although some units within Global Financial Markets performed well in the turbulent financial markets, income from this business entity decreased by € 413 million to negative €145 million compared to € 268

million in 2007. The item “other income”, which largely includes income from Global Financial Markets, fell by € 1,288 million to negative €1,463 million compared to negative € 175 million in 2007. Structured Finance saw a 37% rise in income. Commission income was 8% lower, at € 304 million compared to € 332 million in 2007, partly as a result of lower commission income from securities brokerage. The increase in spreads, the growth in lending in the international retail banking business, and the increased activities in Corporate Banking all contributed to the 72% rise in interest income, to € 3,156 million compared to € 1,832 million in 2007.

Income from Corporate Banking was 15% higher. Of total income, 43% (2007: 32%) is from international retail banking. Income from international retail banking increased by 34% to € 864 million compared to € 646 million in 2007, partly as a result of the consolidation of Bank BGZ. As a result of worsened economic conditions in Ireland, ACCBank’s income was lower.

Interest. Interest increased by 72% to € 3,156 million compared to € 1,832 million in 2007 mainly due to the growth in lending in the international retail banking business and Corporate Banking activities and the increased spreads.

Fees and commission. Fees and commission income decreased by 8% to € 304 million compared to € 332 million in 2007 due to lower commission with respect to securities transactions.

Other income. Other income fell by € 1,288 million to negative €1,463 million compared to negative €175 million in 2007. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this, trading income was lower at Global Financial Markets.

Operating expenses. In 2008, total operating expenses were virtually unchanged from 2007, at € 1,708 million compared to € 1,715 million in 2007.

Staff costs. Almost all of the growth in staff numbers is due to the consolidation of Bank BGZ. The number of staff rose by 53% to 15,223 (2007: 9,957) full-time employees. Partly as a result of a reduction of the bonuses however, staff costs increased by only 2%, to € 909 million compared to € 890 million in 2007.

Other administrative expenses. Other administrative expenses decreased by 7% to € 715 million compared to € 772 million in 2007 mainly due to the decrease in non-banking charges as a result of the sale of a few equity investments.

Depreciation. Depreciation and amortisation charges were 58% higher, at € 84 million compared to € 53 million in 2007, partly because of higher depreciations of proprietary software and increased amortisation of intangible assets.

Value adjustments. Although Rabobank International was not directly affected by the failure of certain United States banks in 2008, these events do reflect the current unfavourable macroeconomic conditions. The Irish real estate sector was particularly affected in 2008. The financing provided by Rabobank International to this sector had a major impact on bad debt costs. The item “value adjustments” rose by € 770 million to € 786 million compared to € 16 million in 2007. This corresponds to 93 (2007: 2) basis points of average lending, which is higher than the 10-year average of 47 basis points.

Taxation. Taxation decreased by € 448 million to negative € 524 million compared to negative € 76 million in 2007. The loss at Global Financial Markets and the higher income from Participations, the latter being largely tax-exempt because of participation exemption, contributed to the decline in taxation.

Net profit. Net profit decreased by € 307 million to € 27 million compared to € 334 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income declined by 3% in 2007 to € 2,546 million compared to € 2,622 million in 2006. Although some units within Global Financial Markets benefited from the turbulence in the financial markets, income at Global Financial Markets fell by € 497 million to € 268 million. At the same time, Participations had a strong year. Income at Global Financial Markets is largely recognised in other income. As a result, other income was 47% lower, at € 320 million (2006: € 601 million). Like many others, Leveraged Finance and Structured Finance were hindered by the subprime crisis in the American mortgages market. Income from Leveraged Finance was 7% lower and income from Structured Finance was 5% lower.

Income from Corporate Banking activities was 11% higher. Of total income, 24% (2006: 19%) was from the international retail banking business. Income from retail banking activities was 23% higher, at € 624 million (2006: € 506 million). ACCBank's income showed a marginal increase, which was in line with the slight growth in lending. Income from the retail banks in other regions rose as a result of both organic growth and acquisitions.

Interest. Interest increased by 11% to € 1,832 million compared to € 1,649 million in 2006 mainly due to the growth in lending in the international retail banking business and Corporate Banking activities.

Fees and commission. Fees and commission income increased by 6% to € 394 million compared to € 372 million in 2006 due to higher commission with respect to lending and securities transactions.

Other income. Other income decreased by 47% to € 320 million compared to € 601 million in 2006. The main reason for the decrease is the adverse conditions in the financial market. As a consequence of this trading income was lower at Global Financial Markets.

Operating expenses. Operating expenses increased by 8% to € 1,715 million compared to € 1,586 million in 2006.

Staff costs. Staff costs increased by 3% to € 890 million compared to € 867 million in 2006 due to the increase of the number of full-time employees.

Other administrative expenses. Other administrative expenses increased by 16% to € 772 million compared to € 668 million in 2006 mainly due to the expansion of activities.

Depreciation. Depreciation increased in 2007 by € 2 million to € 53 million compared to € 51 million in 2006.

Value adjustments. As a result of the credit market crisis, the item value adjustments increased to € 493 million in 2007 compared to € 234 million in 2006. This corresponds to 63 (2006: 39) basis points of average lending and is higher than the five-year average of 46 basis points.

Taxation. Taxation decreased with € 171 million to negative € 56 million compared to € 115 million in 2006. The lower result from Global Financial Markets and the higher income from Participations, the latter being largely tax-exempt because of participation exemption, contributed to the decline in taxation.

Net profit. Net profit decreased by € 293 million to € 394 million compared to € 687 million in 2006.

Asset management and investment

The following table sets forth certain summarised financial information for the Rabobank Group's asset management and investment business for the years indicated:

	Year ended December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Interest	144	82	86
Fees and commission	1,084	1,089	648
Other income	390	308	102
Total income	**1,618**	**1,479**	**836**
Staff costs	559	581	330
Other administrative expenses	352	386	210
Depreciation	102	24	11
Operating expenses	**1,013**	**991**	**551**
Gross profit	**605**	**488**	**285**
Value adjustments	42	1	0
Operating profit before taxation	**563**	**487**	**285**
Taxation	125	125	62
Net profit	**438**	**362**	**223**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income increased by 9% to € 1,618 million compared to € 1,479 million in 2007. The gain was primarily due to the sale of Alex and the Transtrend Diversified Trend Program's strong investment performance.

Interest. Mainly due to the increase of interest income at Robeco, interest income was 76% higher, at € 144 million compared to € 82 million in 2007.

Fees and commission. The decrease in assets under management had a negative impact on the asset management fees. This decrease was, however, offset by the Transtrend Diversified Trend Program's strong investment results. Since Alex has ceased to be consolidated as from 2008, income from securities brokerage decreased sharply. In net terms, commission income was virtually unchanged at € 1,084 million compared to € 1,089 million in 2007.

Other income. Other income was 27% higher, at € 390 million compared to € 308 million in 2007, due, in part, to the gain from the sale of Alex. In 2007, the main drivers of other income were gains from Sarasin's disposal of its Luxembourg activities and income from its brokerage business.

Operating expenses. Total operating expenses increased by 2% in 2008 to € 1,013 million compared to € 991 million in 2007, mainly due to the expansion of Sarasin's activities.

Staff costs. The sale of Alex and staff redundancies at Robeco caused a decrease in staff numbers. Due, however, to the expansion of Sarasin's activities, the total staffing level rose by 4% to 3,620 (2007: 3,468)

full-time employees. Staff costs were 4% lower, at € 559 million compared to € 581 million in 2007, as a result of a reorganisation at Robeco and decreased bonuses.

Other administrative expenses. Other administrative expenses rose by 10% to € 352 million compared to € 320 million in 2007, as a result of the expansion of activities at Sarasin.

Depreciation. Due in part to higher depreciation on intangible assets, depreciation and amortisation charges were 13% higher, at € 102 million compared to € 90 million in 2007.

Value adjustments. The adverse conditions in the financial markets resulted in a number of write-offs on financial institutions by Sarasin. As a result, the item "value adjustments" increased by € 41 million to € 42 million compared to € 1 million in 2007.

Taxation. Taxation was stable in 2008, at € 125 million in each of 2007 and 2008.

Net profit. Net profit increased by 21% to € 438 million compared to € 362 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income increased by 77% to € 1,479 million compared to € 836 million in 2006. Increases in both commission and other income were important drivers for the growth.

Interest. Interest decreased by € 4 million to € 82 million compared to € 86 million in 2006.

Fees and commission. Fees and commission income increased by € 441 million to € 1,089 million compared to € 648 million in 2006. The increase in commission income was largely due to Sarasin's full consolidation as from year-end 2006. The strong investment performance of the Transtrend Diversified Trend Program and the expansion of the Rabobank Group's interest in Transtrend also contributed to the increase in commission income.

Other income. Other income increased by € 206 million to € 308 million compared to € 102 million in 2006. The gains from the sale at Sarasin of both its Luxembourg and its brokerage activities were important drivers for this increase.

Operating expenses. Total operating expenses were 80% higher in 2007, at € 991 million compared to € 551 million in 2006. The increase was largely the result of the consolidation of Sarasin.

Staff costs. Staff costs increased by € 251 million to € 581 million compared to € 330 million in 2006, mainly due to the consolidation of Sarasin at the end of 2006.

Other administrative expenses. Other administrative expenses were € 176 million higher at € 386 million compared to € 210 million in 2006. The increase was also mainly due to the consolidation of Sarasin.

Depreciation. Depreciation increased by € 13 million to € 24 million compared to € 11 million in 2006. Besides the consolidation of Sarasin, the increase was also the result of higher depreciation on software.

Taxation. Taxation increased by € 63 million to € 125 million compared to € 62 million in 2006.

Net profit. Net profit increased by 62% to € 362 million compared to € 223 million in 2006.

Leasing

The following table sets forth certain summarised financial information for the Rabobank Group's leasing business for the years indicated:

	Year ended December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Interest	530	518	507
Fees and commission	61	52	49
Other income	424	425	286
Total income	**1,015**	**995**	**842**
Staff costs	377	369	305
Other administrative expenses	188	193	168
Depreciation	31	32	21
Operating expenses	**596**	**594**	**494**
Gross profit	**419**	**401**	**348**
Value adjustments	118	100	77
Operating profit before taxation	**301**	**301**	**271**
Taxation	66	67	65
Net profit	**235**	**234**	**206**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. Total income increased by 2% to € 1,015 million compared to € 995 million in 2007. Although the spreads on new contracts improved, the spreads for the portfolio as a whole were lower due to increased funding costs.

Interest. Interest income rose by 2% to € 530 million compared to € 518 million in 2007 as a result of growth of the loan portfolio.

Fees and commission. Commission income was 17% higher, at € 61 million compared to € 52 million in 2007, due to higher brokerage commission income.

Other income. The greater part of income from car-leasing activities is recognised under other income. Other income remained stable, at € 424 million compared to € 425 million in 2007.

Operating expenses. Total operating expenses were stable in 2008, at € 596 million compared to € 594 million in 2007.

Staff costs. Increased activities resulted in a 6% rise in staff numbers, to 4,667 (2007: 4,411) full-time employees. This contributed to the 2% rise in staff costs to € 377 million compared to € 369 million in 2007.

Other administrative expenses. Other administrative expenses decreased by 3% to € 188 million compared to € 193 million in 2007, mainly as a result of lower marketing and automation costs.

Depreciation. Depreciation was stable in 2008, at € 31 million compared to € 32 million in 2007.

Value adjustments. The growth in the loan portfolio and the worsened economic situation caused an 18% increase in the item "value adjustments" in 2008, to € 118 million compared to € 100 million in 2007. In terms of basis points of the average loan portfolio, the bad debt costs were 64 (2007: 61) basis points. The bad debt costs exceeded the level of 2007 and were lower than the 10 year average of 66 basis points.

Taxation. Taxation in 2008 decreased by € 1 million to € 66 million compared to € 67 million to 2007.

Net profit. Net profit was virtually stable in 2008, at € 235 million compared to € 234 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income increased by 18% to € 995 million compared to € 842 million in 2006. The increase was mainly due to the growth of the item other income, which includes the car-leasing activities of the acquisition of Athlon.

Interest. Interest increased by 2% to € 518 million compared to € 507 million in 2006, mainly due to the increase of the lending portfolio despite downward pressures on margins.

Fees and commission. Fees and commission income increased in 2007 by € 3 million to € 52 million compared to € 49 million in 2006.

Other income. The continued growth of the car-leasing activities was an important driver for the 49% growth in other income to € 425 million compared to € 286 million in 2006.

Operating expenses. Total operating expenses were 20% higher in 2007, at € 594 million compared to € 494 million in 2006.

Staff costs. The greater part of the 21% increase in staff costs to € 369 million compared to € 305 million in 2006 was the result of the acquisition of Athlon. Staff levels grew by 7% in 2007 to 4,411 (2006: 4,128) full-time employees as a result of organic growth of the activities.

Other administrative expenses. Other administrative expenses were 15% higher, at € 193 million compared to € 168 million in 2006. The rise is due to the acquisition of Athlon and autonomous growth.

Depreciation. Depreciation was € 11 million higher at € 32 million compared with € 21 million in 2006.

Value adjustments. The item value adjustments increased to € 100 million in 2007 compared to € 77 million in 2006. This was associated with the growth of the lease portfolio and the greater portfolio share of consumer credits. This corresponds to 61 (2006: 53) basis points and is below the five-year average of 69 basis points.

Taxation. Taxation in 2007 increased by € 2 million to € 67 million compared to € 65 million to 2006. The increase was due to a higher operating profit before taxation and was partly offset by a lower taxation rate in the Netherlands.

Net profit. Net profit was 14% higher at € 234 million compared to € 206 million in 2006.

Real estate

The following table sets forth certain summarised financial information for the Rabobank Group's real estate business for the years indicated:

	Year ended December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Interest	85	72	98
Fees and commission	31	1	1
Other income	311	573	145
Total income	**427**	**646**	**244**
Staff costs	220	217	55
Other administrative expenses	131	167	43
Depreciation	43	51	3
Operating expenses	**394**	**435**	**101**
Gross profit	**33**	**211**	**143**
Value adjustments	0	2	(1)
Operating profit before taxation	**33**	**209**	**144**
Taxation	9	55	40
Net profit	**24**	**154**	**104**

Year ended December 31, 2008 compared to year ended December 31, 2007

Total income. In 2008, total income fell by 34% to € 427 million compared to € 646 million in 2007.

Interest. Interest income was 19% higher, at € 85 million compared to € 72 million in 2007, due to higher interest income at FGH Bank as a result of portfolio growth.

Fees and commission. Commission income increased by € 30 million to € 31 million compared to € 1 million in 2007, primarily as a result of higher asset management commission income at Bouwfonds REIM.

Other income. Other income was 46% lower, at € 311 million compared to € 573 million in 2007, due to lower project results and in particular the decline in the number of owner occupied houses sold.

Operating expenses. Total operating expenses were 9% lower in 2008, at € 394 million compared to € 435 million in 2007.

Staff costs. Staff numbers rose by 3% to 1,743 (2007: 1,700) full-time employees. As a result, staff costs increased by 1% to € 220 million compared to € 217 million in 2007.

Other administrative expenses. Other administrative expenses were 22% lower, at € 131 million compared to € 167 million in 2007, mainly due to the decrease in depreciation of intangible assets.

Depreciation. Depreciation decreased in 2008 by € 8 million to € 43 million compared to € 51 million in 2007.

Value adjustments. Value adjustments decreased in 2008 to € 0 million compared to € 2 million in 2007.

Taxation. Taxation decreased in 2008 by € 46 million to € 9 million compared to € 55 million in 2007.

Net profit. Net profit fell by 85% to € 24 million compared to € 154 million in 2007.

Year ended December 31, 2007 compared to year ended December 31, 2006

Total income. Total income increased by € 402 million in 2007 to € 646 million compared to € 244 million in 2006. The increase is mainly due to the acquisition of parts of Bouwfonds in 2006.

Interest. The decline in interest income by € 26 million to € 72 million compared to € 98 million in 2006 was due to the expansion of the development activities since late 2006, which caused interest expense to increase.

Fees and commission. Fees and commission income was unchanged at € 1 million compared to 2006.

Other income. The former parts of Bouwfonds were the main contributor to the increase over 2007 by € 428 million to € 573 million compared to € 145 million in 2006.

Operating expenses. Total operating expenses were € 334 million higher in 2007, at € 435 million compared to € 101 million in 2006.

Staff costs. Mainly as a result of the acquisition of parts of Bouwfonds, staff costs rose in 2007 by € 162 million to € 217 million compared to € 55 million in 2006.

Other administrative expenses. The other administrative expenses amounted to € 168 million compared to € 43 million in 2006. The increase is mainly due to the acquisition of Bouwfonds and the amortisation of intangible assets.

Depreciation. Depreciation increased by € 48 million to €51 million in 2007 compared to € 3 million in 2006 due to the acquisition of parts of Bouwfonds.

Value adjustments. The value adjustments amounted to € 2 million compared to negative € 1 million in 2006.

Taxation. Taxation increased in 2007 by € 15 million to € 55 million compared to € 40 million in 2006.

Net profit. Net profit increased by 48% to € 154 million compared to € 104 million in the previous year.

Liquidity and capital resources

The Rabobank Group's total assets were € 612.1 billion at December 31, 2008, a 7% increase from € 570.5 billion at December 31, 2007. The largest proportion of the Rabobank Group's existing lending portfolio (not including investments in Dutch treasury securities, other Dutch public sector bonds and securities and interbank deposit placements) consists of residential mortgage loans, which in the Netherlands are primarily fixed rate.

Loans to customers

Loans to customers increased by 14%, or € 53.3 billion, to € 426.3 billion at December 31, 2008 from € 373.0 billion at December 31, 2007. The private sector loan portfolio increased by € 52.6 billion to € 408.6 billion at December 31, 2008, an increase of 15% from € 356.0 billion at December 31, 2007. The increase in private sector loan portfolio for private individuals, primarily for mortgage finance, was € 13.8 billion to € 194.0 billion at December 31, 2008 from € 180.1 billion at December 31, 2007. There was less demand for mortgage finance in 2007. Residential mortgage loans are granted by local Rabobanks and by Obvion. These loans are secured on underlying properties and have maturities up to 30 years. Lending to companies in the trade, industry and services sector increased by € 29.9 billion to € 146.3 billion at December 31, 2008, a 26% increase compared to December 31, 2007. Lending to the food & agri sector increased by € 8.9 billion to € 68.3 billion at December 31, 2008, a 15% increase.

The following table shows a breakdown of the Rabobank Group's total lending outstanding to the private sector at December 31, 2008 and December 31, 2007, by category of borrower:

	At December 31,			
(in millions of euros and as % of total private sector loan portfolio)	**2008**		**2007**	
Private individuals	193,958	47%	180,146	50%
Trade, industry and services sector	146,336	36%	116,423	33%
Food & agri sector	68,326	17%	59,404	17%
Total	**408,620**	**100%**	**355,973**	**100%**

The maturities of loans granted by the Rabobank Group vary from overdraft facilities to 30-year term loans.

The following table provides a breakdown of the remaining maturity of the Rabobank Group's total loans to customers (public and private sector) and professional securities transactions at December 31, 2008 and December 31, 2007:

	At December 31,			
(in millions of euros and as % of loans to customers)	**2008**		**2007**	
Less than 1 year	70,783	17%	87,150	23%
More than 1 year	355,550	83%	285,818	77%
Total	**426,283**	**100%**	**372,968**	**100%**

Funding

At December 31, 2008, amounts due to customers of the Rabobank Group were € 304.2 billion, an increase of 10% compared to December 31, 2007. The balance held in savings deposits increased by € 13.5 billion to € 114.7 billion, an increase of 13%. Other amounts due to customers (including current accounts, repurchase agreements and time deposits) increased by € 14.1 billion to € 189.5 billion at December 31, 2008, largely due to an increase in current accounts. Current accounts increased by € 14.2 billion to € 73.1 billion. At December 31, 2008, debt securities in issue (including certificates of deposit, commercial paper and bonds) totalled € 135.8 billion compared to € 141.8 billion at December 31, 2007. Savings deposits (except fixed-time deposits, from 1 month to 10 years) generally bear interest at rates that Rabobank Nederland can unilaterally change.

The following table shows the Rabobank Group's sources of funding by source at December 31, 2008, December 31, 2007 and December 31, 2006:

	Year ended December 31,			
(in millions of euros)	**2008**	**2007* (restated)**	**2007**	**2006**
Savings accounts	114,680	101,175	101,175	89,500
Other due to customers	189,534	175,435	148,340	145,417
Debt securities in issue	135,779	141,812	141,812	128,066
Other financial liabilities at fair value through profit and loss	24,797	27,303	27,303	26,270
Total	**464,790**	**445,725**	**418,630**	**389,253**

The Rabobank Group also receives funds from the interbank and institutional market. The Rabobank Group's total due to other banks were € 23.9 billion at December 31, 2008, a 48% decrease from € 46.3 billion at December 31, 2007.

Other financial assets

Other financial assets comprise shares, bonds, money market paper, short-term government paper and other forms of securities. Other financial assets are subdivided into the following categories:

- Trading financial assets;
- Other financial assets at fair value through profit or loss;
- Available-for-sale financial assets; and
- Held-to-maturity assets.

	Other financial assets at December 31, 2008				
(in millions of euros)	**Trading**	**Other at fair value through profit and loss**	**Available-for-sale**	**Held-to-maturity**	**Total**
Purchased loans	2,639	0	0	0	2,639
Short term government paper	172	13	1,579	0	1,764
Government bonds	2,005	565	17,128	464	20,162
Other bonds	4,365	5,287	10,942	33	20,627
Total bonds	**6,370**	**5,852**	**28,070**	**497**	**40,789**
Venture capital	0	646	0	0	646
Equity instruments	2,190	229	994	0	3,413
Total shares	**2,190**	**875**	**994**	**0**	**4,059**
Other financial assets	205	1,156	1,022	0	2,383
Total	**11,576**	**7,896**	**31,665**	**497**	**51,634**

	Other financial assets at December 31, 2008				
(in millions of euros)	**Trading**	**Other at fair value through profit and loss**	**Available-for-sale**	**Held-to-maturity**	**Total**
Category 1[1]	10,670	6,654	30,413	497	48,234
Category 2[1]	861	869	1,239	0	2,969
Category 3[1]	45	373	13	0	431

	Other financial assets at December 31, 2007				
(in millions of euros)	**Trading**	**Other at fair value through profit and loss**	**Available-for-sale**	**Held-to-maturity**	**Total**
Purchased loans	2,350	0	0	0	2,350
Short term government paper	298	61	682	0	1,041
Government bonds	2,970	514	25,049	736	29,269
Other bonds	16,187	8,815	22,552	123	47,677
Total bonds	**19,157**	**9,329**	**47,601**	**859**	**76,946**
Venture capital	0	314	0	0	314
Equity instruments	7,173	6,382	1,279	0	14,834
Total shares	**7,173**	**6,696**	**1,279**	**0**	**15,148**
Other financial assets	201	2,047	793	0	3,041
Total	**29,179**	**18,133**	**50,355**	**859**	**98,526**
Category 1[1]	24,358	17,476	37,997	859	80,690
Category 2[1]	4,821	608	12,333	0	17,762
Category 3[1]	0	49	25	0	74

Note:

(1) Category 1: quoted market prices in an active market; category 2: valuation methods based on assumptions fully supported by demonstrable market prices or rates in an active market; category 3: valuation methods based on assumptions not or only partly supported by demonstrable market prices or rates in an active market.

*Contractual obligations and contingent liabilities**

The table below provides information on the payments coming due under Rabobank Group's existing contractual obligations.

	At December 31, 2008						
Payments due by period (in millions of euros)	**On demand**	**Less than 3 months**	**3 months to 1 year**	**1 to 5 years**	**More than 5 years**	**No repayment date**	**Total**
Debt securities in issue	2,892	47,444	24,871	46,994	26,636	0	148,837
Subordinated debt	0	7	2	1,319	1,119	2	2,449
Due to customers	193,657	48,539	41,403	9,200	15,187	1,221	309,207
Other financial liabilities at fair value through profit and loss	9	341	3,768	7,443	18,760	23	30,344

Other long-term obligations consist of due to customers other than debt securities (liabilities for deposits and savings, professional securities transactions and other client accounts).

Contingent liabilities relate primarily to transactions in which the Rabobank Group stands surety for commitments of third parties.

	At December 31,	
(in millions of euros)	**2008**	**2007**
Guarantees, etc.	9,515	8,992
Irrevocable letters of credit	1,540	2,402
Other contingent liabilities	208	21
Total contingent liabilities	**11,263**	**11,415**

Contingent liabilities secured by assets were € 95 million at December 31, 2008 compared to € 28 million at December 31, 2007.

Guarantees relate both to credit and non-credit substitute guarantees. Credit-substitute guarantees are guarantees given by Rabobank Group entities in respect of credit granted to customers by a third party. Many of them are expected to expire without being drawn on and therefore do not necessarily represent future cash outflows.

Irrevocable letters of credit mainly secure payments to a third party for a customer's foreign and domestic trade transactions in order to finance a shipment of goods. The Rabobank Group's credit risk in these transactions is limited since these transactions are collateralised by the commodity shipped and are of a short duration. Other contingent liabilities mainly relate to acceptances of bills and are of a short-term nature. As described below, facilities mainly constitute unused portions of irrevocable credit facilities granted to corporate clients. Many of these facilities are for a fixed duration and bear interest at a floating rate. Most of the unused portion of irrevocable credit facilities is secured by customers' assets or counter-guarantees by the central government and exempted bodies under the regulatory requirements. Irrevocable facilities also include commitments made to purchase securities to be issued by governments and private issuers.

Irrevocable facilities relate to all irrevocable facilities that could lead to lending.

	At December 31,	
(in millions of euros)	**2008**	**2007**
Unused credit facilities	30,878	35,553
Other	510	770
Total irrevocable facilities	**31,388**	**36,323**
Revocable credit facilities	44,402	36,432
Total credit-related and contingent liabilities	**75,790**	**72,755**

Capital adequacy

Capital adequacy and the use of capital are monitored by the Rabobank Group and its subsidiaries, employing techniques based on the guidelines developed by the Basel Committee on Banking Regulations and Supervisory Practices (the "Basel Committee") and implemented by the EU and the Dutch legislator and the Dutch Central Bank (*De Nederlandsche Bank*, or "DNB") for supervisory purposes.

The DNB, in conjunction with other bank supervisors, regards the risk asset ratio developed by the Basel Committee as a key supervisory tool and sets individual ratio requirements for banks in the Netherlands. This ratio was designed to meet the dual objectives of strengthening the soundness and stability of the international banking system and of creating a fair and consistent supervisory framework for international banks by means of an international convergence of capital measurement and capital standards. The technique involves the application of risk weightings to assets (which for this purpose includes both balance sheet assets and off-balance sheet items) to reflect the credit and other risks associated with broad categories of transactions and counterparties.

The Basel Committee guidelines set a minimum total risk asset ratio for all international banks of 8%. Bank capital adequacy requirements have also been established pursuant to EU directives. These directives, as implemented in the Netherlands, set forth capital standards similar to those of the Basel Committee guidelines.

On January 1, 2008, Rabobank Group adopted the Advanced Internal Rating Based ("AIRB") Approach to the majority of its significant portfolios that contain credit risk in accordance with the approvals granted by the DNB, and various local regulators, as required. However, there remains a small portion of the portfolio that is subject to the Standardised Approach ("SA"). Individually, these portfolios are relatively small or are related to new acquisitions in companies that themselves did not yet follow the AIRB Approach.

In addition, the EU Capital Adequacy Directive ("CAD"), which became effective on January 1, 1996, established minimum capital requirements for banks and investment firms for market risks. The CAD was based on a proposal by the Basel Committee and has now been recast by later EU directives.

The risk asset approach to capital adequacy emphasises the importance of Tier I (core) capital. In determining a bank's risk asset ratio, the rules limit qualifying Tier II supplementary capital to an amount equal to Tier I capital. Tier II capital includes subordinated debt and certain fixed asset revaluation reserves.

The concept of risk weighting assumes that banking activities generally involve some risk of loss. For risk weighting purposes, commercial lendings are taken as a benchmark to which a risk weighting of 100% is ascribed. With the introduction of the Basel II framework the risk weighting is more risk sensitive and based on internal assessments of the creditworthiness of counterparties. In practice, this leads to an exposure-specific risk weighting. Off-balance sheet items are generally converted to credit risk equivalents by applying

credit conversion factors. The resulting amounts are then again risk-weighted according to the nature of the counterparty.

In the case of interest and exchange rate-related contracts, the risks involved relate to the potential loss of cash flows rather than notional principal amounts. These risks are represented by the replacement cost (as defined by the DNB) of the contracts plus an add-on to reflect potential future volatility in replacement cost arising from movements in market rates.

For a discussion of the Basel II framework, see "Regulation of The Rabobank Group".

The Tier I ratio and the BIS ratio are the most common ratios used in the financial world to measure solvency. The Tier I ratio expresses the relationship between core capital and total risk-weighted assets. At December 31, 2008, Rabobank Group's Tier I ratio was 12.7% (2007: 10.7%). This increase was mainly related to the introduction of Basel II. The minimum requirement set by the external supervisors is 4%. The high Tier I ratio is one of the reasons for the Rabobank Group's high credit rating.

Total risk-weighted assets decreased by € 28.5 billion to € 238.1 billion at December 31, 2008. This decrease was mainly related to the introduction of Basel II. Tier I capital increased by € 1.8 billion to € 30.4 billion at December 31, 2008. Retained earnings and the issue of Capital Securities contributed to this increase.

The BIS ratio is calculated by dividing the total of Tier I and Tier II capital by the total of risk-weighted assets. At December 31, 2008, the BIS ratio came to 13.0% (2007: 10.9%). This exceeds the minimum requirement set by the external supervisors of 8.0%.

The following table sets forth the risk-weighted capital ratios of the Rabobank Group at December 31, 2008 and December 31, 2007, in each case calculated under the Netherlands' implementation of the relevant EU directives:

Development in capital and solvency ratios

	At December 31,	
(amounts in millions of euros, except percentages)	**2008**	**2007**
Tier I capital	30,358	28,518
Tier I ratio	12.7%	10.7%
Qualifying capital	30,912	29,190
BIS ratio	13.0%	10.9%

Note:

(1) Data for 2007 are based on Basel I requirements and data for 2008 have been based on the Basel II requirements with effect from January 1, 2008.

Selected statistical information*

The following section discusses selected statistical information regarding the Rabobank Group's operations. Unless otherwise indicated, average balances are calculated based on monthly balances and geographic data are based on the domicile of the customer. See "Results of operations" for an analysis of fluctuations in the Rabobank Group's results between periods.

Return on equity and assets

The following table presents information relating to the Rabobank Group's return on equity and assets for each of the past three years:

	2008	2007	2006
Return on assets[1]	0.47%	0.45%	0.43%
Return on equity[2]	8.67%	8.81%	8.57%
Equity to assets ratio[3]	5.47	5.20	5.09

Notes:

(1) Net profit as a percentage of total average assets, based on month-end balances.

(2) Net profit as a percentage of average equity, based on quarter-end balances.

(3) Average equity divided by average total assets, based on quarter-end balances.

The following table presents information relating to payments on Rabobank Member Certificates for each of the past five years:

(amounts in millions of euros, except percentages)	2008	2007	2006	2005	2004
Outstanding Rabobank Member Certificates[1]	6,180	5,948	5,812	4,311	3,854
Payments	316	299	277	211	217
Average yield	5.11%	5.03%	4.77%	4.89%	5.23%

Note:

(1) Average Outstanding Rabobank Member Certificates based on month-end balances.

Loan portfolio

The Rabobank Group's loan portfolio consists of loans, overdrafts, assets subject to operating leases, finance lease receivables to governments, corporations and consumers and reverse repurchase agreements. The following table analyses the Rabobank Group's loan portfolio by sector at December 31, 2008, December 31, 2007 and December 31, 2006:

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Public sector	8,848	5,095	3,093
Private sector (corporate lending)	217,521	177,863	160,019
Private sector (personal lending)	194,229	180,392	166,340
Total loans (gross) excluding securities transactions	**420,598**	**363,350**	**329,452**
Securities transactions	3,812	14,422	28,396
Hedge accounting	5,003	(2,522)	(675)
Total loans (gross) including securities transactions	**429,413**	**375,250**	**357,173**
Total loans (net)[1]	**426,283**	**372,968**	**354,924**

Note:

(1) The difference between total loans (gross) and total loans (net) represents provisions for loan losses.

The table below sets forth a geographic breakdown of the Rabobank Group's loan portfolio at December 31, 2008, December 31, 2007 and December 31, 2006:

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
The Netherlands	1,196	493	480
Other countries in the EU zone	2,654	296	270
North America	498	163	131
Latin America	781	39	48
Asia	3,668	4,079	2,134
Australia	4	3	5
Other countries	47	22	25
Total public sector	**8,848**	**5,095**	**3,093**
The Netherlands	298,172	269,964	243,833
Other countries in the EU zone	43,228	31,122	31,784
North America	40,415	30,207	28,707
Latin America	7,372	6,604	4,159
Asia	5,803	4,872	3,863

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Australia	12,830	12,370	10,938
Other countries	800	834	826
Total private sector[1]	**408,620**	**355,973**	**324,110**

Note:

(1) After provisions for loan losses.

Maturities and interest rate sensitivity of loan portfolio

Domestic retail - interest rate risk position, at December 31, 2008

(in millions of euros)	On demand	1 to 3 months	4 to 6 months	7 to 9 months	10 to 12 months	2 to 5 years	5 to 10 years	More than 10 years	Non-rate sensitive	Total
Assets on balance	21,887	59,760	11,565	8,226	8,591	85,348	56,552	28,661	3,397	283,988
Liabilities on balance	13,813	130,230	20,321	10,337	16,510	39,415	4,160	4,963	44,173	283,921
Gap on balance	8,074	(70,470)	(8,757)	(2,110)	(7,918)	45,934	52,392	23,698	(40,775)	67
Assets off balance		73,700	21,110	41	316	8,487	(14,221)	22,490		111,923
Liabilities off balance		14,972	7,943	2,018	1,529	35,899	29,144	20,486		111,989
Gap after off balance	8,074	(11,743)	4,411	(4,087)	(9,131)	18,522	9,027	25,702	(40,775)	0

The three key indicators used for managing the interest rate risk are the Basis Point Value, the Equity at Risk and the Income at Risk.

The Basis Point Value ("BPV") is the absolute loss of market value of equity after a parallel increase of the yield curve with 1 basis point. In 2008, the BPV did not exceed € 25 million.

Long-term interest rate risk is measured and managed using the Equity at Risk concept. Equity at Risk is the sensitivity of the Rabobank Group equity's market value to interest rate fluctuations. A 200 basis point overnight parallel shock of the curve will result in an 11% drop in market value of equity.

Short-term interest rate risk is monitored using the Income at Risk concept. This is the maximum amount of interest income that is put at risk on an annual basis, based on certain interest rate scenarios. If interest rates were to gradually decrease with a maximum of 200 basis points over a one-year period, the interest income would decrease by € 54 million.

Risk elements*

Cross-border outstandings

Cross-border outstandings are defined as loans (including accrued interest), acceptances, interest-earning deposits with other banks, other interest-earning investments and any other monetary assets which are denominated in a currency other than the functional currency of the office or subsidiary where the extension of credit is booked. To the extent that the material local currency outstandings are not hedged or are not funded by local currency borrowings, such amounts are included in cross-border outstandings.

At December 31, 2008, there were no cross-border outstandings exceeding 1% of total assets in any country where current conditions give rise to liquidity problems which are expected to have a material impact on the timely repayment of interest or principal.

The following table analyses cross-border outstandings as at the end of each of the last three years, stating the name of the country and the aggregate amount of cross-border outstandings in each foreign country where such outstandings exceeded 1% of total assets, by type of borrower:

(in millions of euros)	**Banks**	**Public authorities**	**Private sector**	**Total**
At December 31, 2008				
France	2,856	1,595	4,5	8,951
Germany	4,624	3,919	6,825	15,368
Ireland	925	561	9,273	10,759
United Kingdom	11,857	2,566	9,276	23,699
Poland	161	1,438	5,048	6,647
United States	5,796	8,225	51,169	65,190
Japan	914	6,664	205	7,783
Australia	1,427	1,164	9,36	11,951
At December 31, 2007				
France	2,382	1,402	3,437	7,221
Belgium	2,766	1,005	2,311	6,082
Germany	5,640	3,428	6,579	15,647
Ireland	1,797	413	10,205	12,415
United Kingdom	18,042	102	13,492	31,636
Switzerland	4,686	220	1,924	6,830
United States	6,634	9,787	67,848	84,269
Spain	2,610	1,048	3,007	6,665
Japan	4,838	8,371	435	13,644
Australia	960	895	10,747	12,602
At December 31, 2006				
France	3,964	1,208	6,486	11,658
Germany	6,868	4,319	6,271	17,458
Ireland	2,410	359	9,965	12,734
United Kingdom	24,617	64	20,365	45,046
United States	11,351	9,156	83,538	104,044
Spain	3,066	1,474	2,024	6,564
Japan	4,708	9,290	830	14,828
Australia	1,306	881	9,014	11,201

Loan portfolio

One of the principal factors influencing the quality of the earnings and the loan portfolio is diversification of loans, e.g. by industry or by region. In 2005, North America Industry Classification System ("NAICS") was introduced as the leading system to classify industries for Rabobank Group. NAICS distinguishes a large number of sectors, subsectors and industries.

The following table is based on data according to NAICS and represents the loan portfolio of Rabobank Group loans by main sector at December 31, 2008:

	At December 31, 2008		
(in millions of euros)	**On balance**	**Off balance**	**Total**
Oilseed and grain	8,981	428	9,409
Fruit and vegetables	8,283	97	8,380
Sugar	1,874	85	1,959
Animal protein	12,792	188	12,980
Dairy	11,692	165	11,858
Farm inputs	4,637	197	4,834
Beverages	3,046	74	3,120
Food retail and food services and drinking places	4,669	216	4,885
Other food & agri	12,351	132	12,483
Total food & agri	**68,326**	**1,581**	**69,907**
Utilities	1,261	200	1,461
Construction	9,231	1,612	10,843
Manufacturing: textile, apparel and leather	325	9	334
Manufacturing: wood products and furniture	602	8	610
Manufacturing: paper and printing activities	1,319	79	1,399
Manufacturing: chemical products	1,734	108	1,841
Manufacturing: metal and machinery	3,608	141	3,749
Manufacturing: miscellaneous	2,824	329	3,153
Wholesale	14,595	978	15,573
Retail (except food and beverage stores)	5,150	126	5,276
Transportation and warehousing	8,459	552	9,010
Information and communication	3,768	241	4,009
Finance and insurance	27,857	2,688	30,545
Real estate, rental and leasing	29,725	399	30,125
Professional, scientific and technical services	4,072	310	4,382
Healthcare and social assistance	4,979	66	5,045
Arts, entertainment and recreation	1,585	67	1,653
Other services (except public administration)	25,243	1,111	26,354
Total trade, manufacturing and services	**146,336**	**9,026**	**155,362**
Private individuals	193,958	428	194,386
Total	**408,620**	**11,035**	**419,656**

In addition to advances to other banks (€ 34 billion at December 31, 2008 which is 6% of total assets), the Rabobank Group's portfolio contains a concentration of loans to private individuals. The total on-balance outstandings to private individuals is 47% of the total of on-balance private sector loans. Loans of Rabobank Group's portfolio are diversified across numerous sub-industry sectors. None of these is larger than 10% of total private sector loans. Furthermore, Rabobank's portfolio is spread across industries in many different countries and is therefore well diversified.

Impaired loans

A loan is impaired if it is probable that payments of principal and interest will not be made in time and in accordance with the original contractual terms of the loan. There is also a matter of impairment if the obligor is past due more than 90 days or if the obligor has filed for bankruptcy or similar protection from creditors. Once a loan is identified as impaired, the impairment amount is measured as the difference between the carrying amount and the recoverable amount of the loan. The recoverable amount equals the present value of expected future cash flows discounted at the loan's effective rate.

The following table provides an analysis of the Rabobank Group's impaired loans by business at December 31, 2008, December 31, 2007 and December 31, 2006:

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Member banks	2,701	1,850	2,534
Rabohypotheekbank	62	36	34
Other retail	67	49	48
Total domestic retail banking	**2,831**	**1,935**	**2,617**
The Netherlands	347	213	394
Abroad	2,835	978	1,061
Total wholesale and international retail banking	**3,182**	**1,191**	**1,455**
Asset Management	42	4	1
Leasing	378	324	281
Other	140	16	1
Rabobank Group	**6,573**	**3,470**	**4,355**

Summary of loan loss experience

The following table shows the movements in the allocation of the allowance for loan losses on loans accounted for as loans to banks and customers for the past three years:

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Domestic retail banking	1,303	1,228	1,204
Wholesale and international retail banking	778	846	978
Asset management and investment	4	1	3
Leasing	242	233	193

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Real estate	27	24	30
Other	0	0	30
Total balance at January 1	**2,355**	**2,333**	**2,438**
Domestic retail banking	211	160	151
Wholesale and international retail banking	814	25	248
Asset management and investment	42	1	0
Leasing	139	108	81
Real estate	0	3	(1)
Other	42	0	2
Total additions	**1,249**	**296**	**480**
Domestic retail banking	(164)	(130)	(157)
Wholesale and international retail banking	(155)	(109)	(330)
Asset management and investment	(4)	0	(3)
Leasing	(116)	(93)	(76)
Real estate	(2)	0	(3)
Other	0	0	0
Total amount charged to the provisions	**(441)**	**(332)**	**(568)**
Domestic retail banking	47	44	31
Wholesale and international retail banking	98	17	(50)
Asset management and investment	0	3	0
Leasing	(9)	(6)	36
Real estate	0	0	(2)
Other	0	0	(32
Total other	**136**	**58**	**(17)**
Domestic retail banking	1,398	1,303	1,228
Wholesale and international retail banking	1,536	778	846
Asset management and investment	42	4	1
Leasing	256	242	233
Real estate	25	27	24
Other	42	0	0
Total balance at December 31	**3,299**	**2,355**	**2,333**
Total additions	1,249	296	480
Recoveries	(60)	(31)	(30)
Bad debt costs	**1,189**	**266**	**450**

Deposits

The following table presents the year-end amounts, of each deposit category at December 31, 2008, December 31, 2007 and December 31, 2006. Interest rates paid on customer deposits by banks and individuals reflect market conditions. Not all current accounts earn interest.

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Time deposits (non-banks)	81,554	82,139	46,345
Current accounts	59,832	46,584	51,111
Professional securities transactions (repo's securities)	664	3,694	8,107
Other	31,326	30,713	28,010
Total deposits by businesses	**173,376**	**163,130**	**133,573**
Savings accounts	114,680	101,175	89,500
Current accounts	13,230	11,848	11,056
Other	2,928	457	788
Total deposits by individuals	**130,838**	**113,480**	**101,344**
Total deposits by businesses and individuals	**304,214**	**276,610**	**234,917**

Short-term borrowings

Short-term borrowings are borrowings with an original maturity of one year or less. These are included in the Rabobank Group's consolidated balance sheet under "Debt securities in issue". An analysis of the balance of short-term borrowings at December 31, 2008, December 31, 2007 and December 31, 2006 is provided below.

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Year-end balance	55,385	58,440	58,766
Average balance	61,010	61,277	60,211
Maximum month-end balance	68,963	67,358	63,524

Long-term borrowings

Long-term borrowings are borrowings with an original maturity of more than one year. These are included in the Rabobank Group's consolidated balance sheet under "Debt securities in issue" and "Other financial liabilities at fair value though profit and loss". An analysis of the balance of long-term borrowings at December 31, 2008, December 31, 2007 and December 31, 2006 is provided below.

	At December 31,		
(in millions of euros)	**2008**	**2007**	**2006**
Year-end balance	105,191	110,675	95,570
Average balance	110,327	109,288	90,052
Maximum month-end balance	112,900	112,919	98,709

SELECTED FINANCIAL INFORMATION

The following selected financial data are derived from the audited consolidated financial statements of the Rabobank Group, which have been audited by Ernst & Young Accountants LLP, independent auditors, with exception of the bad debt expenses, which are derived from the annual report of the Rabobank Group. The data should be read in conjunction with the consolidated financial statements and related notes incorporated by reference in, and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in, this Prospectus. The Rabobank audited consolidated financial statements for the year ended December 31, 2008 and December 31, 2007 have been prepared in accordance with IFRS as adopted by the European Union.

Consolidated balance sheet

	At December 31,		
(in millions of euros)	**2008**	**2007 (restated)**	**2006**
ASSETS			
Cash and cash equivalents	7,105	2,129	1,630
Due from other banks	33,776	43,218	49,086
Trading financial assets	11,576	29,179	36,789
Other financial assets at fair value through profit and loss	7,896	18,133	21,468
Derivative financial instruments	66,759	26,089	18,992
Loans to customers	426,283	372,968	354,924
Available-for-sale financial assets	31,665	50,355	48,961
Held-to-maturity financial assets	497	859	1,489
Investments in associates	3,455	4,558	3,250
Intangible assets	3,728	3,183	1,844
Property and equipment	5,870	5,572	5,022
Investment properties	1,038	1,105	1,338
Current tax credits	298	419	176
Deferred tax assets	1,619	1,565	1,477
Other assets	10,555	11,159	10,009
Total assets	**612,120**	**570,491**	**556,455**

	At December 31,		
(in millions of euros)	**2008**	**2007 (restated)**	**2006**
LIABILITIES			
Due to other banks	23,891	46,332	94,626
Due to customers	304,214	276,610	234,917

Debt securities in issue	135,779	141,812	128,066
Derivative financial instruments and other trading liabilities	77,230	31,097	26,694
Other debts	8,644	10,518	10,649
Other financial liabilities at fair value through profit and loss	24,797	27,303	26,270
Provisions	875	1,167	1,175
Current tax liabilities	227	202	172
Deferred tax liabilities	474	851	836
Employee benefits	371	896	1,223
Subordinated debt	2,159	2,294	2,450
Total liabilities	**578,661**	**539,082**	**527,078**
EQUITY			
Equity of Rabobank Nederland and local Rabobanks	20,074	19,684	17,426
Rabobank Member Certificates issued by a group company	6,236	6,233	5,808
	26,310	25,917	23,234
Capital Securities and Trust Preferred Securities III to VI	3,510	2,779	1,959
Minority interests	3,639	2,713	4,184
Total equity	**33,459**	**31,409**	**29,377**
Total equity and liabilities	**612,120**	**570,491**	**556,455**

Consolidated profit and loss account

	Year ended December 31,		
(in millions of euros)	**2008**	**2007 (restated)**	**2006**
Interest income	27,245	29,356	25,059
Interest expense	18,728	22,585	18,587
Interest	**8,517**	**6,771**	**6,472**
Fee and commission income	3,400	3,394	2,741
Fee and commission expense	511	537	445
Fees and commission	**2,889**	**2,857**	**2,296**
Income from associates	(26)	753	556
Net income from non-trading financial assets and liabilities at fair value through profit and loss	(1,155)	(515)	246
Gains on available-for-sale financial assets	(51)	64	7
Other	1,478	1,092	472
Income	**11,652**	**11,022**	**10,049**

Staff costs	4,290	4,400	4,117
Other administrative expenses	2,796	2,779	2,429
Depreciation and amortisation	525	484	341
Operating expenses	**7,611**	**7,663**	**6,887**
Value adjustments	1,189	266	450
Operating profit before taxation	**2,852**	**3,093**	**2,712**
Taxation	98	397	367
Net profit for the year	**2,754**	**2,696**	**2,345**
Of which attributable to Rabobank Nederland and local Rabobanks	2,089	1,971	1,757
Of which attributable to holders of Rabobank Member Certificates	316	299	277
Of which attributable to Capital Securities	94	17	-
Of which attributable to Trust Preferred Securities III to VI	100	106	110
Of which attributable to minority interests	155	303	201
Net profit for the year	**2,754**	**2,696**	**2,345**

Financial ratios:

	2008	**2007**	**2006**
BIS ratio[1]	13.0%	10.9%	11.0%
Tier I ratio[1]	12.7%	10.7%	10.7%
Bad debt costs (in basis points of average lending)	31	8	15

Note:

(1) Data for 2007 are based on Basel I requirements and data for 2008 have been based on the Basel II requirements with effect from January 1, 2008.

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, the 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 Rabobank Group ("BRMC-RG") in cooperation with the Group Risk Management department. The BRMC-RG 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. The Rabobank Group's 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 faced by the Rabobank Group are credit risk, market risk, interest rate risk, country risk, liquidity risk and operational risk. Rabobank has implemented an economic capital framework to determine the amount of capital it should hold on the basis of its risk profile and desired credit rating. Economic capital represents the amount of capital needed to cover for all risks associated with a certain activity. The economic capital framework makes it possible to compare different risk categories with each other because all risks are analysed by using the same methodology. See also "Risk Factors".

Risk Adjusted Return On Capital

Relating the profit achieved on a certain activity to the capital required for that activity produces the Risk-Adjusted Return On Capital ("RAROC"). RAROC is calculated by dividing economic return by economic capital. The calculation and review of RAROC across the Rabobank Group's 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 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 a formulated minimum result to be achieved, which is a reflection of the costs of the capital employed, economic value is wasted. A higher RAROC implies the creation of economic value. For the year ended December 31, 2008, Rabobank realised a RAROC after tax of 12.5%.

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-RG 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 DNB. 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-RG in evaluating the Rabobank Group's market positions.

During the year 2008, the Value at Risk fluctuated between € 31 million (2007: €20 million) and € 58 million (2007: €32 million), with an average of € 39 million (2007: €26 million). The increased turmoil in the financial markets and the large fluctuations, particularly in credit spreads and interest rates, caused the Value at Risk to rise by more than 50% over 2008. As a result of the unwinding of certain market positions, the increase in Value at Risk was less than might otherwise have been expected given market developments.

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 DNB.

Value at Risk models have certain limitations; they are more reliable during normal market conditions, and historical data may fail to predict the future. Therefore, Value at Risk results cannot guarantee that actual risk will follow the statistical estimate.

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-RG 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 the concept of "Income at Risk", which is the maximum amount of interest income-at-risk for the coming 24 months, due to increases/decreases in interest rates of 200 basis points, assuming a stable balance sheet and no management intervention. In this Income at Risk scenario a gradual increase/decrease of 200 basis points is assumed during the first year, while during the second year interest rates are assumed to remain stable.

The Rabobank Group's long-term interest rate risk is measured and controlled based on the concept of "Equity at Risk", which is the sensitivity of the Rabobank Group's market value of equity to an instant change in interest rates of 200 basis points.

As at December 31, 2008, the Income at Risk ("IatR") and Equity at Risk ("EatR") for the Rabobank Group were as follows:

	200 basis points increase	**200 basis points decrease**
IatR 1 – 12 months	+ € 35 million	€ 54 million
IatR 13 – 24 months	€ 87 million	+ € 36 million
EatR	11%	+ 11%

Rabobank Group performs complementary scenario analyses to access the impact of changes in customer behaviour and the economic environment.

Credit risk

The Rabobank Group aims to offer continuity in its services. It therefore pursues a prudent credit policy. Once granted, loans are carefully managed so there is a continuous monitoring of credit risk. Of the Rabobank Group's credit loan portfolio to the private sector, 47% in 2008 consisted of loans to private individuals, mainly residential mortgages, which tend to have a very low risk profile in relative terms. The remaining 53% was 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. Credit applications beyond certain limits are subject to a thorough credit analysis by credit officers of Credit Risk Management. Group Risk Management monitors Rabobank Group's credit portfolio and develops new methods for quantifying credit risks.

Risk profiling is also undertaken at the portfolio level using internal risk classifications for portfolio modelling. Internal credit ratings are assigned to borrowers by allocating all outstanding loans into various risk categories on a regular basis.

The following table shows the impaired loans (i.e. the amount of loans for which an allowance has been taken) per business unit as a percentage of private sector loans:

Impaired loans/private sector lending per business unit

	Year ended December 31,		
	2008	**2007**	**2006**
Domestic retail banking	1.05%	0.79%	1.18%
Wholesale and international retail banking	3.48%	1.53%	1.93%
Leasing	1.95%	1.91%	1.82%
Rabobank Group	**1.65%**	**0.97%**	**1.34%**

Bad and doubtful debt

Rabobank Group's credit portfolio is routinely monitored for doubtful and bad debts, which results in review of the credit quality and consequently, if needed, adjustment of the credit rating and taking an allowance. Within Rabobank Group, a formal analysis of specifically identified larger non-performing 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 three years ended December 31, 2008, 2007 and 2006, per business unit as a percentage of private sector lending:

Bad debt costs/average private sector lending per business unit

	Year ended December 31,		
	2008	**2007**	**2006**
Domestic retail	0.08%	0.06%	0.07%

	Year ended December 31,		
	2008	**2007**	**2006**
Wholesale and international retail banking	0.93%	0.02%	0.39%
Leasing	0.64%	0.61%	0.53%
Rabobank Group	**0.31%**	**0.08%**	**0.15%**

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 the Rabobank Group's 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 risk. Country risk is specifically attributable to events in a specific country or group of countries. The Rabobank Group encounters country risk in its lending, trading and investment activities. Country risk is managed using a system of internal ratings for relevant countries. Based on these ratings and the determination of the Country Limit Committee as to how much risk to take on, internal limits per country are established. Decisions on country risk limits are taken at Executive Board level and are based on recommendations of the Country Limit Committee. The calculation of additional capital requirements and provisions for country risk are made in accordance with internal guidelines and relate primarily to countries with a high transfer risk.

Liquidity risk

Liquidity risk is the risk that a member of the Rabobank Group will not be able to meet its financial liabilities when due. The Rabobank Group policy provides that the maturity of funding is aligned with the maturity of the loans. In addition, this risk is managed in three different ways. First, the Bank limits outgoing cash flows by measuring and reporting on a daily basis which incoming and outgoing cash flows are to be expected over the next 30 days. In addition, limits have been set for such outgoing cash flows for each currency and location. In order to be prepared for possible crises, detailed contingency plans are in place that provide the procedures to be followed.

Secondly, a large buffer of liquid securities is being held. If necessary, these assets can be used for borrowings from central banks, in repo transactions or for direct selling in the market as a way of generating liquidity.

Thirdly, liquidity risk is limited by Rabobank Group's prudent funding policy, which is to meet the funding requirements of the Rabobank Group entities at an acceptable cost. In this context, diversification of funding sources and currencies, flexibility of the funding instruments used and active investor relations play an important role. This prevents Rabobank Group's overdependence from a single source of funding.

Liquidity risk is an organisation-wide matter and managed by Treasury Rabobank Group in cooperation with Rabobank International Global Financial Markets. Methods used to measure liquidity risk include the CA/CL method (Core Assets/Core Liabilities). Using various time periods, a quantification is made of the assets, unused facilities and liabilities that are expected to remain on the balance sheet after assumed and closely

defined stress scenarios have occurred. These remaining assets and liabilities are referred to as Core Assets and Core Liabilities, respectively, and their inter-relationship is the liquidity ratio. A ratio below 1.2 is considered adequate and in 2008, this was the case for the scenarios used.

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. The Rabobank Group has a Group-wide operational risk policy. 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 Rabobank Group policy.

GOVERNANCE OF THE RABOBANK GROUP

Corporate governance

In recent years the corporate governance of organisations has been of particular public interest. Rabobank Group uses a system of checks and balances at all its corporate levels. A distinguishing element in Rabobank Group's governance is the Central Delegates Assembly (*Centrale Kringvergadering* ("CKV")), Rabobank Group's parliament, which meets at least four times a year and where Rabobank Nederland's members are able to participate in Rabobank Nederland's strategic decisions. Rabobank Group's corporate governance is broadly consistent with the Dutch corporate governance code. Additionally, it will take into account any outcomes from the Frijns committee's (a committee monitoring compliance with the Dutch corporate governance code) review of this code that may be relevant to the Bank. The following pages discuss all aspects, thus demonstrating Rabobank Group's balanced corporate governance.

Cross-guarantee system

Rabobank Group consists of the local Rabobanks, their central organisation Rabobank Nederland and its subsidiaries and other affiliated entities. Through their mutual financial association, various legal entities within Rabobank Group together make up a single organisation. An internal liability relationship exists between these legal entities, as referred to in Section 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.

Executive Board

The Executive Board (*raad van bestuur*) of Rabobank Nederland is responsible for the management of Rabobank Nederland and, indirectly, its affiliated entities. This includes responsibility for the achievement of the objectives of Rabobank Group as a whole, its strategic policy, its results, the synergy within Rabobank Group, compliance with all relevant laws and regulations, the management of business risks and the financing of Rabobank Group. The Executive Board reports on all these aspects to the Supervisory Board (*raad van commissarissen*) of Rabobank Nederland, the Central Delegates Assembly (the organisation's "parliament", which is authorised to take decisions on behalf of the local Rabobanks) and the General Meeting (*algemene vergadering*) of Rabobank Nederland, which is formed by the members, i.e. the local Rabobanks.

The management of Rabobank Group is based in part on the interrelationship between risk, return and capital. The Financial Supervision Act and the subordinate legislation based thereon, as well as regulations imposed by the supervisory authorities – i.e. the DNB and the AFM – have formulated standards for financial institutions. The supervision on the Bank's solvency and stability – i.e. prudential supervision – is performed by DNB, while the AFM has the supervision of the Bank's conduct. Obviously, these regulations form the framework for the organisation and control of Rabobank Group's activities.

The members of the Executive Board are appointed by the Supervisory Board for a four-year period, but their contracts of employment are for an indefinite period. They may be dismissed and suspended by the Supervisory Board. The Supervisory Board determines the remuneration of the members of the Executive Board and reports on this to the Confidentiality Committee of the Central Delegates Assembly. The principles of the remuneration policy for the Executive Board, as recommended by the Supervisory Board, are established by the Central Delegates Assembly. Finally, the Supervisory Board periodically assesses and

follows up on the Executive Board's performance. The Executive Board is responsible for the authorisation of debenture issues of Rabobank Nederland, under the approval of the Supervisory Board.

Supervisory Board

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

In the performance of their duties, the members of the Supervisory Board act in the interests of all stakeholders of Rabobank Nederland and its affiliated entities. Certain key Executive Board decisions are subject to Supervisory Board approval. Examples include decisions on strategic collaboration with third parties, major investments and acquisitions, as well as the annual adoption of policy plans and the budget.

The members of the Supervisory Board are appointed by the General Meeting on the recommendation of the Supervisory Board. The independence of the individual members is an important consideration in this respect. The Confidentiality Committee of the Central Delegates Assembly determines the remuneration of the members of the Supervisory Board and has a say in the profile of the members of the Supervisory Board.

The Supervisory Board annually assesses its own performance, in terms of the collective body's performance and that of its individual members. Initiatives are developed regularly in order to keep the members of the Supervisory Board up-to-date on developments in the institutional and legal environment in which the Bank operates and on risk management systems. The Supervisory Board has five committees: the Cooperative Issues Committee, the Audit & Compliance Committee, the Appointment Committee, the Remuneration Committee and the Appeals Committee.

Member influence

An important precondition for good corporate governance at Rabobank Group is an open culture with clear accountability for management and supervision. Without transparency, Rabobank Nederland cannot account to the local Rabobanks on Rabobank Nederland's management and supervision of the entities forming the Rabobank Group, nor can this be assessed. The local Rabobanks are members of the Rabobank Nederland cooperative. This membership entails rights and obligations. The influence and control of the local Rabobanks are manifested through their representation in two bodies: the Central Delegates Assembly and the General Meeting. In addition, the local Rabobanks are Rabobank Nederland's shareholders.

Central Delegates Assembly

As from January 1, 2007, the local Rabobanks are organised geographically in 12 regions. The Boards of the Regional Delegates Assemblies form the Central Delegates Assembly (*centrale kringvergadering*) ("CKV"). Through the representation of the local management and supervisory bodies in the Regional Delegates Assemblies, the members/clients of the local Rabobanks are represented in the CKV, which meets in Utrecht at least four times a year.

The CKV's powers include the establishment of rules that all local Rabobanks must comply with and the establishment of the Strategic Framework. The outcome directly influences Rabobank Group's policy. The CKV also approves the annual plan and the budget of the local Rabobanks. The CKV has substantive discussions, which mainly concern the local Rabobanks. These discussions are held not only as part of the

CKV's specific duties and powers, but also with the aim of encouraging commitment in the local Rabobanks and consensus between the local Rabobanks and Rabobank Nederland.

Consequently, the manner in which Rabobank Nederland accounts for its policy to its members is more extensive than the account rendered by a typical listed public company to its shareholders. Because of the special relationship between Rabobank Nederland and its members, the CKV enjoys very high attendance. In order to operate more effectively, the CKV has appointed committees, which are charged with special duties. They are: the Committee on Confidential Matters (advises on appointments in the Supervisory Board, fixes the Supervisory Board's remuneration and assesses the Supervisory Board's application of the remuneration policy), the Coordinating Committee (draws up the agenda of the CKV and subjects items for the agenda to formality compliance tests) and the Emergency Affairs Committee (advises the Executive Board on behalf of the CKV in urgent and confidential cases concerning major investments or divestments).

In order to maintain maximum effectiveness of the CKV, an internal committee was established in 2006 whose task was to advise on the CKV's desired future size and composition. The committee's recommendations included the following: to reduce the CKV membership from 120 to 72, to introduce observers in the CKV and to confirm the CKV's composition according to the ratio of "2 elected members to 1 appointed member". These recommendations have been implemented.

General Meeting

The General Meeting (*algemene vergadering*) 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, approval and endorsement of management and supervision, amendments to the Articles of Association and regulations, and the appointment of members of the Supervisory Board. The CKV issues advice prior to the General Meeting on all the items on the agenda. This procedure ensures that, prior to the General Meeting, these subjects have been discussed in detail on a local, regional and central level. The local Rabobanks have voting rights in the General Meeting in proportion to their size. Because of the special relationship between Rabobank Nederland and its members, the General Meeting enjoys almost full attendance.

Employee influence

A few years ago, the Group Works Council of Member Banks ("GOR AB") was created as an employee representative body. It acts as a discussion partner to the manager on issues that concern the social policy of all local Rabobanks. The creation of the GOR AB does not affect the position of Rabobank Nederland's Works Council or the existing Works Councils of the local Rabobanks. As a result, they continue to act in full as employee representative bodies within the meaning of the Works Councils Act.

Corporate governance of the local Rabobanks

Only banks that have a cooperative structure and whose Articles of Association have been approved by Rabobank Nederland can be members of Rabobank Nederland. In turn, the local Rabobanks have members as well, who are local clients. The local Rabobanks have strictly defined rights and obligations towards Rabobank Nederland and each other.

Pursuant to the prudential supervision part of the Financial Supervision Act and under Rabobank Nederland's Articles of Association and the Articles of Association of the local Rabobanks, Rabobank Nederland supervises the local Rabobanks on the integrity of their operations, solvency and liquidity. In addition, under the conduct supervision part of the Financial Supervision Act, Rabobank Nederland has been appointed by the

Dutch Finance Ministry as the holder of a collective license that also includes the local Rabobanks. Thus, the supervision of conduct by the AFM is exercised through Rabobank Nederland.

Management and supervision of the local Rabobanks

Two governance models are possible for the local Rabobanks. The introduction of a second governance model – the executive model – besides the existing partnership model was prompted at the time by the wish to respond to internal and external changes, for example, the ongoing scaling-up process, a changing market and increasing legislation and regulations. Both governance models focus on ensuring effective management as well as professional and independent supervision. The effectiveness of both models will be reviewed during 2009.

Since both governance models provide assurance of effective member influence and control, the governance of the local Rabobanks will continue to be carried out both adequately and professionally in the future, but also in a way that befits their cooperative character. The members of all the local Rabobanks have important powers, for instance to adopt the financial statements, to amend the Articles of Association, to appoint members of the Supervisory Board and to approve and endorse management and supervision. In addition, account is rendered to the members in respect of the bank's management and supervision.

Partnership model

In the Partnership model, the Board of each local Rabobank consists 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 Board.

Executive model

In the executive model, each local Rabobank has a Board of Directors comprising several persons appointed by the Supervisory Board, which operates under the supervision of the Supervisory Board. In this model, no Board members are elected by the members from their ranks, as is the case in the partnership model.

Member council

Local Rabobanks using the executive model must institute a member council in order to firmly and permanently embed member influence and control in the structure. An increasing number of banks using the partnership model have established a member council as well. The member council is a delegation of all members elected by the members from their ranks. The member council assumes the bulk of the powers of the General Meeting and promotes and structures member control and engagement. The General Meeting continues to exist, but decides only on major issues that impact the local Rabobank's continued existence.

Corporate governance information on the Internet

Rabobank Group has placed information on its corporate governance and activities on its public Internet site, including a full explanation of the areas in which Rabobank Group deviates from the Dutch Corporate Governance Code. While Rabobank Group endorses the Dutch Corporate Governance Code's principles and implements the majority of its elements, it does not implement a number of principles and best practice provisions on account of its cooperative structure.

Controls over financial reporting

Rabobank Group constantly seeks to improve its corporate governance and overall internal controls, for example, by endorsing the principles of the Dutch Corporate Governance Code. Rabobank Group seeks an open culture and transparent accountability in respect of policies and supervision, and to remain in line with the leading risk management practices in the world.

Rabobank Group voluntarily assessed the internal controls over financial reporting in a manner similar to that which U.S.-registered companies have done pursuant to Section 404 of the United States Sarbanes-Oxley Act of 2002, even though Rabobank Group is not a registrant with the United States Securities and Exchange Commission and, thus, is not subject to the Sarbanes-Oxley Act or related regulations and oversight.

Rabobank Group believes that the review of its internal controls over financial reporting has increased the effectiveness of those controls, including its ability to identify and to remediate any deficiencies at an earlier stage. This results in greater transparency for all stakeholders in the quality of Rabobank Group's financial reporting process. As a result of its review, Rabobank Group has identified areas to improve, simplify and standardise specific business processes.

Rabobank Group has established and maintains a comprehensive system of internal control measures designed to ensure transactions are executed as authorised, financial reporting is accurate and reliable, and assets are safeguarded.

Rabobank Group has implemented a process whereby finance and business executives throughout Rabobank Group assess and attest to the accuracy of financial information as well as the adequacy and effectiveness of internal control over financial reporting. Rabobank Group has adopted policies and procedures that:

- pertain to the maintenance of records that in reasonable detail accurately and fairly reflect transactions and dispositions of assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by the European Union, and that receipts and expenditures are made only in accordance with authorisations of Management; and
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

The internal control framework for the organisation and control of Rabobank Group's activities is based on the framework set forth by the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"). As set out in the report included in the financial statements, the Executive Board concluded that Rabobank Group's internal control over financial reporting is adequate and effective, consistent with the criteria established by COSO.

Risk management

The management of Rabobank Group is based on its strategic principles and, by extension, on the interrelationship between risk, return and capital. Both the DNB and the Bank itself have formulated standards concerning Rabobank's organisation and control.

Rabobank's organisation and control are subject to the Dutch Financial Supervision Act, including subordinate legislation based thereon, and regulations imposed by both the DNB and the AFM as supervisory authorities. These legal requirements and supervisors' regulations form Rabobank Group's framework for the organisation and control of its activities. For further information, please refer to the relevant sections in this Prospectus, and in particular to the section above on "Controls over financial reporting", which addresses

risks relating to financial reporting, and the "Risk Management", which includes a description of control systems relating to the most important other risks identified by Rabobank Group.

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

Supervisory Board of Rabobank Nederland

Name	Born	Year Appointed[1]	Term Expires	Nationality
Lense (L.) Koopmans, Chairman	1943	2002	2009	Dutch
Leo (L.J.M.) Berndsen	1942	2002	2009	Dutch
Bernard (B.) Bijvoet	1940	2002	2012	Dutch
Sjoerd (S.E.) Eisma	1949	2002	2010	Dutch
Louise (L.O.) Fresco	1952	2006	2010	Dutch
Marinus (M.) Minderhoud	1946	2002	2011	Dutch
Paul (P.F.M.) Overmars	1945	2005	2012	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
Cees (C.P.) Veerman	1949	2007	2011	Dutch
Antoon (A.J.A.M.) Vermeer	1949	2002	2010	Dutch
Arnold (A.H.C.M.) Walravens	1940	2004	2011	Dutch

Note:

(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: Chairman of the Supervisory Board of Rabobank Nederland. Emeritus Professor of Economics at the University of Groningen. Chairman of the Board of Directors of Stichting TBI. Chairman of the Supervisory Board of Siers Groep B.V. Chairman of the Supervisory Board of Arriva Nederland B.V. Chairman of the Supervisory Board of TSS B.V. Member of the Supervisory Board of Huntsman Holland B.V. Member of the Supervisory Board of KIWA N.V. Member of the Supervisory Board of NOM N.V. Member of the Board of Directors of Stichting Administratiekantoor Unilever N.V. Vice-chairman of the Board of Supervision of the University Medical Centre, Groningen. Chairman of the Board of Supervision of the Fries Museum en Princessehof.

Leo (L.J.M.) Berndsen: Professional supervisory director. Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of AON Nederland. Member of the Board of Stichting TBI. Member of the Board of Stichting Administratiekantoor VION.

Bernard (B.) Bijvoet: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Essent N.V. Chairman of the Supervisory Board of AH Kaascentrale B.V. Acting member of the Board of Directors of Vereniging Achmea.

Sjoerd (S.E.) Eisma: Partner De Brauw Blackstone Westbroek N.V. Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of HAL Holding N.V. Member of the Supervisory

Board of Grontmij N.V. Deputy judge at The Hague Court. Professor occupying an endowed chair at the University of Amsterdam. Member of the Capital Market Committee, Financial Markets Authority (*Autoriteit Financiële Markten*).Vice-chairman of the Board of Directors of the Securities Law Association. Contributor to *Nederlands Juristenblad*. Member of the Board of Directors of the Anton Philips Fund. Member of the Board of Directors of Stichting Pensioenfonds HAL. Member of the Advisory Board of Sunsmile Trading/Sunsmile de Mozambique, Limitada. Member of the Board of Directors of Willem-Alexander Kinderfonds. Member of the Board of Stichting Haags Kinderatelier. Vice-chairman of the Board of Stichting Holland Financial Centre. Chairman of the Board of Supervision of the Royal Academy of Art, Music and Dance (*Hogeschool van Beeldende Kunsten, Muziek en Dans*).

Louise (L.O.) Fresco: University Professor, University of Amsterdam. Distinguished Professor at Wageningen University. Member of the Supervisory Board of Rabobank Nederland. Member of the Recommendation Committee for the University Asylum Fund. Member of the Spanish Academy of Engineering Sciences. Member of the Swedish Academy of Agricultural and Forestry Sciences. Crown-Appointed Member of the Social and Economic Council of the Netherlands (SER). Member of the Board of Supervision of the United Nations University in Tokyo. Member of the Delta Committee on sea level rise. Columnist, NRC Handelsblad.

Marinus (M.) Minderhoud: Member of the Supervisory Board of Rabobank Nederland. Vice Chairman of the Supervisory Board of Eureko B.V. (Achmea). Chairman of the Supervisory Board of Agis Zorgverzekeringen N.V. Chairman of Vodafone Europe B.V. Chairman of Vodafone International Holdings B.V.

Paul (P.F.M.) Overmars: Former Vice-chairman of the Executive Board of Eureko B.V. and former CEO of Achmea (*currently retired*). Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Eureko B.V. Vice-chairman of the Board of Directors of Vereniging Achmea. Chairman of Stichting Muziek in Grote of Sint Jeroenskerk in Noordwijk. Chairman of the Board of Directors of the Eureko/Achmea Foundation.

Herman (H.C.) Scheffer: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of 3 Mollen. Member of the Supervisory Board of the Coöperatieve Cehave Landbouwbelang U.A. Member of the Supervisory Board of the Heerema Group. Member of the Supervisory Board of Elysiants B.V. Member of the Advisory Board of Gilde.

Martin (M.J.M.) Tielen: Emeritus Professor at Utrecht University. Member of the Supervisory Board of Rabobank. Member of the Executive Board and Treasurer of the International Society for Animal Hygiene (ISAH). Chairman of the Stichting Stimulering Agrarisch Onderwijs en Praktijk. Chairman of the Stichting Professor Tielen Fonds. Member of the Board of Directors of Vereniging Achmea.

Aad (A.W.) Veenman: Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of TenneT B.V. Member of the Supervisory Board of GVB (*Gemeentelijk Vervoerbedrijf Amsterdam*). Chairman of the Board of Supervision of ICT Regie. Member of the Supervisory Board of the ECN. Chairman Advisory Board Nationaal Lucht & Ruimtevaartlaboratorium. Chairman Community of European Railway and Infrastructure Companies (CER).

Cees (C.P.) Veerman: CEO of Bracamonte B.V. in Groesbeek. Professor at Tilburg University and Wageningen University focusing on the field of sustainable rural development from a European perspective. Member of the Supervisory Board of Rabobank Nederland. Member of the Supervisory Board of Clearwood B.V. Member of the Supervisory Board of Barenbrug B.V. Member of the Supervisory Board of Koninklijke Reesink N.V. Member of the Supervisory Board of the Netherlands Genomics Initiative. Chairman of the Board of Supervision for the Kennis voor Klimaat (Knowledge for Climate) research project. Chairman of the Delta Committee. Chairman of the Society for the Preservation of Nature Reserves in the Netherlands (*Vereniging Natuurmonumenten*). Chairman of the Research Institute of Christian Democratic Appeal (CDA).

Antoon (A.J.A.M.) Vermeer: Chairman of the Board of Directors of Zuidelijke Land en Tuinbouw Organisatie (ZLTO). Member of the Maatschap Melkveehouderijbedrijf (dairy farming partnership). Vice-chairman of the Supervisory Board of Rabobank Nederland. Chairman of the Supervisory Board of VION N.V. Chairman of the Supervisory Board of Eureko B.V. Member of the Board of Governors of the ZLTO Food, Farming and Agribusiness Chair, Tilburg University. Vice-Chairman of the Federation Committee of LTO Nederland (*Land en Tunibouw Organisatie*). Chairman of the Agricultural Innovation Agency (*Landbouwinnovatiebureau, LIB*) for the Province of North Brabant. Chairman of the Board of Supervision of the Historische en Archeologische Stichting (HAS).

Arnold (A.H.C.M.) Walravens: Chairman of the Supervisory Board of Eureko B.V. Member of the Supervisory Board of Rabobank Nederland. Chairman of the Supervisory Board of Achmea Re Luxembourg. Member of the Supervisory Board of OWM Molest-risico W.A. Chairman of the Supervisory Board of Sneep Industries B.V. Vice Chairman of the Board of Vereniging Achmea. Chairman of the Board of the President of MBA Studies, IEDC, Bled School of Management Slovenia. Member of the Senate of International Executive Development Center, Slovenia. Director/Owner "Aan de Oude Delft", Art and Auction Services.

Executive Board of Rabobank Nederland

Name	Born	Year Appointed	Nationality
Bert (H.) Heemskerk, Chairman	1943	2002	Dutch
Bert (A.) Bruggink	1963	2004	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 December 1, 2002. As of June 18, 2009 Mr. Heemskerk's position of chairman will be filled by Mr. Moerland (see below). Mr. Heemskerk is also Chairman of the Managing Board of Rabobank International. 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, member of the Board of the Stock Exchange Association, member of the Advisory and Recommending Committee Leaders for Nature Initiative, member of the Board of Supervisory Directors of Koninklijke Boskalis Westminster N.V. and member of the Board of Supervisory Directors of VADO Beheer B.V.

Bert (A.) Bruggink: Mr. Bruggink was appointed Chief Financial Officer of the Executive Board of Rabobank Nederland as of November 15, 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. He also works as a part-time professor in the Twente University of Technology (Financial Institutions and Markets). He is a member of the Advisory Council of Isala Klinieken and of the Board of Supervisory Directors ROVA. Member of the Dutch Banking Association Policy Committee of Supervision & Monetary Affairs and Member of the Policy Committee of the DNB/Dutch Banking Association Mixed Working Group.

Piet (P.W.) Moerland: Mr. Moerland was appointed to Rabobank Nederland's Executive Board as of January 1, 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 Rabobanks. Mr. Moerland is to be the new Chairman of the Rabobank Nederland Executive Board as from June 18, 2009. He will succeed Bert Heemskerk who will step down from this position at the General Meeting of Rabobank Nederland to be held on June 18, 2009. 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 a sponsored chair as a professor of corporate governance at the University of Tilburg. Within the Rabobank Group Mr. Moerland serves as a member of the Board of Directors of Rabobank Foundation and as chairman of the board of the Foundation Contingency Fund Rabobanken (*Stichting Garantiefonds Rabobanken*) and Chairman of the Board of Stichting Toezicht Interne Markt Rabobank Ledencertificaten. Outside Rabobank, Mr. Moerland serves as a member of the Supervisory Board of Essent N.V. (electricity), member of the Advisory Board of the Dutch Order of Accountants and Administration Consultants, Member of the Board of Directors of the NVB (Association of Dutch Banks), chairman of the European Association of Co-operative Banks (*Groupement*) and Member of the Board of Directors International Raiffeisen Union (IRU).

Sipko (S.N.) Schat: Mr. Schat was appointed to Rabobank Nederland's Executive Board as per July 1, 2006. As one of the members of the Executive Board responsible for the international business, Mr. Schat is member of the Managing Board of Rabobank International and 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 Structured Finance Europe between 1995 and 1999 and Head Corporate Finance of Rabobank International between 1999 and 2002. Mr. Schat also held positions 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 as a member of the management board of Rabobank International as of April 2002 responsible for North and South America and as of September 2004 responsible for Corporate Finance, Trade Finance, Private Equity and Corporate Advisory. He is also a Member of the Supervisory Board of De Lage Landen International, Member of the Supervisory Board of Bouwfonds N.V. and Member of the Supervisory Board of Bank Sarasin & Cie AG.

Piet (P. J.A.) van Schijndel: Mr. van Schijndel was appointed to Rabobank Nederland's Executive Board as of December 1, 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 Rabobanks, 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.

Rabobank Nederland's Executive Board is to have two additional members from July 1, 2009: Gerlinde Silvis and Berry Marttin. Their appointment is conditional on screening by the supervisory authorities. Berry Marttin will be given responsibility for the international retail network, the regional international operations, international risk management and Rabobank Development. Gerlinde Silvis will be given responsibility for the Small- and Medium-Sized Enterprises, Company Management, Co-operative & Management Affairs and Human Resources directorates.

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 and their private interests or other duties of the persons listed above under "Supervisory Board of Rabobank Nederland" and "Executive Board of Rabobank Nederland".

Administrative, management and supervisory bodies business address

The business address of the members of the Issuer's Supervisory Board and Executive Board is Croeselaan 18, 3521 CB Utrecht, the Netherlands.

REGULATION OF THE RABOBANK GROUP

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*), which entered into force on January 1, 2007 and under which Rabobank Nederland is supervised by the Dutch Central Bank (*De Nederlandsche Bank N.V.*), the Netherlands Authority for the Financial Markets (*Autoriteit Financiële Markten*) and the Dutch Ministry of Finance (*Ministerie van Financiën*). 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 supervisory authorities of the various countries in which the Rabobank Group does business.

Basel Standards

The Basel Committee on Banking Supervision of the Bank for International Settlements (the "Basel Committee") develops international capital adequacy guidelines based on the relationship between a bank's capital and its credit risks. In this context, on July 15, 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 are intended to strengthen the soundness and stability of the international banking system. The Basel guidelines are 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 January 1, 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. A new accord ("Basel II" - the previous Basel guidelines being referred to as "Basel I") was published in June 2004. Basel II is a flexible framework that is more closely in line with internal risk control and that results in a more sophisticated credit risk weighting. The Basel II 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 judgement 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". The Rabobank Group has chosen the most sophisticated approach, the "Advanced Internal Ratings Based Approach".

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 has chosen the "Advanced Measurement Approach".

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 April 17, 1989 on the "own funds" of credit institutions (the "Own Funds Directive"), defining qualifying capital ("own funds"), and the Council Directive of December 18, 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 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, but not more lenient requirements. In 1993, the EC adopted the Directive of March 15, 1995 on the capital adequacy of investment firms and credit institutions ("EEC Directive 1993/6") and in 2000 the Directive of March 20, 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.

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 have been available from January 2007 and the most advanced approaches since January 2008.

On December 16, 2002, the EU adopted a directive 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:

- ensure that a financial conglomerate has adequate capital;
- introduce methods for calculating a conglomerate's overall solvency position;
- deal with the issues of intra-group transactions, exposure to risk and the suitability and professionalism of management at financial conglomerate level; and

- 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 was implemented in the Netherlands in the Financial Supervision Act that came into effect on January 1, 2007.

Dutch regulation

General

As of September 2002, banking supervision in the Netherlands has been divided into prudential supervision, carried out by the Dutch Central Bank, 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.

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 licence from the Dutch Central Bank before engaging in any banking activities. The requirements to obtain a licence, among others, are as follows: (i) the day-to-day policy of the bank must be determined by at least two persons; (ii) the bank must have a body of at least three members which has tasks similar to those of a 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 licence 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 licence 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.

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. Rabobank Nederland's independent auditors audit these reports annually.

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% 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 and as laid down in EU directives described above under "European Union standards". For credit risk Rabobank uses the Advanced Internal Ratings Based Approach. 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 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 the 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.

CAPITALISATION OF THE RABOBANK GROUP

The following table sets forth in summary form the Rabobank Group's consolidated own funds and consolidated medium-term and long-term debt securities at December 31, 2008 and at December 31, 2007:

	At December 31,		
(in millions of euros)	**2008**	**2007 (restated)**	**2007**
Equity of Rabobank Nederland and local Rabobanks			
Retained earnings and other reserves	20,074	19,684	19,650
Rabobank Member Certificates issued by a group company	6,236	6,233	6,233
Capital Securities and Trust Preferred Securities III to VI	3,510	2,779	2,779
Minority interests	3,639	2,713	2,713
Total equity	**33,459**	**31,409**	**31,375**
Subordinated debt	2,159	2,294	2,294
Debt securities in issue[(1)]	135,779	141,812	141,812
Total capitalisation	**171,397[(2)]**	**175,515**	**175,481**
Breakdown of reserves and retained earnings			
Revaluation reserves for available-for-sale financial assets	(898)	489	489
Other reserves	(332)	38	38
Retained earnings	21,304	19,157	19,123
Total reserves and retained earnings	**20,074**	**19,684**	**19,650**

Notes:

(1) Debt securities in issue includes short-term debt and long-term debt. At December 31, 2008, and at December 31, 2007, the Rabobank Group had short-term debt amounting to € 55,385 million and € 58,440 million respectively. At December 31, 2008, and at December 31, 2007, The Rabobank Group had long-term debt amounting to € 80,394 million € 83,372 million, respectively.

(2) The total capitalisation of the Rabobank Group at December 31, 2008 would have been approximately € 172,475 million as adjusted for the new issue of U.S.$1,500,000,000 of Additional New Capital Securities and an assumed issue of U.S.$1,368,297,000 of New Capital Securities in connection with the Exchange Offers, based on an assumed tender of U.S.$1,013,623,000 of TPS II and U.S.$743,275,000 of TPS III.

There has been no material change in the capitalisation of the Rabobank Group since December 31, 2008.

USE OF PROCEEDS

There will be no proceeds from the New Capital Securities.

The net proceeds of the issue of the Additional New Capital Securities, expected to amount to approximately U.S.$1,484,500,000 will be used to fund the general banking business of the Rabobank Group and to strengthen its capital base.

TAXATION

United States Taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following summarizes the material U.S. federal income tax considerations generally applicable to the ownership and disposition of Capital Securities by a U.S. Holder (as defined below). This discussion deals only with U.S. Holders that hold Capital Securities as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Capital Securities by particular investors, and does not address state, local, foreign or other tax laws. In particular, this summary does not address tax considerations applicable to investors that own or will own directly, or indirectly by attribution, 10% or more of the voting stock of the Issuer, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organizations, dealers in securities or currencies, investors that own Capital Securities as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term "U.S. Holder" means a beneficial owner of Capital Securities that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organized under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Capital Securities will depend on the status of the partner and the activities of the partnership. Holders that are partnerships should consult their own tax advisers concerning the U.S. federal income tax consequences to their partners of the ownership and disposition of Capital Securities by the partnership.

This discussion assumes that the Issuer is not a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes, which the Issuer believes to the case. See the discussion below entitled "Passive Foreign Investment Company Considerations".

The summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, as well as on the income tax treaty between the United States and the Netherlands (the "Treaty"), all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE CAPITAL SECURITIES, INCLUDING THEIR ELIGIBILITY FOR THE BENEFITS OF THE TREATY, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

U.S. Federal Income Tax Characterization of the Capital Securities

The characterization of securities such as the Capital Securities will depend on the terms of the Capital Securities. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There is no statutory, judicial or administrative authority directly addressing the characterization of the Capital Securities or of instruments similar to the Capital Securities.

Although the matter is not free from doubt, the Capital Securities should be treated for U.S. federal income tax purposes as equity in the Issuer for U.S. federal income tax purposes. The Issuer and, by a U.S. Holder's purchasing a Capital Security or an interest therein, the U.S. Holder agree to treat the Capital Securities as equity in the Issuer, and the discussion below assumes this to be the case.

No rulings will be sought from the U.S. Internal Revenue Service ("IRS") regarding the characterization of the Capital Securities issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterization of the Capital Securities for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Capital Securities.

Distributions on Capital Securities

Payments of interest on the Capital Securities will generally be treated as distributions with respect to stock of the Issuer.

Distributions paid by the Issuer out of current or accumulated earnings and profits (as determined for U.S. federal income tax purposes) will generally be taxable to a U.S. Holder as foreign source dividend income, and will not be eligible for the dividends received deduction allowed to corporations. Distributions in excess of current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Capital Securities and thereafter as capital gain. However, the Issuer does not maintain calculations of its earnings and profits in accordance with U.S. federal income tax accounting principles. U.S. Holders should therefore assume that any distribution by the Issuer with respect to Capital Securities will be reported as ordinary dividend income. U.S. Holders should consult their own tax advisers with respect to the appropriate U.S. federal income tax treatment of any distribution received from the Issuer.

For taxable years that begin before 2011, dividends paid by the Issuer will generally be taxable to a non-corporate U.S. Holder at the special reduced rate normally applicable to long-term capital gains, provided the Issuer qualifies for the benefits of the Treaty, which the Issuer believes to be the case. A U.S. Holder will be eligible for this reduced rate only if, among other things, it has held the Capital Securities for more than 60 days during the 121-day period beginning 60 days before the ex-dividend date.

Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to dividends on the Capital Securities.

Sale, Redemption or other Disposition

Upon a sale, redemption or other disposition of Capital Securities, a U.S. Holder generally will recognize capital gain or loss for U.S. federal income tax purposes (provided, in the case of a redemption, that the U.S. Holder does not own, and is not deemed to own, any of the Issuer's voting securities) equal to the difference,

if any, between the amount realized on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Capital Securities. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Capital Securities exceeds one year. However, regardless of a U.S. Holder's actual holding period, any loss may be long-term capital loss to the extent a non-corporate U.S. Holder receives a dividend that qualifies for the reduced rate described above under "Distributions on Capital Securities", and exceeds 5% of the U.S. Holder's basis in its Capital Securities. Any gain or loss will generally be U.S. source.

Passive Foreign Investment Company Considerations

A foreign corporation will be a PFIC in any taxable year in which, after taking into account the income and assets of the corporation and certain entities in which it owns equity interests pursuant to applicable "look-through rules," either (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of the average value of its assets is attributable to assets which produce passive income or are held for the production of passive income. The Issuer does not believe that it should be treated as, and does not expect to become, a PFIC. Although interest income is generally passive income, a special rule allows banks to treat their banking business income as non-passive. To qualify for this rule, a bank must satisfy certain requirements regarding its licensing and activities. The Issuer believes that it currently meets these requirements. The Issuer's possible status as a PFIC must be determined annually, however, and may be subject to change if the Issuer fails to qualify under this special rule for any year in which a U.S. Holder holds Capital Securities. If the Issuer were to be treated as a PFIC in any year, U.S. Holders of Capital Securities would be required (i) to pay a special U.S. addition to tax on certain distributions and gains on sale and (ii) to pay tax on any gain from the sale of Capital Securities at ordinary income (rather than capital gains) rates in addition to paying the special addition to tax on this gain. Additionally, dividends paid by the Issuer would not be eligible for the special reduced rate of tax described above under "Distributions on Capital Securities". Holders should consult their tax advisers regarding the potential application of the PFIC regime.

Backup Withholding and Information Reporting

Distributions and other proceeds with respect to Capital Securities, by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders (including, among others, corporations) are not subject to information reporting and backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from information reporting and backup withholding and the procedure for obtaining an exemption.

Taxation in the Netherlands

The following is intended as general information only and it does not purport to present any comprehensive or complete description of all aspects of Dutch tax law which could be of relevance to a holder of New Capital Securities. Prospective holders of a New Capital Security ("Security Holder") should therefore consult their tax adviser regarding the tax consequences of any purchase, ownership or disposal of New Capital Securities.

The following summary is based on Dutch tax law as applied and interpreted by Dutch tax courts and as published and in effect on the date hereof, without prejudice to any amendments introduced at a later date and implemented with or without retroactive effect.

Withholding Tax

All payments made under the New Capital Securities may be made free from withholding or deduction of or for any taxes of whatever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

Taxes on income and capital gains

(a) Residents of the Netherlands

The description of certain Dutch tax consequences in this paragraph is only intended for the following Security Holders:

(i) individuals who are resident or deemed to be resident in the Netherlands;

(ii) individuals who opt to be treated as if resident in the Netherlands for purposes of Dutch taxation ((i) and (ii) jointly "Dutch Individuals"); and

(iii) entities that are subject to the Dutch Corporate Tax Act 1969 ("CITA") and are resident or deemed to be resident of the Netherlands for the purposes of the CITA, excluding:

- pension funds *(pensioenfondsen)* and other entities, that are in full or in part exempt from Dutch corporate tax; and
- Investment institutions *(beleggingsinstellingen)*; ("Dutch Corporate Entities").

Dutch Individuals not engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Generally, a Dutch Individual who holds New Capital Securities that are not attributable to an enterprise from which he derives profits as an entrepreneur (*ondernemer*) or pursuant to a co-entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, or not attributable to miscellaneous activities *(resultaat uit overige werkzaamheden)*, will be subject annually to an income tax imposed on a fictitious yield on such New Capital Securities. The New Capital Securities held by such Dutch Individual will be taxed under the regime for savings and investments (*inkomen uit sparen en beleggen*). Irrespective of the actual income or capital gains realized, the annual taxable benefit of all the assets and liabilities of a Dutch Individual that are taxed under this regime, including the New Capital Securities, is set at a fixed amount. The fixed amount equals 4% of the average net fair market value of these assets and liabilities measured, in general, at the beginning and end of every calendar year. The current tax rate under the regime for savings and investments is a flat rate of 30%.

Dutch Individuals engaged or deemed to be engaged in an enterprise or in miscellaneous activities

Dutch Individuals are generally subject to income tax at progressive rates with a maximum of 52% with respect to any benefits derived or deemed to be derived from New Capital Securities (including any capital gains realized on the disposal thereof) that are either attributable to an enterprise from which a Dutch Individual derives profits, whether as an entrepreneur or pursuant to a co-entitlement to the equity of such enterprise (other than as an entrepreneur or a shareholder), or attributable to miscellaneous activities (*resultaat uit overige werkzaamheden*) including, without limitation, activities which are beyond the scope of active portfolio investment.

Dutch Corporate Entities

Dutch Corporate Entities are generally subject to corporate tax at statutory rates up to 25.5 percent with respect to any benefits derived or deemed to be derived (including any capital gains realized on the disposal thereof) from New Capital Securities.

(b) *Non-residents of the Netherlands*

A Security Holder other than a Dutch Individual or Dutch Corporate Entity will not be subject to any Dutch taxes on income or capital gains in respect of the ownership and disposal of the New Capital Securities, except if:

(i) the Security Holder derives profits from an enterprise, whether as entrepreneur or pursuant to a co entitlement to the equity of such enterprise other than as an entrepreneur or a shareholder, which enterprise is, in whole or in part, carried on through a permanent establishment (*vaste inrichting*) or a permanent representative (*vaste vertegenwoordiger*) in the Netherlands, to which the New Capital Securities are attributable; or

(ii) the Security Holder is an individual and derives benefits from miscellaneous activities (*resultaat uit overige werkzaamheden*) performed in the Netherlands in respect of New Capital Securities, including, without limitation, activities which are beyond the scope of active portfolio investment; or

(iii) the Security Holder is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the New Capital Securities are attributable.

Gift tax or inheritance tax

A person who acquires New Capital Securities as a gift, in form or in substance, or who acquires or is deemed to acquire New Capital Securities on the death of an individual will not be subject to Dutch gift tax or to Dutch inheritance tax, as the case may be, unless:

(a) the Security Holder is resident, or is deemed to be resident, in the Netherlands; or

(b) at the time of the gift or death of the Security Holder, his New Capital Securities are attributable to an enterprise (or an interest in an enterprise) which is, in whole or in part, carried on through a permanent establishment or permanent representative in the Netherlands; or

(c) the Security Holder passes away within 180 days after the date of the gift of the New Capital Securities and is not, or not deemed to be, at the time of the gift, but is, or deemed to be, at the time of his death, resident in the Netherlands; or

(d) the Security Holder is entitled to a share in the profits of an enterprise managed in the Netherlands, other than by way of the holding of securities or through an employment contract, to which the New Capital Securities are attributable.

Other taxes

No other Dutch Taxes, such as turnover tax, or other similar tax or duty (including stamp duty and court fees), are due by a Security Holder by reason only of the issue, acquisition or transfer of the New Capital Securities.

Residency

A Security Holder will not become a resident, or a deemed resident, of the Netherlands for tax purposes, or become subject to Dutch Taxes, by reason only of the Issuer's performance, or the Security Holder's acquisition (by way of issue or transfer to it), holding and/or disposal of the New Capital Securities.

Luxembourg taxation

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Holders and to certain entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Holders and to certain entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Capital Securities.

Luxembourg non-resident individuals

Under the Luxembourg laws dated June 21, 2005 implementing the European Council Directive 2003/48/EC on the taxation of savings income (the "Savings Directive") and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg-based paying agent (within the meaning of the Savings Directive) is required since July 1, 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 or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC). The withholding tax rate is 20% (as from 1 July 2008) increasing to 35% (as from 1 July 2011). 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 third countries.

Luxembourg resident individuals

A 10% withholding tax has been introduced, as from January 1, 2006, on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime). Only interest accrued after July 1, 2005 falls within the scope of the withholding tax. This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

EC Council Directive

Under EU council Directive 2003/48/EC regarding the taxation of savings income Member States are required from July 1, 2005 to provide to the tax authorities of other Member States details of payments of interest and other 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; Belgium did so and will switch to the provision of information as of 2010) to operate a withholding system (20% as of July 1, 2008 and 35% as of July 1, 2011) in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreement relating to information exchange with certain other countries).If 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 Paying Agent or Transfer Agent nor any other person would be obliged to pay additional amounts with respect to any Capital Security as a result of the imposition of such withholding tax. If a withholding tax is imposed on a payment made by a Paying Agent or Transfer Agent, the Issuer will be required to maintain a Paying Agent and a Transfer Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

LEGAL MATTERS

Certain legal matters with respect to the issue and offering of the Capital Securities will be passed on for the Issuer by Linklaters LLP. Certain matters of Netherlands taxation with respect to the issue and offering of the Capital Securities will be passed on for the Issuer by PricewaterhouseCoopers Belastingadviseurs N.V. Certain legal matters with respect to the issue and offering of the Capital Securities will be passed on for the Initial Purchasers by Davis Polk & Wardwell.

PLAN OF DISTRIBUTION

The Issuer has entered into a purchase agreement dated May 29, 2009 (the "Purchase Agreement") with the Initial Purchasers named below pursuant to which, and subject to the terms and conditions set forth therein, the Issuer has agreed to sell to the Initial Purchasers and each Initial Purchaser has severally agreed to purchase, the principal amount of the Additional New Capital Securities.

Initial Purchasers	Principal Amount of Additional New Capital Securities
Banc of America Securities LLC	500,000,000
Credit Suisse Securities (USA) LLC	500,000,000
UBS Securities LLC	500,000,000
Total	$1,500,000,000

The obligations of the Initial Purchasers under the Purchase Agreement, including their agreement to purchase Additional New Capital Securities from the Issuer, are several and not joint. The Purchase Agreement provides that the Initial Purchasers must purchase all the Additional New Capital Securities if they purchase any of the Additional New Capital Securities.

The Initial Purchasers initially propose to offer and sell the Additional New Capital Securities at the price set forth on the cover page of this Prospectus. The Initial Purchasers may offer and sell Additional New Capital Securities through certain of their affiliates.

In the Purchase Agreement, the Issuer has agreed to indemnify each Initial Purchaser, its affiliates, directors, officers, partners, employees, representatives, agents and controlling persons against certain liabilities in connection with this offering and to contribute to payments that the Initial Purchasers may be required to make in respect thereof.

The Additional New Capital Securities are a new issue of securities for which there currently is no market. Certain of the Initial Purchasers have advised the Issuer that following the completion of this offering, they intend to make a market in the Additional New Capital Securities. They are not obligated to do so, however, and any market-making activities with respect to the Additional New Capital Securities may be discontinued at any time at their sole discretion without notice. In addition, such market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act. Accordingly, the Issuer cannot give any assurance as to the development of any market or the liquidity of any market for the Additional New Capital Securities.

In connection with this offering, the Initial Purchasers may engage in over-allotment, stabilizing transactions, syndicate covering transactions and penalty bids. Over-allotment involves sales in excess of the offering size, which creates a short position for the Initial Purchasers. Stabilizing transactions involve bids to purchase the Additional New Capital Securities in the open market for the purpose of pegging, fixing or maintaining the price of the Additional New Capital Securities. Syndicate covering transactions involve purchasers of the Additional New Capital Securities in the open market after the distribution has been completed in order to cover short positions. Penalty bids permit the Initial Purchasers to reclaim a selling concession from a broker/dealer when the Additional New Capital Securities originally sold by such broker/dealer are purchased in a stabilizing or syndicate covering transaction to cover short positions. Any of these activities may prevent a decline in the market price of the Additional New Capital Securities, and may also cause the price of the Additional New Capital Securities to be higher than it would otherwise be in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or

otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time.

The Issuer expects that delivery of the Additional New Capital Securities will be made against payment therefor on or about the Issue Date, which will be the fourth business day following the date of pricing of the Additional New Capital Securities (this settlement cycle being referred to as "T+4"). Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Additional New Capital Securities on the date of this Prospectus or the next succeeding business day will be required, by virtue of the fact that the Additional New Capital Securities initially will settle in T+4, to specify any alternate settlement cycle at the time of any such trade to prevent a failed settlement. Purchasers of the Additional New Capital Securities who wish to make such trades should consult their own advisor.

Certain of the Initial Purchasers and their affiliates have performed certain investment and commercial banking or financial advisory services for the Issuer and its affiliates from time to time, for which they have received customary fees and commissions, and they may provide these services to the Issuer and its affiliates in the future, for which they may receive customary fees and commissions.

Selling Restrictions

United States

The Capital Securities have not been and will not be registered under the Securities Act, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer or sell the Additional New Capital Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Additional New Capital Securities (other than a sale pursuant to Rule 144A) during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Additional New Capital Securities within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. See "Transfer Restrictions".

Until the expiration of forty days after the commencement of the offering of the Additional New Capital Securities, any offer or sale of Additional New Capital Securities within the United States by a broker-dealer may violate the registration requirements of the Securities Act, unless such offer or sale is made pursuant to Rule 144A or another available exemption from the registration requirements thereof.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Member State"), each Initial Purchaser has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Member State (the "Relevant Implementation Date"), it has not made and will not make an offer of the Additional New Capital Securities to the public in that Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Additional New Capital Securities to the public in that Member State:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) 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 million and (3) an annual net turnover of more than €50 million, as shown in its last annual or consolidated accounts;

(c) 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 Initial Purchasers; or

(d) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Additional New Capital Securities shall require the Issuer to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of Additional New Capital Securities to the public" in relation to any offered Additional New Capital Securities in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Additional New Capital Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Additional New Capital Securities, 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 Member State.

United Kingdom

Each Initial Purchaser has represented and agreed that:

(a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell the Additional New Capital Securities other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Additional New Capital Securities would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act ("FSMA") by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Additional New Capital Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Additional New Capital Securities in, from or otherwise involving the United Kingdom.

Italy

The offering of the Additional New Capital Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("CONSOB") pursuant to Italian securities legislation and, accordingly, each Initial Purchaser has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Additional New Capital Securities or any copy of this Prospectus or any other offer document in the Republic of Italy ("Italy") except:

(a) to qualified investors (*investitori qualificati*), pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the "Consolidated Financial Services Act") and the implementing CONSOB regulation and Article 2(1)(e)of the Prospectus Directive; or

(b) in any other circumstances where an express exemption from compliance with the exemptions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act or Article 33 of CONSOB Regulation No. 11971 of 14 May 1999, as amended.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Additional New Capital Securities or distribution of copies of this Prospectus or any other document relating to the Additional New Capital Securities in Italy under (a) or (b) above must be: (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the "Banking Act"), CONSOB Regulation No. 16190 of 29 October 2007, all as amended; (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and (iii) in compliance with any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, *inter alia*, by CONSOB or the Bank of Italy.

Article 100-*bis* of the Consolidated Financial Services Act affects the transferability of the Additional New Capital Securities in Italy to the extent that any placing of the Additional New Capital Securities is made solely with qualified investors and such Additional New Capital Securities are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if has not been published a prospectus compliant with the Prospectus Directive, purchasers of Additional New Capital Securities who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the Additional New Capital Securities were purchased, unless an exemption provided for under the Consolidated Financial Services Act applies.

This Prospectus and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third-party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this document may rely on it or its contents.

Belgium

The Additional New Capital Securities may not be distributed in Belgium by way of an offer of securities to the public, as defined in Article 3 §1 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on regulated markets (the "Prospectus Law"), save in those circumstances set out in Article 3 §2 of the Prospectus Law.

The offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and the Prospectus or any other offering material relating to the Additional New Capital Securities has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission ("*Commission bancaire, financière et des assurances/Commissie voor het Bank-, Financie- en Assurantiewezen*").

Accordingly, the offering may not be advertised and each of the Initial Purchasers has represented and agreed that it has not offered, sold or resold, transferred or delivered, and will not offer, sell, resell, transfer or deliver, the Additional New Capital Securities and that it has not distributed, and will not distribute, any memorandum, information circular, brochure or any similar documents, directly or indirectly, to any individual or legal entity in Belgium other than:

(a) qualified investors, as defined in Article 10 of the Prospectus Law;

(b) investors required to invest a minimum of €50,000 (per investor and per transaction)

and in any other circumstances set out in Article 3 §2 of the Prospectus Law.

This Prospectus has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offering of Additional New Capital Securities. Accordingly, the information contained herein may not be used for any other purpose nor disclosed to any other person in Belgium.

France

Each of the Initial Purchasers has represented and agreed it has not offered or sold and will not offer or sell, directly or indirectly, any Additional New Capital Securities to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Additional New Capital Securities and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411 – 3 of the French Code *monétaire et financier*.

Hong Kong

Each Initial Purchaser has represented and agreed that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Additional New Capital Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Additional New Capital Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Additional New Capital Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Singapore

Each Initial Purchaser has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Additional New Capital Securities or caused such Additional New Capital Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell such Additional New Capital Securities or cause such Additional New Capital Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Additional New Capital Securities, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

GENERAL INFORMATION

1. Application has been made to the AFM to approve this document as a prospectus for the purposes of Article 5.4 of the Prospectus Directive. Application has also been made for the Capital Securities to be admitted to trading on Euronext Amsterdam by NYSE Euronext, a regulated market of Euronext Amsterdam N.V., subject only to the issue of the Global Capital Security Certificates.

2. The Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue and performance of the Capital Securities. The issue of the Capital Securities was authorised by a resolution of the Executive Board of the Issuer passed on February 17, 2009, and by resolutions of the Supervisory Board passed on March 2, 2009 as confirmed by a Secretary's Certificate to be dated June 4, 2009.

3. There has been no significant change in the financial or trading position of the Issuer or of the Rabobank Group since December 31, 2008 and no material adverse change in the financial position or prospects of the Issuer or of the Rabobank Group since December 31, 2008.

4. There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the period covering the 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Issuer's and/or Rabobank Group's financial position or profitability.

   In addition to information disclosed elsewhere in this Prospectus, during the past three financial years Rabobank Group has made the following main investments:

   (i) In 2006 De Lage Landen acquired 99.6% of the total issued and outstanding share capital of Athlon Holding N.V. The total investment was approximately € 580 million.

   (ii) In January 2007 Rabobank Group acquired two small Indonesian banks, Bank Haga and 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 Indonesian Rupees 3.97 trillion as of December 31, 2005.

   (iii) In December 2006 Rabobank Nederland completed the acquisition of the real estate development and asset management business of ABN AMRO Bouwfonds N.V. Rabobank also acquired Rijnlandse Bank as part of that transaction, but did not acquire the real estate financing activities (BPF). The total investment amounted to € 855 million. The real estate operations of the Rabobank Group operate under the name Rabo Bouwfonds and as of January 1, 2009 under the name Rabo Real Estate Group.

   (iv) On April 30, 2007 Mid-State Bank & Trust became part of the Rabobank Group. Mid-State Bank & Trust was emerged into Rabobank N.A., Rabobank's community banking subsidiary in California. Rabobank acquired all the shares of Mid-State Bank & Trust's shares for a total purchase price of U.S.$ 857 million.

   (v) On February 22, 2007, Robeco acquired a 64% stake in the Swiss-based Sustainability Asset Management (SAM) Group.

   (vi) In April 2007, Rabobank of Nederland acquired HNS Banco from GE Commercial Finance and Ergas Group. Most Rabobank's existing operations in Chile were integrated with HNS Banco, which was renamed Rabobank Chile, and has become the principal Rabobank business entity in Chile.

(vii) At the end of 2006 Rabobank exercised its option to purchase all the shares in Eichbaum Holding Ltd., a holding company owning a majority interest in Bank Sarasin & Co. Ltd. The share purchase was formally closed on April 11, 2007. All the conditions precedent were fulfilled and the necessary decisions and approvals obtained from the relevant authorities. Rabobank now owns 46.06% of the share capital and holds 68.63% of the voting rights, making it the majority shareholder in Bank Sarasin & Co. Ltd. Bank Sarasin retains its operational independence as a leading Swiss private bank and continues to be publicly listed on the Swiss stock exchange, SWX.

(viii) On April 4, 2008 Rabobank received official permission from the Polish Financial Supervision Authority to take a majority position in Bank BGZ. Rabobank acquired a 12.87% holding previously held by the European Bank for Reconstruction and Development. As a result of this acquisition Rabobank now has a majority holding of 59.35% in Bank BGZ. Rabobank first acquired a 35.4% holding in Bank BGZ in 2004 and increased its holding to 46.48% mainly by conversion of convertible bonds into shares.

5. The Capital Securities have been accepted for clearance through the Euroclear and Clearstream, Luxembourg and DTC systems (which are the entities in charge of keeping the records). The International Securities Identification Number (ISIN) and Common Code for the Regulation S Capital Securities is XS0431744282 and 043174428. The ISIN, Common Code and CUSIP for the Rule 144A Capital Securities is US749770AQ67, 043198416 and 749770AQ6.

   The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg, Duchy of Luxembourg, and the address of DTC is 55 Water Street, New York, NY 10041, United States.

6. There are no material contracts entered into in the ordinary course of the Issuer's business, which could result in any member of the Rabobank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to Holders in respect of the Capital Securities being issued.

7. Where information in this Prospectus (including where such information has been incorporated by reference) has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

8. For so long as the Capital Securities are listed on Euronext Amsterdam, copies (and English translations where the documents in question are not in English) of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection, free of charge, at the offices of the Fiscal Agent:

   (a) the Fiscal Agency Agreement (which includes the forms of the Global Capital Security Certificates and the definitive Capital Security Certificates);

   (b) the Articles of Association of the Issuer;

   (c) the audited and consolidated financial statements of the Issuer and the Rabobank Group for the three financial years ended December 31, 2008; and

   (d) a copy of this Prospectus.

9. Ernst & Young Accountants LLP, of which the "Registeraccountants" are members of the Royal Netherlands Institute of Registeraccountants, has audited, and issued unqualified audit reports on, the

financial statements of the Issuer for the years ended December 31, 2006, 2007 and 2008. Ernst & Young Accountants LLP has given its consent to the inclusion in this Prospectus of its audit reports for the years ended December 31, 2006, 2007 and 2008, each as incorporated by reference herein in the form and context in which they appear. Ernst & Young Accountants LLP has no interest in the Issuer. The address of Ernst & Young Accountants LLP is as follows: Ernst & Young Accountants LLP, Euclideslaan 1, 3584 BL Utrecht, The Netherlands.

10. The yield of the Capital Securities in respect of the Fixed Rate Interest Period is 11.0% semi-annually calculated on the basis of the re-offer price of the Capital Securities as at the date of this Prospectus. It is not an indication of future yield.

11. The expenses in connection with the admission of the Capital Securities to trading on Euronext Amsterdam are expected to amount to approximately €7,500.

12. The latest published financial information is dated at December 31, 2008.

13. No interim financial information in respect of the Issuer is available subsequent to December 31, 2008. There has been no significant change in the financial or trading position of the Issuer or of the Rabobank Group, and there has been no material adverse change in the financial position or prospects of the Issuer or of the Rabobank Group, since December 31, 2008.

Principal Office of the Issuer

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
(Rabobank Nederland)
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3521 CB Utrecht
The Netherlands

Joint Book-Running Managers

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Bank of America Tower
One Bryant Park
New York, New York 10036
United States

Credit Suisse Securities (USA) LLC
11 Madison Avenue
New York, New York 10010
United States

UBS Securities LLC
677 Washington Boulevard
Stamford, Connecticut 06901
United States

Auditors of the Issuer

Ernst & Young Accountants LLP
Euclideslaan 1
3584 BL Utrecht
The Netherlands

Fiscal Agent, Principal Paying and Transfer Agent

Deutsche Bank AG, London Branch
Winchester House
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United Kingdom

Registrar, Paying Agent and Transfer Agent

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Luxembourg

Registrar, Transfer Agent and Paying Agent

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New York, NY 10005
United States

Paying Agent and Euronext Listing Agent

Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A.
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Legal Advisers

To the Issuer
as to Dutch law

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To the Issuer
as to U.S. law

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To the Joint Book-Running Managers
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Davis Polk & Wardwell
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United Kingdom

To the Issuer
as to Dutch tax law

PricewaterhouseCoopers Belastingadviseurs N.V.
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P.O. Box 22735
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